

As Kunzler & Co. Celebrates 110th Anniversary, Old World Values, Product Innovations Create Continued Pathway Towards Success

When Christian Kunzler, a German immigrant, invested his life savings of \$700 and began making sausages in a plant in Lancaster, PA, he insisted on using only the highest quality ingredients in his meat products.

While the industry has changed dramatically over the past 110 years and Kunzler & Co. has grown to become one of the largest regional meat packers in the country producing more than 500 items, those lofty standards remain.

Now led by fourth generation president and CEO Chris Kunzler III, the meat processing firm has grown steadily over the past decade by adding new products to its line and by strengthening its share in its core Mid-Atlantic marketing area.

Chris and his brother John, who is vice president of operations for the company, have experienced the ebb and flow over the past 30 years of the volatile meat business. Through the teaching and guidance of their great grandfather, grandfather and father, they have been able to achieve growth in the industry by using the experience and expertise of the previous generations of this family-owned business.

"The foundation of our company has always been solid," said Kunzler, who joined the business on a full-time basis in 1977, the same year that the chicken hot dog was first produced on a continuous oven. "However, consumer habits have been evolving rapidly in recent years and we were challenged to change along with that trend."

He added those challenges included developing new flavor profiles and creating products and packaging that prioritized the need for convenience.

"We all recognized that the consumer has become increasingly time-starved," noted Jim Wherley, Kunzler's director of retail and private label sales. "Our challenge was developing items that were distinctly different in taste and did not take long to prepare."

One such example is the company's new PretzelDog. Unlike the majority of its items, Kunzler's PretzelDog is frozen, providing the company with a new destination in the store and an opportunity to expand its reach outside the Mid-Atlantic. As for the item itself, it contains a deli-style all beef hot dog wrapped in fresh pretzel dough. It takes about two minutes to prepare.

And even within its core hot dog line, Kunzler is adding a few twists both with flavor enhancements and new packaging.



Chris Kunzler III, seated, joins his management team (l to r): Tim Vance, Jim Wherley and John Kunzler as the company celebrates its 110th anniversary.



"Most of our hot dogs come in resealable packages and since hot dogs remain the staple of our product line, we wanted to develop new items that played off our strength," said Tim Vance, director of marketing.

That seedling of an idea eventually resulted in the development of Kunzler's Tailgate Franks, which are all bun length and come in three varieties - Beef Deli Dog (with prime rib seasoning), Chargrill (with enhanced "grill" flavor) and Jalapeno & Cheddar.

Additionally last year, Kunzler developed its "So Tender" Dinner Ham, a uniform three pound ham that utilizes a unique baking and curing process that has no rind.

"Again, we were driven by the value and convenience needs of the consumer today," said Kunzler. "Our three pound ham took a lot of testing to perfect, but we now have what we believe is a unique product in the category that can serve five or six people at under \$10."

Chris Kunzler knows that product inno-

vation is crucial to the company's success, especially since much of his competition is national in nature with deeper pockets and greater margin for error.

However, he believes that there are also significant advantages to operating a regional firm.

"We are flexible and nimble and can react to market situations more quickly. And we have a workforce here that is talented and stable. Our turnover is minimal - we have people working in our plants (Kunzler operates two manufacturing facilities) that were here when I first started 34 years ago and are still here today," Kunzler asserted.

"Having worked for many companies in my career, the entrepreneurial spirit is very much alive at Kunzler. We have a good team here and I believe the freedom that Chris allows us makes us more focused and productive," Tim Vance noted.

Jim Wherley, another industry veteran with more than 20 years in the food business,

added that the lack of micromanaging at Kunzler enhances the company's chemistry and helps spawn new ideas.

Chris Kunzler echoed those statements by noting that he believes that an interactive culture is the best way to attract and develop people and ideas.

"You should never be afraid to listen or to be heard," he offered.

It's been a challenging year for all suppliers that deal in commodities and for Kunzler & Co. the explosion of raw materials costs has

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made the company more cautious on how it spends its promotional and marketing dollars.

"At the end of the day you have to be fair both to yourself and the retailers that you serve. Inflation in commodity costs has been a huge factor since the beginning of 2012 and we have tried to be sensitive to price increases and other factors where we can't fully control the cost of our products," Kunzler stated.

Still, he recognizes that much of this is cyclical and virtually all manufacturers across the board have been dealt the same hand.

"There are always going to be bumps along the roads," he declared. "I am optimistic about our future because I believe we have some new opportunities to pursue."

Those include marketing to new retail channels, becoming more proactive in social media, expanding the company's geographical footprint and potential new acquisitions.

"We're well positioned for the future, Chris Kunzler said, "This is a tough business, but we've survived for 110 years by developing and offering great products and having wonderful people to produce and sell them. I'm very energized about our business going forward."