

Tom Inboden took over a 1,500-square-foot superette in 1975, a family venture that dated back to 1962. The DeKalb, Ill. mini-supermarket was started by his parents, Ocie and Leona Inboden, who opened the enterprise with a cash capital of \$21 and notes and guarantees on inventory and equipment.

The operation was centered on the meat department and the site included three other buildings that were rented to tenants. Essentially, it was a one-door store that fit neatly into the cookie-cutter layouts of most independent IGA and Clover Farm Stores that fed small-town America in the 1960's and early '70s.

Competition in DeKalb, home of Northern Illinois Univ., was tough, with Schnuck's and Jewel stores vying for the food budgets of the 45,000 residents.

Three years ago, Tom and his wife, Ingrid, came to realize that while their business was successful, it wasn't living up to its potential.

"We had all the features of a small supermarket," Tom explains, "but then recognized that our meat department made the money to subsidize all the other departments."

They took their time in going to fancy food and supermarket shows and unearthed the possibility that they could make each department not only self-sufficient – but could transform each into independent profit centers.

### **Taking a bold step**

The Inbodens then took a bold step and began a reconstruction plan that would incorporate all four buildings under one roof, getting rid of the money-paying tenants and transforming the facility into a 9,000-square-foot specialty marketplace.

Renovation was substantial. Floors of the various buildings were at varying levels, load-bearing walls had to be moved while other areas were relocated and re-equipped. But they dove headfirst into their vision.

The final product turned out to be a masterpiece and a prime example of American entrepreneurship.

The cheese department became a gourmet center featuring 170 varieties, all cut by hand and wrapped in the store. Cheese "fly-ins" promoting special shipments became a frequent feature.

The produce section displayed fruits and vegetables on European farm carts and "hand-selected and fresh" became the mantra.

A bakery was added that offered artisan breads, gluten-free baked goods, 15 flavors of cheese cakes, quiches and a trained pastry chef.

Being a college town, the Inbodens sought to obtain the right to sell wine and beer and were granted a special permit from the city. Their wine and beer room would be the only type of its kind within a 60-mile radius.

The wine room included a wine steward, who offered vintages from across the globe and described them in ads and in person with such aplomb that visitors could almost see the grapes being picked. Micro-brewed beers were among the high-end brands that went for \$12 a four-pack. The store even offered gourmet soft drinks exclusively.

The Inbodens realized people are a bit intimidated by the wine selection process and started an after-store hours "Wine 101" course for a nominal fee of \$10. The program featured eight varietals wines and offered attendees specialty hors d'oeuvres and food samples to go with the wines.

Indeed, specialization mushroomed everywhere. Candies that were sold in bulk disappeared and finely boxed European chocolates took the space vacated by Snicker's and Hershey bars.

Chilled and frozen fruits and vegetables from Michigan Growers Coop and bulk dried produce cut that department's losses and older product found a new outlet.

"Apples that were going soft became applesauce. Peppers that were blemished or wrinkled went into our hot and cold deli departments," Tom explained. "Everything we did was thought through with the idea of eliminating waste and offering the highest quality in every department. We wanted to offer aboveaverage quality, but not lose our focus. Everything had to become of value, but not ill-affordable."

### **Enhancing the meat center**

While addressing the bleeding of the other departments and transforming them into money-makers, the Inbodens put even more punch into their alreadyprofitable meat center.

"We became Butcher, Baker, Fresh Greens and Gourmet," Tom continues. "We had sampling programs for all departments except meat because our reputation was so strong there. The meat department offers only Prime and Top Choice beef; our chickens and turkeys are local and many are free-range; and local pork -- we're in one of the top pork-producing counties in the U.S."

Adding a lot of theater to the meatshopping process, the Inbodens went to Vortron Industries and had a special eight-foot, poly-top meat-cutting table built so customers could see their special cuts being trimmed to the silver and wrapped and presented to them. There is a glass separation between the customer and the meat-cutter, but it made the meat-buying experience "up close and personal."

The Inboden's plan for their transition came together like all the bagpipers coming together for the final verse of "Amazing Grace."

Meat sales led the way, with a heavier emphasis on HRI opportunities. The local diners and restaurants featured their products and the Inbodens welcomed the challenge from the encroaching warehouse clubs. Joe, the Inboden's son, runs the meat department, which is licensed under the Illinois Department of Agriculture. The meat operations keeps six trucks scurrying, delivering products to nine counties in the state.

"We offered the 'No Card Buying Club' that gave every customer the opportunity to buy meats and poultry in bulk at the same prices we sold to the restaurants," Tom points out. "If you bought 10 or 20 lbs. of an item, you got a nice price break. I think we were one of the greatest beneficiaries of President Bush's stimulus program. Our customers filled their freezers with our beef and pork bundles."

Inboden's Meats, Ltd., lets customers know on its Web site ([www.meatplace.com](http://www.meatplace.com)) that it has a meat department staff with more than 300 years of combined meat-cutting experience. They have 25 full-time and 25 part-time employees.

"Because our meat department offered the customer any cut the way they wanted it and because our staff was so knowledgeable about what they were selling, customers relied on us as honest and credible sources for what they were buying, not only in meats, but in every other department as well," Tom says. "We feel that we can offer an education on our products in any department so the customer understands what they are buying. The customers go home with that product and they are the expert to the guests they are entertaining."

### **Making sacrifices**

Accomplishing the transformation of Inboden's also took some sacrifice in the general grocery departments. For example, toilet paper is only available in one brand. Laundry detergent also comes in one brand, freeing up valuable shelf space for the expanding list of specialty products.

The reinvented store offers 36 feet of meat case and the hot and cold deli sections serve about 500 meals per day for ready-to-eat take out.

Coupons are also offered on the Web site, which receives about 1,500 hits a week. This online marketing concept started about a year ago as customers are encouraged to go to the Web site to print the coupons. In addition, a weekly newsletter featuring specials in all departments is offered online, and much centers around the meat department and free recipes abound. Crown roasts, roasted wild boar tenderloin, oysters and even spiral cut hams wrapped with bake-in gold foil were recent offerings, and gourmet meat boxes with steaks and other specialty cuts are always there.

The family has learned that communications are essential and used various methods to obtain a list of e-mails for 2,500 of its customers, who receive the weekly newsletter, which can vary from two to 16 pages.

What they learned in the meat department also served them well in the other sections. Butter garlic was a value-added flavor for many chicken portions, but the same flavor profiles are offered in seafood products like scallops or fish.

Last August, the Inbodens moved into catering, which was uncharted territory for the family. Nowadays, weddings and special events for cattlemen's groups, Chambers of Commerce and other area organizations are a growing channel of business that burnishes Inboden's reputation. And just as they have done with their upscale store, their catering department pours on the swagger. Chocolate fountains, pasta stations or quality for the value center-of-the-plate fare menus are offered. Earlier this year, the Inboden's went shopping for new china, a not-so-subtle hint that they are moving even stronger into the catering arena.

### **Looking ahead**

What the future holds may be even more impressive for the Inboden enterprise.

"We've been thinking about two areas for the coming years," Tom reflects. "It's our belief that we've hit on a winner in our model for the store and we may be considering another location for the same model, but perhaps with another 600-square feet for groceries."

In his effervescence, you can almost see Tom's mind racing to consider every possibility for future growing of the family business. His interface with other small processors only lends to his ability to help serve the industry and to create a vessel to learn the ideas of other forward-thinking processors.

He is a past president of the Illinois Association of Meat Processors. Tom is also the treasurer for the American Association of Meat Processors. He's also an active Rotarian.

These affiliations have shown him the value of a fresh set of eyes when it comes to business planning. It's reflected in one of the company's next initiatives. "We are considering setting up a board with outside directors," he says. "While we think we have good expertise in many areas, sometimes we may be too close to it to see a bigger picture or to see ourselves the way someone on the outside sees us."