



# Structured for Growth



For Toronto's Italian Home Bakery, a streamlined plant and health-check marketing help its artisan bread business thrive.

## BY LAURIE GORTON

Call it the achievable dream. That's what owning and operating Italian Home Bakery means to brothers John and Dennis Rossetti. Six years ago, they bought the Toronto, ON, bakery specializing in handmade French and Italian breads. Because of IHB's reputation for quality artisan products, the brothers knew the business could grow beyond its current bounds.

"With John's background in finance and mine in operations, we knew we could move this business to its next level," said Dennis Rossetti, president, IHB.

After moving into a facility with more than double the space of the company's previous site 18 months ago, sales are taking off. IHB is now the largest independent bakery in southern Ontario, a region that encompasses the greater Toronto metropolitan region. Seven days a week, its 35 routes deliver products to the area's leading supermarkets and a host of smaller stores. It has become

a mainstay supplier to the region's restaurants, including the city's top sub sandwich chain. And IHB is celebrating its 50th anniversary this year.

"The pursuit of quality is what makes Italian Home different," said John Rossetti, vice-president and c.f.o. "It takes a long time and a lot of care to make our products. And that's how we bring quality to our customers."

The simple idea that the brothers brought to IHB was to take hand-formed products and scale up production for increased output yet retain the long fermentation and retarding times that maintain the brand's quality. To make this happen, they invested in plant, machinery,

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▲ Brothers John (left) and Dennis Rossetti pooled their management and baking talents to bring new vitality to Italian Home Bakery, now southern Ontario's largest independent bakery.

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training and food safety programs.

IHB produces 34 different varieties of bread and rolls. These run the gamut from round loaves to French breads and Vienna and rustic baguettes, 9-grain rounds and Kaiser rolls to Italian specialities such as Spaccatelli rolls. Its artisan styles include Calabrese rounds, longs, half-moons and rings; Portuguese buns; and Ciabatta bread and buns. There are also soft white, whole-wheat, onion, cheese and dinner rolls, as well as sub buns, bagels and rye bread. Those made with any fats are formulated with vegetable oil, thereby virtually eliminating all trans fats, and all are produced under kosher certification.

**PROFESSIONAL EFFORT.** IHB started in 1955 as a small bakery located within Toronto's "Little Italy" district. The five founding partners offered their Italian and French breads through home delivery, and they baked in a location roughly equivalent to two row houses. In 1989, it moved into a larger 30,000-sq-ft site in the city's North York neighborhood and concentrated on wholesale customers.

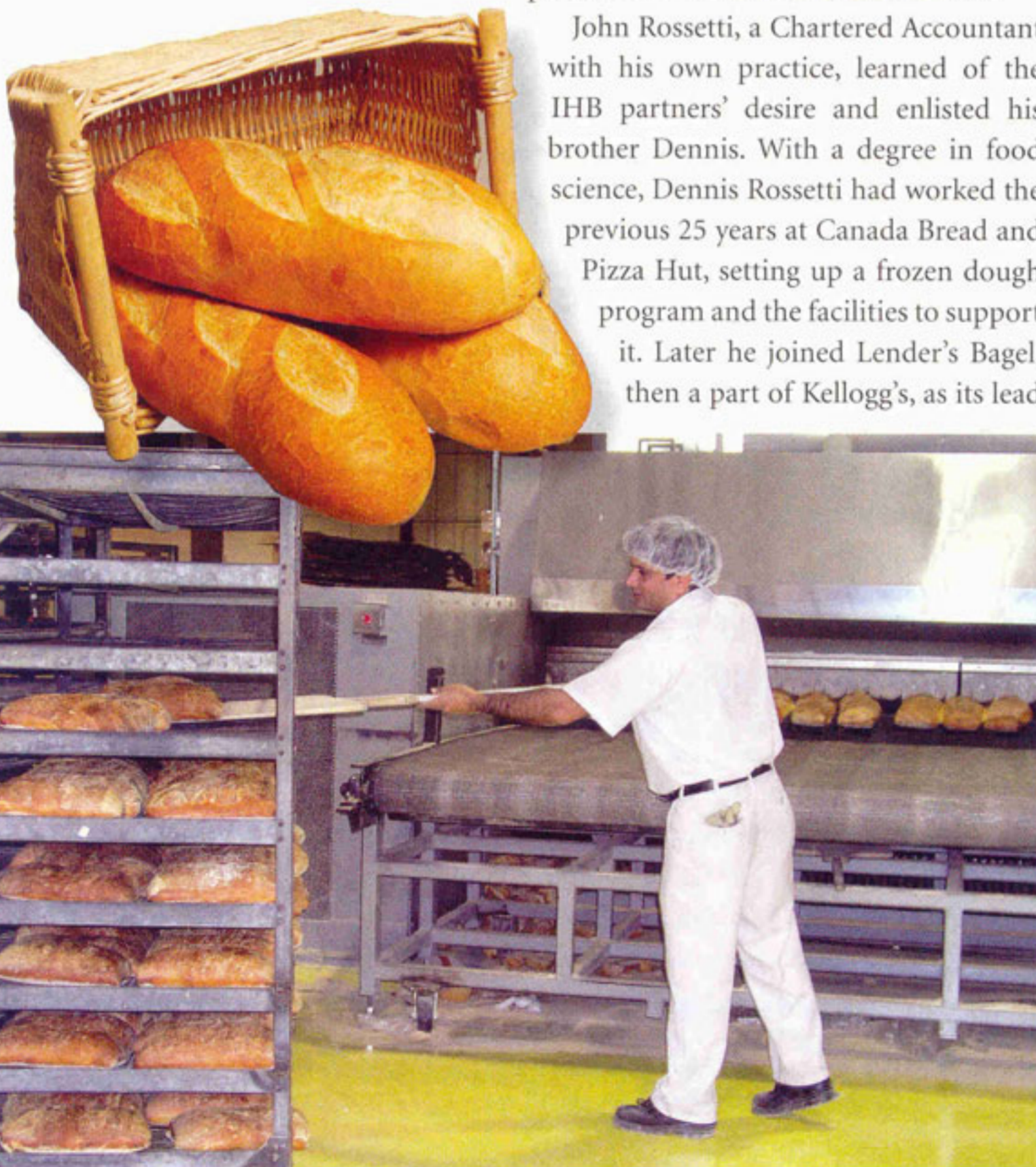
"Italian Home's previous owners took the business as far as they could," John Rossetti explained. Now they were ready to retire, and the Rossetti brothers, sons of Italian immigrant parents, were seeking their own business opportunities. "We could take it forward."

John Rossetti, a Chartered Accountant with his own practice, learned of the IHB partners' desire and enlisted his brother Dennis. With a degree in food science, Dennis Rossetti had worked the previous 25 years at Canada Bread and Pizza Hut, setting up a frozen dough program and the facilities to support it. Later he joined Lender's Bagel, then a part of Kellogg's, as its lead



▲ Roll pieces proceed from the automated roll line's divider into its intermediate proofer.

▼ Bakers use long-handled peels to unload loaves from the tunnel oven.



product developer. Courses at Kansas State University and the American Institute of Baking, both located at Manhattan, KS, deepened his knowledge of commercial baking. Dennis' artisan bread skills were honed at the San Francisco Baking Institute, South San Francisco, CA.

"Dennis' passion is for baking bread," John Rossetti said. "He's the best at what he does. I have worked since my early teens, and it matters to me to be in a business you love, working with people you enjoy."

"When the opportunity to buy this business came up in 1998, John called me in Battle Creek," Dennis Rossetti recalled. "Having been through a lot of baking plants in my career, I have a good idea of what works and what doesn't."

John Rossetti continued, "We knew we could implement the management structure this business needed."

Today, John, 45, manages the administrative, sales and financial functions, while Dennis, 44, directs product development, marketing and operations. Actually, the business involves three brothers: Joseph Rossetti is the company's night shift supervisor.

**MARKET INNOVATION.** Now at home in a new 70,000-sq-ft plant, IHB has seen sales accelerate during the past two years, according to John Rossetti.

He attributed this improvement not only to changing dynamics among Canadian shoppers (more 2-income families, more men doing the family shopping, more demand for artisan-quality foods) but also to the company's introduction of hearty, healthy and ethnic products.



▲ A spacious retarder holds dough pieces for up to 20 hours and provides the buffer between makeup and baking, allowing optimum scheduling.

▶ Indoor silos store white, whole-wheat and rough-milled flours, 105 tonnes in all.

“Kosher registration — Pareve Pas Yisroel — really opened up a market for us,” he observed. “Changes in the market prompted us to add new items such as the 9-grain line. These are whole-grain breads, made with the American Dietetics Association’s recommended level of whole grains. We qualified our products for the Health Check symbol of approval from the Heart and Stroke Foundation of Canada.” IHB is the only artisan bread supplier listed at the foundation’s Web site, [www.heartandstroke.ca](http://www.heartandstroke.ca).

Managers realized, too, that to compete better for a larger share of the business, they had to implement procedures for food safety, HACCP, recall protocols, GMPs and other activities. “We are a highly competent supplier because we model our programs after much larger companies,” Dennis Rossetti observed. IHB is a member of both the American Bread Bakers’ Guild and the Bakery Association of Canada.

**EVALUATION PERIOD.** The bakery operates on a 24/7 schedule to bake and deliver products fresh every day of the week. At the time the Rossettis bought IHB, current demand challenged the available capacity at North York. For the next two years, they not only operated the plant but also studied every facet of the business from plant and employees to customers and market area, as well as ingredient suppliers and equipment vendors.

“We did a rationalization of equipment and products,”

Dennis Rossetti said. “We wanted to keep our core Italian and French products yet add new items, too. Whatever we did, we had to create products of equal or better quality.”

The brothers would have to invest substantially in new process equipment as well as find a bigger site.

“When we look at equipment, we look at the integrity of the supplier, especially its support of innovation,” John Rossetti said. “We not only require equipment that fits our goals, but we must also be able to modify it to our needs. We want to be sure our products are continued at the same quality but at higher capacity.

“The new oven, for example, is unique to us,” he continued, describing how Dennis worked with a local equipment supplier to engineer his design of the indirect-fired, steam-equipped, heavy-steel-deck, tunnel oven.

In a similar fashion, the brothers researched a new stress-free dividing and moulding line for bread and a new high-speed bun system, capable of stamped and plain styles and long rolls.

Relocating the plant involved choices in location and size. The choice of adapting an existing location or going the design-build route was also decided on economics. “The new site had to be economical to run,” John Rossetti said.

They chose a location just off the 409 highway and close to the city’s main airport. An existing building, the site was formerly a small parts warehouse with an open, high-ceiling design. They bought the building in 2001 but continued to bake at the North York location.

“The move took about 1½ years,” John Rossetti explained. “And we took very little of the old site’s produc-



tion technology with us.” Instead, the company located, bought, installed and tested new bread and bun lines at the new site. Simultaneous with operating the old plant, they took care to train and re-educate their workforce to get the line operators ready for the new facility.

**PRE-PLAN.** Dennis Rossetti took charge of the layout and equipment selection, explaining, “The new plant had to be efficient for large-scale production of artisan bread. We needed to make the same cuts and styles of bread but to do it more efficiently and in greater volume.”

When evaluating the stress-free bread line, IHB managers brought in their own ingredients and ran company formulas on the equipment manufacturer’s test line in the United States and later at the overseas equipment manufacturer’s factory to commission the new line.

To engineer the new plant, Dennis Rossetti followed what he termed “a simple idea” — to take hand-formed product and scale up capacity while retaining the long fermentation and retard times. These can run as much as 20 hours. Also, the plant had to have capacity for expansion.

“I took a ‘blank sheet’ approach to find the right building and equipment,” he recalled. “That took about a year. Then laying out the facility was another year in the pro-

cess. We did this ourselves, without consultants. After all, we have a personal vested interest in this project.”

Finally, after careful planning, the move came down to one weekend in November 2003. Everyone was in place when the move started at 1 a.m. on a Saturday because production was scheduled to start Sunday evening. “We had the engineers, gas fitters and other professionals on standby,” John Rossetti said. “The transfer took less than 12 hours to complete.”

As the weeks progressed, the Rossettis also worked to change the management structure of the bakery. “This is now in place, and it gives our people more responsibility and ownership of the actual process,” John Rossetti noted.

## **TWO ADVANCED**

**LINES.** In the new plant, four indoor fabric flour silos supply flour to the mixers. A separate air-conditioned room houses the fabric silos to contain





▲ Round 9-grain loaves are marshaled before they enter the tunnel oven.

any dust and isolate them from other plant operations. Three are rated at 30 tonnes; one contains rough-milled, high-ash flour (a European-style flour), while two hold strong bakers flour. The fourth, at 15 tonnes, handles whole-wheat flour. "The European-style flour is used for some artisan products," Dennis Rossetti noted. Flour is sifted at delivery and then again before mixing.

The bakery is divided into two main zones: wet and dry. The wet zone contains the mixers and parallel bread and roll lines, and it houses dough preparation activities, including dividing, moulding and intermediate proofing. Some doughs require bulk fermentation and are kept in troughs on the mixing room floor. The dry zone is for the retarder, oven, packaging and shipping operations.

Mixing operations employ two horizontal mixers and a couple spiral mixers. The Peerless 2,000-lb horizontal mixer produces dough, supplemented by a smaller Royal horizontal mixer. The spiral mixers, used only for backup, are scheduled for replacement with additional horizontal mixers.

Bread preparation starts with dough from the horizontal mixer, sent by trough up a hoist serving the bread line. Dough moves by gravity through the line, minimizing stress on its gluten structure, thus optimizing hand-made quality and performance. The bread line lead operator inputs the code for the product on the line's control panel, and the system automatically adjusts its speeds, roller settings and knife commands to control dividing and moulding.

"All of our breads are made on this line," Dennis Rossetti said. The line includes modifications to accommodate IHB products. For example, some items are fed into a traditional overhead proofer before moulding. A second rounder is used when dough balls must be tightened up before proofing. And Calabrese-style round loaves are manually placed into traditional boxes

to rest and proof.

"All rolls are made on our high-speed roll line," he continued. It replaced a small hand-cut unit.

Dough pieces are portioned, rounded and rested before running through integrated stamping or sheeting stations, according to product need. The line uses a retracting conveyor to load roll pieces onto peel boards, which are manually racked. Line operators wheel the filled racks into the large retarder built along one wall of the plant's large dry zone. IHB retards all its products. Dwell time ranges from 12 to 20 hours, depending on product. Some items require as little as eight to 10 hours, while soft rolls and sub buns get an even shorter time. The retarder can hold a day's worth of product, and it functions as a common buffer for production.

"We decided not to automate the retarding step, a traditional artisan aspect," he said. "In fact, it gives us the ability to control the highly variable process of artisan production. We do, however, carefully schedule how we fill the retarder and move it along to baking."

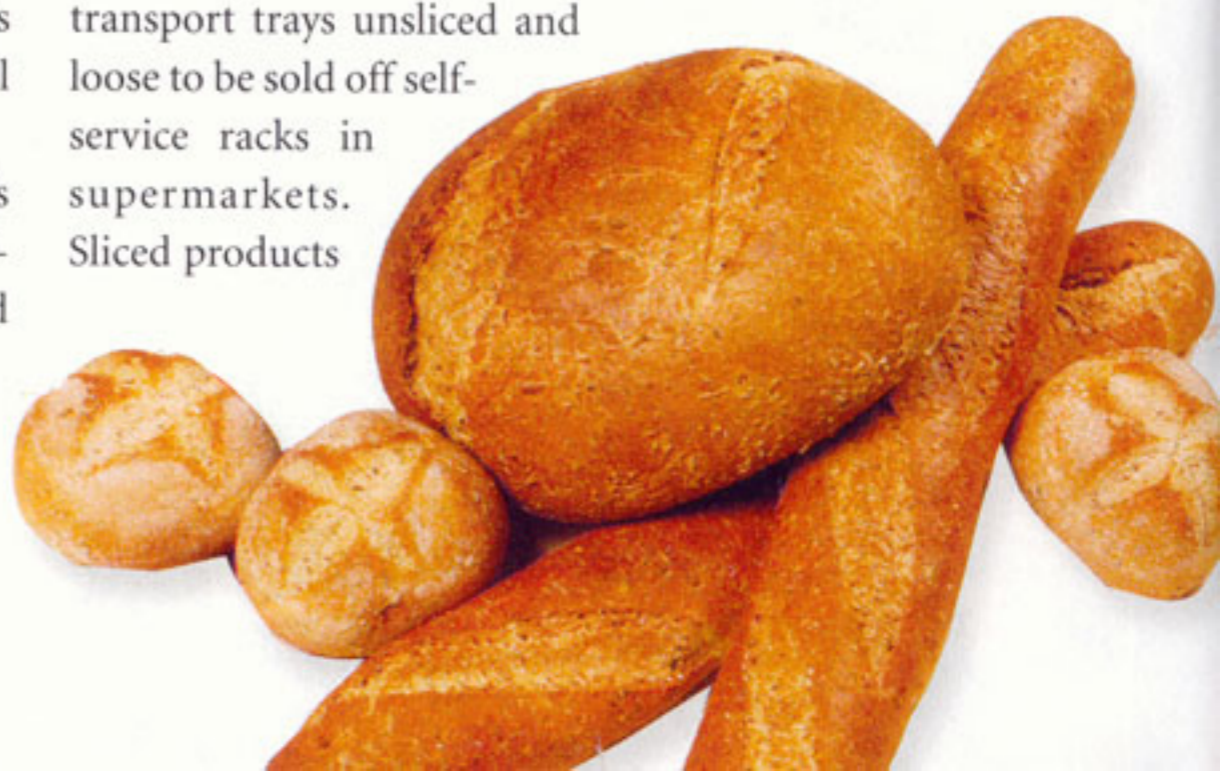
**BAKE, COOL, SHIP.** According to the baking schedule, operators move racks of retarded product into the 12-door, push-through, first-in, first-out proofer. Dough pieces spend between 1 and 1½ hours in this final proofer. Oven operators then pull the racks out and stage them on the shop floor before they are hand-scored and put into the oven.

The long tunnel oven is equipped with a sweep-style, caster-mounted automatic loader that transfers dough pieces from peels to the oven hearth. Bread and rolls bake on thick steel hearth plates. Dennis Rossetti estimated the oven carries 20 tonnes of steel in its plates and chains alone.

Four revolving rack ovens bake softer products such as onion buns, dinner rolls and other seasonal items. Three lap ovens made the trip from the old plant to the new one and then were newly reconditioned. The lap systems are loaded and unloaded manually with long-handled peels.

"While the bulk of our production passes through the tunnel oven, the others give us flexibility in our scheduling, particularly for seasonal items," Dennis Rossetti said.

Bread and rolls cool on racks. Nearly two-thirds of all IHB products are shipped in high-walled plastic transport trays unsliced and loose to be sold off self-service racks in supermarkets. Sliced products



are bagged before shipping. Products are staged for transport, with the peak of activity in shipping taking place between 10 p.m. and 5 a.m.

**LOOKING AHEAD.** With the new plant giving IHB the capacity needed for growth, the Rossetti brothers continue to plan advances for their business. For example, conveyors will be put in place to better route dough pieces to the final proofer and into the oven and to move finished baked products into packaging.

Another idea is creation of an on-site retail shop. Dennis Rossetti already conducts baking classes for local technical school students. “In a retail shop setting, we can teach the practical, business side of running a bakery,” he said. “And I can do the hands-on artisan baking that I love.”

“There are not many 50-year-old businesses around,” John Rossetti noted. “I was fortunate to get into this one, which I did because of Dennis’ expertise in baking. Our approach is to continue to invest and reinvest in this business. Our primary goal is to become the best artisan bakery in Ontario, and that requires investment not only of our funds but also our time and energy. There’s no doubt that IHB is well worth our best efforts.”



▲ Baguettes cool on racks before being packed loose into delivery trays for transport to supermarket kiosks.

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“Our mission is to make our customers, the retailers, successful partners in our business and our consumers enjoy the experience of our products,” Dennis Rossetti noted in closing. ■