

Unpacked bulk food store opens its doors



RANDY BORST/staff photographer

Natural Ingredients registered dietician and assistant store manager Nancy Hautamaki decides which products the store will carry, and makes up complimentary recipes for customers.

By M.B. Dillon Ward
staff writer

No nose leaves Natural Ingredients of Farmington Hills without a workout. The "unpacked bulk food store," which recently opened at Orchard Place Center, perks up even the most nonchalant nostrils with the pungent scents of 800 products ranging from arzu beans to yobay wafers.

Stored in rows of Plexiglass bins in the 2,800-square-foot store are bean-baking mixes; coffee beans; flour; dried fruits; grains; jams; nuts; pastas; salad dressings; soup mixes; spices; teas, and dehydrated vegetables. Customers scoop the quantity of their choice into ziplock plastic bags, then label them with a felt-tip pen. They're welcome to help themselves to the printed recipes beneath the bins.

"The whole idea is to bypass all the packaging costs and middlemen by going directly to the blender, grower, miller, roaster and paner (confectioner)," said Steve Levine, Natural Ingredients Inc. vice president, who already is anticipating the establishment of a second store, perhaps on Detroit's east side.

"It's cost effective, because you're offered such a variety and can take the amount of spices or coffee that you need," added Nancy Hautamaki, one of

Natural Ingredients' two staff dietitians.

Hautamaki, who teaches nutrition at OCC, emphasizes that Natural Ingredients isn't a health food store. We don't sell vitamins or appeal to special diets. We're offering the basics for the average homemaker at bulk prices.

What the Natural Ingredients shopper can't buy are refrigerated products.

But because the store sells foods like breads and mixes that require no eggs, "this comes very close to being able to substitute for a regular grocery store," Hautamaki said.

For the chef with few hours available for kitchen confinement, Natural Ingredients offers some time-saving suggestions. Whip milk into a chocolate, lemon, strawberry, or mocha mouse mix, and for 20 cents a serving, you've got a quick dessert. Awaiting

pudding lovers are mixes with pre-added milk, requiring only the addition of water, Hautamaki said.

Though Natural Ingredients is his first such food-retailing venture, opening the store has been like second nature to Levine.

"I grew up in the food business. My dad and uncle had the Fennell and Schaeffer supermarket for 25 years, so that's where I got my basic knowledge," he said.

"They ran it with the same bulk food concept. But as far as I know, there are very few stores today that have a bulk operation like this. There are a couple in Windsor and Toronto, and I've heard rumors about a store in San Diego doing something similar. A store in Chicago has the same philosophy, but I don't think it's on as broad a scale."

BECAUSE FOODS are unpacked, preservatives and additives are largely

unessential ingredients in Natural Ingredients' product line.

"But we do have some things that people don't like — like sugar and salt," Levine said. For folks with a sweet tooth, Levine offers a newly developed sweetener he calls maple syrup granules. Developed with a federal grant by a Vermont company, the granules are a hefty 60 cents an ounce.

The store also sells soups and mixes with monosodium glutamate (MSG), a flavor intensifier restricted in some low-sodium diets.

"Any time you get into a mix or a blend, it's hard to do anything to get them completely free of additives.

Natural Ingredients can be reached at 855-3440. Visit the store at 30925 Orchard Lake Road, and you'll be treated to Tip of the Andes coffee, assafras tea, popcorn or the selected special of the day, on the house.



RANDY BORST/staff photographer

Mary Rihard of Natural Ingredients replenishes the bins of whole wheat alphabets, whole wheat

sesame rice spirals, spinach lasagna and penne rigati.

Couple seeks its fortune with sugar-free confection

By Doug Funke
staff writer

Stephen and Jane Raitt are hoping that an unusual candy product they handle wholesale and which is sold by a network of independent distributors will take them down the sweet path of success.

Actually, the Raitts, West Bloomfield residents, are doing much more than hoping. They're working hard and say their Troy-based wholesale candy business is growing according to expectations as it nears its first birthday, March 1.

The Raitts own First Rate Enterprises, which manufactures Lite-De-Lites, natural low-calorie and sugar-free candy.

"We are on target," Stephen said. "It takes time to penetrate nationally. We've reached the point where we're satisfied with what we have in Michigan. Now we'll turn to other areas."

Two factors — a highly identifiable product much in demand and a growing sales force of independent business people — are the bedrock of First Rate's existence.

Corporate overhead is kept down by wholesaling only to independent distributors, who in turn retail the candy to family, friends, neighbors and others.

THE CANDY isn't sold in stores and isn't available to the general public on a walk-in basis at First Rate's warehouse on Elmwood.

A 30-percent profit margin for distributors is the difference they pay for the candy and the suggested price for subsequent retail sales.

"What we've done is eliminate the normal channels of distribution," Stephen said. "There are no food brokers."

Distributors also earn bonuses for high-volume sales and also for recruiting other distributors.

Sound familiar? "Here we had a product that was unique, not available at retail, which had all the characteristics that will perform well in home-based sales," Stephen recalled. "I said, 'Well Amway it.'"

Amway is another direct-sales corporation. Actually, that the Raitts got into the candy business at all was an accident, they said.

A couple of years ago, Jane was involved in human resources training for the Chrysler Corp. Stephen was in the process of selling his small chain of women's apparel stores and looking for another business opportunity.

JANE FOUND that friends and acquaintances enjoyed a low-cal candy which she had acquired from her mother back East.

Due to the favorable reception, Jane said, she decided to try to sell 300 pounds just to see if there would be a market here.

Things went well. After much study and planning, and after meeting with a manufacturer in New Jersey, who devised another low-cal and sugar-free candy, the Raitts decided to take the big plunge.

"We didn't have a chance (for doubts)," Jane said. "There were times we were working out of our home when we didn't know which room was which.

I don't think we've ever questioned our decision."

"We didn't realize there was a direct-sales man going on when we were thinking about producing a product," Stephen said. "We sort of came in the back door. Usually people who go into business for themselves have a plan, but no product. We had a product, but no plan."

Stephen said he recalled an Amway direct-sales presentation he had heard earlier, investigated further, and decided on a similar track for First Rate.

The Raitts emphasize they have consulted with experts to make sure everything about their business organizational structure is on the up-and-up.

STEPHEN SAID said that "keeping honest" is the major challenge facing First Rate as it grows.

"We had worked diligently with attorneys, and we know we are highly legal, and we have established a computer program to track distributors and pay commissions," he said.

"We tell them (distributors) they can do with it depending on what time they put in it," Jane said. "A lot are going to fail. Others aren't going to do much. That's something we try to make clear from the company."

Two area distributors, Kathy DeRonne of Birmingham and Vivian Seiferheld of West Bloomfield, had nothing but good things to say about the product and their independent businesses.

"I have six kids, and I'm always watching for something I could give them as a treat without hurting their teeth," DeRonne said. "And everyone's always watching their weight."

"I was also looking for a good business opportunity. I heard about it from a friend, which is the way the business is usually shared," she said.

DeRonne sells mostly to people she knows or meets through activities involving her children. "I have contacts in school, church, Boy Scouts and gymnastics," she said. "It's easy to talk to clerks in grocery stores or Hudson's. I kind of move all over."

SEIFERHELD SAID said she first met the Raitts a couple of years ago when their daughters were the only girls on an all-boys soccer team.

"During the summer, I thought I'd like to make extra money. I have three girls, a husband, a home. I don't want a full-time job," Seiferheld said. "This is fun. If someone wants to make extra money, this is an easy way. It mushrooms very quickly."

Seiferheld said she especially likes to promote the candy for fund-raisers.

"The product is not expensive, the product sells itself, and it's something everybody likes," she said. Both DeRonne and Seiferheld said they're making money with their distributorships.

Barry Lukoff, vice president of field operations for First Rate, said there are now about 1,300 distributors selling Lite-De-Lites nationally, about 75 percent in Michigan and other Midwestern states.

LUKOFF, WHO said the corporation is making money, declined to disclose specific figures concerning financial statements.

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