



Up to the task

Our sixth annual Supplier Pacesetter Awards program honors 10 companies for excelling in critical areas of performance.

Suppliers that exceed retailer expectations deserve recognition for their hard work. That is why we ask retailers each year to nominate the store brand suppliers that they believe are the best in 10 different achievement categories — based on performance over the past year. We then perform our own research to determine the suppliers that truly deserve recognition. Read on to learn more about the suppliers that came out on top in this year's Supplier Pacesetter's Awards program.

ACHIEVEMENT CATEGORY

Partnership Relationship with Retailers

WINNER: CLEMENT PAPPAS & CO. INC.

According to Mark McNeil, president and CEO of Carneys Point, N.J.-based Clement Pappas & Co. Inc., one decade can make all the difference in retailer relationships. Ten years ago, 90 percent of Clement Pappas' product development was national brand equivalent, and 10 percent was pure innovation. However, in both 2014 and in 2015, those numbers completely reversed. The company is projecting it will launch more than 300 unique formulas into the marketplace through its retailer own-brand partnerships in the next two years.

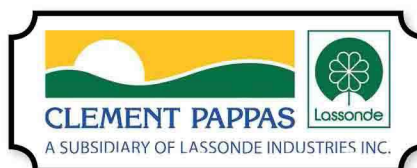
"This is a significant shift and represents the fact that our retail partners are looking for private label suppliers like Clement Pappas to bring them new, unique category-changing ideas," McNeil says.

Better-for-you products, in particular, seem to be resonating with Clement Pappas' clients. Such products include reduced-calorie, all-natural and organic options. As the company looks to 2016, it's planning on its better-for-you products to represent more than one-third of its overall portfolio, McNeil states.

"Now that we are part of the Lassonde group, our immediate access to world-class R&D resources and consumer insights will significantly enhance our ability to penetrate these key health seg-

ments," McNeil adds. "Consumers should not have to sacrifice health when it comes to a value proposition. We are very excited about entering the value space with a better-for-you angle."

But Clement Pappas isn't happy with just creating new products. Creating true partnerships with its retailer clients is important to the company as well. To strengthen its relationships with its retailer partners, last year Clement Pappas launched its own



Net Promoter Score Survey to its top 50 customers, McNeil says. The survey asked the retailers to score the company

on key attributes such as "Understanding Beverage Trends," "Channel Expertise," "Value-Added Services," "Innovation" and "Fast and Flexible Response Time."

Clement Pappas' strategies seem to be resonating with its retail partners. The company scored high marks on many of its pillars; however, it found that there was still work to be done in areas such as communication, category solutions and driving true incremental sales in the category. To enhance its retailer relationships, the supplier is committed to improving in these areas.

This award "is the dream award for a supplier like Clement Pappas," McNeil states. "That means we have been successful at doing two fundamental things: understanding our retailers' business objectives and understanding what their consumers are looking for in the category. This award clearly shows that our customers view us as a valued partner. To all of them, I say a sincere 'thank you!'"



ACHIEVEMENT CATEGORY

Responsible Ingredient or Raw Material Sourcing

WINNER: MAYORGA ORGANICS

On its website, Miami-based Mayorga Organics says its purpose is to eliminate systemic poverty in rural Latin America through the responsible trade of artisanal organic foods. To accomplish its purpose, the company is dedicated to creating a sustainable business model that “puts farmers first” and creates healthy farming communities. For example, the company has a full-time staff in Latin America that travels to each of its farmers to nurture relationships and support their endeavors. It pays the farmers more than fair trade prices and treats them as equals who are vital to its supply chain. It also supports community needs and participates in projects such as fixing school roofs, donating school supplies and building soccer fields and schools, among others.

For 17 years, coffee has been the main product Mayorga Organics has supplied to retailers, and the company sees coffee as the means through which it can help some of the most overlooked impoverished communities in Latin America, says Martin Mayorga, president, Mayorga Organics.

“We work directly with small farmers to ensure that they are earning the most they can for quality coffee, and we are doing what we can to create a truly sustainable livelihood for them,” he adds.

In recent years, the company has diversified to offer organic chia as well. The diversification came after Mayorga’s farmers in Nicaragua, Honduras, El Salvador, Guatemala and Costa Rica told the company about a fungus called Roya that was wreaking havoc on coffee farms. To help its farmers recoup lost profits, Mayorga Organics says it worked with agronomists to find an ideal crop for farmers to grow in tandem with their coffee crops instead of the typical low-value corn and bean crops. Chia turned



out to be the solution.

While farmers were required to put in a little more time and effort initially with the chia crops,

the return on investment was up to 10 times higher than it would be with corn or beans, the company notes. Farmers could then use that extra income to reinvest in their farm and community, contributing to their overall economic growth.

“It is very fulfilling to be recognized for responsible sourcing as it is the core of why we started Mayorga and why we work so hard to grow the business,” Mayorga said. “We know that what we do is unique and very relevant. It’s very nice when it is recognized by others.”

ACHIEVEMENT CATEGORY

Social Responsibility

WINNER: MUSCO FAMILY OLIVE CO.

More often than not, retailers and suppliers are more concerned with food safety than with ethical sourcing. However, Musco Family Olive Co., Tracy, Calif., is very attentive to both. When the Safe Quality Food Institute (SQFI) announced a new and more rigorous Ethical Sourcing Standard in March, Musco Family Olive Co. became the first company to be certified compliant. The company says it received its certification in September, after six months of intense work to upgrade its management systems, including web support, accounting, purchasing and production.

“Sustainability is in our DNA,” says Felix Musco, third-generation owner and CEO of Musco Family Olive Co. “We believe it is integral to our success and an ethical imperative for how we do business.”

Certification to the standard ensures that the products Musco Family Olive sources are processed in safe facilities by workers who are treated well and paid fair wages to work legal hours, the company says. And it ensures that the supplier is respecting the environment during

the production and manufacture of the products. To obtain this certification, a food supplier must meet strict audit standards that address a number of key social and environmental issues, including hiring and employment practices, wage compliance, occupational health and safety, pollution prevention, air emissions, land use and waste management — not only at its facility, but also in its supply chain. As part of the Ethical Sourcing Module, Musco



Family Olive evaluates every company with which it does business to see how they interact with their employees and the environment around them.

Consumers are demanding high ethical standards for the way their food is grown,

harvested and produced, Musco Family Olive said. Large retailers are listening to these consumers and beginning to base their purchasing decisions on not only the quality and safety of the food, but also sourcing practices and environmental stewardship. This SQFI certification demonstrates to Musco Family Olive’s buyers that it is the right partner with which to do business.

“We are very proud of this recognition [by Store Brands], and it further validates our commitments to ethical sourcing and sustainable practices,” Musco says.



ACHIEVEMENT CATEGORY

Manufacturing Facility Expansion or Retrofit

WINNER: SIMMONS PET FOOD INC.

Simmons Pet Food Inc., Siloam Springs, Ark., loves to say “Yes!” to client requests, says Leslie MacNeil, senior account manager for the company. So when it began having frequent conversations with its retail partners to understand how it could match its clients’ needs and the needs of their shoppers, the company quickly sprang into action.

The conversations indicated that Simmons Pet Food would need greater capacity and new technology to enable it to offer meat inclusions and new packaging formats to retailers. To meet these needs, it commissioned a new dry pet food production line at its Decatur, Ark., facility, the company said.

The conversations also made it clear that the company

would need to expand its wet food production. In the pet food marketplace, products that fit with the dynamic health and wellness trend are popular. By adding a wet pet food production line to its Emporia, Kan., facility, Simmons Pet Food not only will be able to serve that market, but also will be positioned for growth during the next five years, the company said. Additionally, it upgraded its cup production line — a fast-growing packaging format — to offer both



added capacity and efficiency.

To be recognized for the company’s investments is humbling, said

David Jackson, president and COO, Simmons Pet Food.

“As a privately owned company, we pride ourselves on being able to invest in our business quickly and in a way that supports what consumers want and what our customers need,” he adds. “This award is an honor and a signal that we’re on the right path.”

ACHIEVEMENT CATEGORY

Packaging Innovation

WINNER: B.O.V. SOLUTIONS

Hernando, Fla.-based B.O.V. Solutions knows a thing or two about packaging innovation. It was the first company to develop a cold-brewed liquid coffee bean extract using bag-on-valve (BOV) technology. To make a cup of coffee, consumers add the liquid coffee bean extract to hot or cold water or milk. The coffee bean extract offers consumers a shelf life of three years without refrigeration or preservatives, the company says.

“The idea to preserve coffee in a BOV [system] first



came to us some 20 years ago when we were testing products we wanted to preserve,” says Paul Hertensen, CEO of B.O.V. Solutions. “Coffee was one of the products we had great interest in because it was one item no one could preserve. Coffee goes bad very fast; within weeks, it is no longer considered good enough to be called coffee.”

Although the idea was there, the coffee technology was not; B.O.V. Solutions was able to finally package coffee in a BOV system three years ago and has multiple patents of the technology pending around the world. The BOV system uses a four-layer laminated pouch and an aerosol valve to prevent both light and air from reaching the cold-brewed coffee bean extract, ensuring the last cup of coffee tastes just as fresh as the first cup. As an added bonus, the product packaging is 100 percent recyclable.

B.O.V. Solutions said it currently sells the coffee bean extract in 10-fluid-ounce packages, which can make up to 40 cups of coffee, depending on the consumer’s strength preference. The package’s smaller size means it can easily be packed into a lunchbox or thrown into a purse.

“Winning this award is really a very big deal for B.O.V. Solutions,” Hertensen adds. “B.O.V. Solutions has set the standards for and developed many product ideas for BOVs. For B.O.V. Solutions to be recognized among its peers as a pacesetter reinforces our beliefs we are going in the right direction and doing a lot of the right things.”

ACHIEVEMENT CATEGORY

Quality Assurance/Quality Control

WINNER: UL

Consumer trust in any product — store brand or national brand — is one of the hardest things to acquire and one of the easiest things to lose.

Unfortunately, a consumer shift has occurred in recent years from trust to distrust of the dietary supplement industry. Reports of adverse reactions, supplier failure to follow FDA-mandated good manufacturing practices and questions about ingredient quality are eroding consumer and government confidence in the dietary supplement industry, says Michael O’Hara, general manager, global nutraceuticals, UL.



To help retailers that are working hard to maintain consumer trust in their store brand vitamin and supplement products, Northbrook, Ill.-based UL introduced a new verification program for dietary supplements in April. The program is part of UL ClearView, a proprietary online web application developed for the dietary supplement industry that provides quality assurance testing, audit and regulatory data to help retailers and their vendors manage complex supply chains and differentiate their products, the company says.

Those who participate in the verification program and qualify may use UL's new Verified Mark on their products, packaging and promotional items. The UL Verified Mark demonstrates to consumers that the brand owner is taking steps to become an industry leader by allowing its products to be evaluated against UL's highest standards for quality and integrity. The UL Verified Mark also confirms that the ingredients listed on the label are in the product, UL says.

Ultimately, when retailers and brand marketers can commit to transparency and quality, it fortifies the foundation of consumer confidence in the safety and efficacy of dietary supplements, O'Hara stated.

"We are honored to be considered for this award and are very thankful to win it," he adds. "This honor demonstrates that our new programs are on target and can help the industry improve its overall perception with consumers."

ACHIEVEMENT CATEGORY

Logistics/Supply Chain Optimization

WINNER: **CHEP**

This summer, CHEP, a global supplier of supply chain management solutions with U.S. offices in Atlanta and Orlando, Fla., launched a series of high-value-added services to help companies in the consumer goods manufacturing, fresh food, grocery and retail industries optimize their supply chains and support the development of corporate social responsibility programs. Collectively, the services are known as the CHEP Solutions Portfolio.



The services in the CHEP Solutions Portfolio address specific

challenges now facing the extended retail-industry supply chain, including product damage, failed unit loads and empty trailer miles, among others. CHEP says it captured its learnings and formalized its expertise into solutions that encompass enterprise logistics, supply chain platforms, transportation, international trade, manufacturing, warehousing, harvesting, processing, distribution and store fulfillment, sustainability and supplier diversity.

CHEP partners are already seeing the benefits of these



services, says Todd Hoff, vice president of marketing for CHEP North America. For example, one major retailer recently collaborated closely with CHEP to apply the new transportation solution and is projected to fill almost 1 million empty trailer miles in 2015, generating \$2.5 million in incremental revenue. And three major grocery retailers using the unit load optimization solution reduced damage at their distribution centers, saving about \$300,000 each throughout their supply chains.

"The CHEP team is always grateful to be recognized by outstanding organizations like *Store Brands*, but we share the credit with our customers," Hoff said. "They have pushed us to use our experience and expertise to innovatively solve industry challenges like empty trailer miles and packaging waste."

ACHIEVEMENT CATEGORY

Merchandising and/or Marketing Support for Store Brand Products

WINNER: **GOLD MEDAL BAKERY**

Fall River, Mass.-based Gold Medal Bakery began in the basement of Auguste LeComte's home with a single oven in 1912. Since then, it has grown to occupy a 400,000-square-foot plant with corporate sales offices, packaging, shipping and transportation departments, as well as production lines. As it has grown, Gold Medal has expanded

its production to include private labeling. One way Gold Medal has made a significant impact on the private label industry is through its merchandising support for store brand products.

For the Memorial Day and Fourth of July holiday weekends, Gold Medal says it designed, developed and distributed own-brand bakery roll pallets to its retailer clients. The company developed the pallets to give itself and its clients added flexibility, as well as a new vehicle to sell more bakery rolls during the company's busiest weekends.



The company says it dropped the pallets off in a high-traffic location within the stores. Each pallet was designed to be easy to move around and

easy to shop and gave the company an opportunity to cross-merchandise along the perimeter of the store. The next version of the pallets will include open sides on the corrugated trays and will contain printing with the appropriate holiday theme.

Thanks to the bakery roll pallets, Gold Medal Bakery was able to run efficiently and remained one of the few bakeries that was able to keep retailers in stock with own-brand bakery rolls throughout the holiday weekends, the company said. And those two holiday weekends ended up being two of the most successful in its history.

"We are honored [to receive this award]," said Brittney Ross, account manager, Gold Medal Bakery. "As a family-owned and -operated supplier, we are dedicated to private label growth using innovation to carry our customers and our company into the future."

ACHIEVEMENT CATEGORY

Environmentally Responsible Manufacturing Practices

WINNER: **PRATT DISPLAY**

While many suppliers are concerned about the environment and how their manufacturing practices affect it, Pratt Display, a division of Conyers, Ga.-based Pratt Industries, really stands out for its commitment to the planet. For example, it uses a 100-percent-recycled-content linerboard and medium to produce its displays. To quantify the recycled content of a display, it uses a scorecard that calculates the percentage of recycled content based on materials used and run size. The tool also calculates environmental benefits such as the number of trees and gallons of water saved by using recycled versus virgin material. Additionally, Pratt Display's designers are trained to look for board-use efficiencies with every design and are tasked with creating the ideal pallet configuration to maximize truck space during shipment, the company said.

Pratt Display's environmental approach resonated with one retailer, in particular, that partnered with the company in a closed-loop program. Pratt's recycling division picks up all of the fiber-based materials from the retailer's stores, takes them to its mill, breaks them down into fiber and converts the fiber into a 100 percent recycled-content medium



and liner. It then uses the liner to manufacture the retailer's private label-related in-store displays.

"Sustainability has always been the cornerstone of our culture," says Dave Connors, vice president of sales and marketing, Pratt Display. "Pratt Industries was built on the principle of environmental stewardship, to protect and nurture the planet's natural resources while reducing our environmental impact."

And the company has been very successful here. In the last six years, Pratt Industries doubled its U.S. revenue, added 19 new facilities, and grew its workforce to more than 5,200 employees.

"Some companies do the green thing; other companies do the profitable thing," Connors said. "To us, they're the same thing."

ACHIEVEMENT CATEGORY

R&D/Concept Development/
Product Innovation

WINNER: **BAY VALLEY FOODS**

In the past year, Bay Valley Foods, Platteville, Wis., introduced a number of innovative new products for retailers to use in their store brand programs. For example, in February, the company launched single-serve shelf-stable hot cereal cups, in both standard and organic versions, in flavors such as Peach Almond, Blueberry Flax, Cinnamon Chai and Hazelnut Cappuccino. In April, it debuted a line of stevia-and-cane-sugar-sweetened drink mixes, free from artificial colors, flavors and sweeteners, in flavors such as Strawberry Rhubarb and Blackberry Plum. And in July, it introduced a line of ice cream float mixes that can be brewed in single-serve beverage machines in flavors such as Orange Dreamsicle, Cherry Cola and Salted Caramel.

It should come as no surprise, therefore, that Bay Valley Foods is this year's Supplier Pacesetter honoree in the R&D/Concept Development/Product Innovation category.

To excel in both concept development and product innovation, Bay Valley Foods said it roots itself in consumer benefit platforms and takes pride in its ability to rapidly assess and create solutions for emerging consumer trends. The company also works with its retailer clients and with new product technologies to develop solutions that fit its customers' strategies.

"Building transparent relationships to activate against retailer goals, while working to tailor our solutions to customer-specific shoppers, usually results in a high



degree of success," says Harry Overly, chief customer officer, Bay Valley Foods.

Bay Valley is honored to be recognized for this award, Overly states, because it shows that the company is recognized and appreciated by its customers.

"Also, it reminds us of how far we have come and what we have accomplished," he adds. "We are proud of our growth, and winning this award is a challenge for us to keep pushing to further exceed our customer's needs." **SB**