



At the Heart of Mexican Pastry

Artimex brings authenticity to its array of Mexican-style Danish, conchas, empanadas, galletas, bolillos and now muffins.

BY STEVE BERNE

What began as a Mexican deli, restaurant and bakery 22 years ago is now a \$40 million enterprise, with wholesale bakery operations accounting for more than a quarter of sales. Artimex Mexican Bakery's recent acquisition of a popular muffin brand provides expansion opportunities regionally and nationally.

When Charles Bonaparte started El Gallo Giro in Los Angeles, CA, in 1987, his goal was to fill a niche that was missing from the highly concentrated Hispanic areas within L.A. "What was missing was authentic, top-quality Mexican offerings where people could get lunch, purchase food items to prepare at home or buy any number of freshly baked sweet goods, breads and rolls," he said. "We set up quick service restaurants (QSR) with a wide variety of Mexican foods, and each restaurant had its own in-store bakery."

Success, with a high proportion of bakery sales, meant expansion, and the in-store bakeries needed more space. "When we expanded our first store to include a larger bakery, sales nearly doubled," Mr. Bonaparte said. "From then on, the bakery was to be

a major component of future stores." However, the bakery also turned out to be the most labor-intensive component, especially between locations. "We began looking at ways to gain efficiency and consistency as well as the opportunity to grow the baked foods lines, and it only made sense to open a central bakery to serve all the restaurants with frozen dough where the product could still be baked fresh in the stores," he added. In 1995, El Gallo Giro started to produce frozen Mexican baked foods and pastries in a small facility, and a few years later opened Artimex Mexican Bakery. The 30,000-sq-ft facility located in Santa Fe Springs, CA, was originally purposed to serve the company's growing number of restaurants. Today Artimex makes products for 12 El Gallo Giro locations as well as supermarket in-store bakeries and convenience stores throughout a 12-state region.

In April 2008, the company acquired Tina's, a 25-year-old, high-quality brand of fully baked muffins, cakes and brownies that had significant inroads at convenience

stores in the region. "We saw it as an opportunity to not only expand this market but also to establish the El Gallo Giro name and brand outside the restaurants as well," said Brent Galasso, director of plant operations. "There are the national, commercialized brands of Hispanic baked foods in the market, but what was lacking was the authentic taste and variety consumers in this market were seeking. Our ingredients — whole eggs, milk, butter, lemon juice and others — most closely match what families use in their homes when baking cakes and pastries, and baking is an incredibly important aspect of the Mexican diet."

ENHANCING THE TREND. The theme of El Gallo Giro outlets is many small operations under one roof, taking on the concept of individual stations selling specific food items. The largest offering is baked goods. "We wanted to mimic open-air markets in Mexico, and it's well in sync with the grab-and-go trend of convenience stores and QSR restaurants here in the US," said Roberto Keyvan, vice-president of marketing and sales, Artimex. "These segments will continue to grow at a solid pace, and we didn't want our move to a centralized bakery to affect this feeling."

Market data revealed that c-stores are not significantly affected by the health and wellness trends as much as other markets, according to Mr. Keyvan. "C-store customers have a different mentality," he said. "They are not thinking about healthy alternatives when they stop for a grab-and-go item. They want instant gratification. Our products provide them authenticity, taste, value and variety."

While the company offers sugar-free items for grocery markets and even whole-wheat bolillos (an Hispanic French roll) and 51% whole-wheat conchas, these items represent only a small percentage of the company's sales, according to Mr. Keyvan.

Artimex is working on gluten-free items

and, in October, it ceased using peanuts in any products. However, it continues to use a variety of nuts such as walnuts, almonds and pecans. "We follow the trends of the general marketplace but offer our customers what they desire," he added. "It is not our place to change their eating habits."

ON A SWEET ROLL. What started as in-store bakeries evolved into a central commissary and is now a full supplier of frozen dough and fully baked frozen products to c-stores.

The plant operates two shifts five days per week on its three production lines. "We have a liquid or batter line for muffins, cookies and cakes; a yeast line, which produces several styles of bolillos as well as Hispanic Telera (tortas), pan fino and other products; and a laminated line that produces Danish, Danes (Mexican Danish), cinnamon rolls, empanadas and other products."

The plant outputs more than 25 million pieces per year, with total capacity of more than 1 million items per week. However, the company is in the process of expanding its production facility. "We constantly need space for expansion and for more efficient production lines," Mr. Galasso said. "We see tremendous market potential locally, as well as nationwide, and need to be prepared."

The plant makes more than 130 different products, including 50 new items introduced within the past year — 12 for c-stores and 38 grocery items. One of the recent line extensions is a mini concha (conchitas), a sweet dough with a stamped sugar topping that resembles a seashell when baked. "The concha is a very traditional Mexican product, which we have carried for years," Mr. Galasso noted. "The mini variety fulfills a request for smaller sizes that can be add-on sales as an impulse item."

Conchas and conchitas are available in a variety of colored dough. "Hispanics like products with color and decoration, so many of our products have numerous variations," he said. "Customers also enjoy specific flavors such as vanilla, butter, chocolate, orange, mango and cinnamon. We actually grind our own cinnamon then soak it prior to incorporation into the dough for maximum flavor and appearance."

Artimex products are made using rich formulas. "We use a lot of whole milk, whole eggs, butter and nuts in our recipes, whereas other bakers might substitute water, egg replacers or shortening," Mr. Galasso added. "A lot of our recipes have no water at all. We also have seasonal specialties such as Pan de Muerto (Bread of the Dead) for Día de los Muertos (Day of the Dead), one of Mexico's most traditional holidays that coincides with Halloween; and Rosca De Reyes, a classic ring cake that commemorates the Epiphany, celebrated on January 6 each year. It's big in the Mexican culture."

Other key differences in procedures include more control points along the process because of the delicacy



▲ A continuous layer of butter is extruded then folded into the sheeted dough prior to lamination.

▼ After dividing and intermediate proofing and resting, concha dough balls are topped with pucks of sugar-based topping that are deposited and manually patted down to completely cover the top of the base dough.



▲ Sheeted, laminated dough is folded, guillotined and then placed on trays to rest before freezing.

of the ingredients, toppings and handling of the fragile frozen items. "It is critical we deliver and prepare products in stores so items are presented to customers as if they were fully prepared onsite," Mr. Galasso noted. "In turn, our customers want to present the products to family and friends as if they were produced at home. Having a topping or decoration break off during transportation or preparation is not acceptable. Quality and consistency are key to our success."

DRIVING THE MARKET. Riding on its own local market success and taking advantage of the Tina's brand muffin regional popularity, Artimex recently began copromoting the El Gallo Giro and Tina's brands on point-of-purchase displays in c-stores and grocery markets. "The first products offered are individually wrapped and labeled conchas with Tina's muffins and cakes," Mr. Keyvan said. "It's been a very big success and is beginning to gain us a positive reputation with both Hispanic and Anglo consumers. Marketing traditional Mexican products alongside well-regarded Anglo sweets presents a cross-cultural opportunity for consumers."

Artimex product offerings include frozen dough and fully baked items individually wrapped and bulk packed in clamshell containers. "We are pushing to grow all three of these product types," Mr. Keyvan said.

Updated brand logos, bilingual labels and other strategies have all proven successful for Artimex brands. However, private label and contract manufacturing have also presented the company with opportunities. "We recently partnered with BakeMark on a nationwide basis for exclusive production of several SKUs for its Trigal Dorado line," Mr. Keyvan added. "BakeMark offers this product line as mixes, frozen dough and fully baked, and we provide the latter two for them."

Artimex also hopes to enter the mass merchandise market soon and is in negotiations with the largest na-

restaurants." And we haven't even touched on the grocery business," Mr. Keyvan noted. "We feel we are on the cusp of tremendous growth far beyond the support we provide the company currently serves 14 Western states through its retail c-store customers and distributors. BakeMark is its first customer distributing Artimex products nationally."

MIXING IT UP. Keeping operations on a productive and even keel requires expertise and creativity. Artimex accomplishes both. Mr. Galasso is a 3rd generation baker who started in baking in his family's Galasso Bakery, which is now owned by Fresh Start Bakeries. The plant also employs two graduates from the American Institute of Baking resident baking course and periodically sends employees to AIB's week-long courses on safety, maintenance and other topics. Total employment ranges from 80 permanent hires to more than 120 during peak seasons.

Mr. Galasso described the plant as "very semi-automated." "A lot of the products are unique and traditionally handmade," he said. "We have automated some of the operations, but many techniques can only be done by hand, mainly in the forming areas."

The concha topping, for example, is mixed and au-

▲ Roberto Keyvan, vice-president of sales and marketing, inspects finished, baked products at one of El Gallo Giro's locations.



▼ Three spiral mixers stand at the ready for the next batches of sweet bread and pastry dough for Artimex's repertoire of 130 SKUs.



tomatically deposited for weight control, but a series of employees then place, pat, press and form the topping to completely cover the top of the sweet dough base before a final worker manually imprints the shell design into the topping. "We are planning to install equipment that will automate this step," he added, estimating efficiency gains of up to 30% in the past few years because of equipment purchases and training.

Throughout the production layout, flexibility is top of mind. Mobile production units are at the ready to be wheeled in and out of lines, and small batch sizes not only ensure consistent dough parameters but also allow quick changeovers. Line descriptions are nearly impossible because of the wide variety of processes used and items produced each day.

Several high-capacity bowl mixers, a Moline 300-lb spiral and two Turri 450-lb spiral mixers handle up-front operations. Flour is stored in a Contemmar flexible-fabric indoor silo that automatically feeds the mixers.

Bowl mixers blend batter for muffins, cookies and cakes, while the spirals produce bread and pastry dough. Rolled cakes filled with raspberry or sweetened cinnamon (Envuelto) are popular as are butter cake (Rebanada de Mantequilla), pound cake, brownies and of course muffins.

Savage Bros. bowl hoists lift muffin batter to either of two Fedco depositors. Filled trays are manually racked and baked in Revent double-rack ovens. Muffins come in more than a dozen varieties with piece weights ranging from 1 to 6 oz.

A Rondo pastry line reduces dough to an initial thickness and deposits and folds in a layer of butter for laminated products. A reversible sheeter is used due to space constraints, and after sheeting, dough is either guillotined or

manually worked by employees. Danish (Danes), elephant ears (oreja de feite), empanadas, tacos con crema and other laminated pastries are the core of the El Gallo Giro brand. "Although there are so many improvements we can make as we continue to automate, we will still need the flexibility of fast changeovers and mobile equipment," Mr. Galasso said. "However, inline sheeting, possibly continuous bread

▲ Flour is automatically dispensed from a 79,000-lb indoor silo into mixer bowls.



mixing and other measures to gain efficiency are all on the drawing table for consideration."

Conchas and other sweet doughs require retarding before further processing. Concha dough is divided and deposited on parchment-lined pans, and a Reiser Vemag deposits portions of a sugar-shortening topping on each pastry, which are then manually shaped and checked for quality prior to freezing.

Another popular product that would benefit from automation is Artimex's polvorón trébol, a 3-colored cookie. "Currently we extrude each color separately then press them together to a final triangle shape and manually slice the portions," Mr. Galasso said. A Spray Dynamics system is also used in the bakery for various applications.

A König 4-pocket divider and an AMF Pan-O-Mat and intermediate proofer are used for making roll and bread dough products. Bo-

▲ 5-packs of bolillos are sold in El Gallo Giro stores as well as local grocery chains.



lillo are manually scored along the length of each dough piece prior to freezing in one of four Coil first-in, first-out blast freezing chambers.

Ilapak wrappers handle the individually packaged items, while other products are manually packed in clamshells. Bolillos and other bread items are bulk packed and secured with Kwik Lok closures.

Although the plant prides itself on flexibility through mobile production units that can be wheeled on and off the lines, space is at a premium. Scheduling and forecasting are critical to maximize efficiency. "All our products — dough or fully baked — are blast frozen at -24°C (-11°F) for up to 40 minutes and have a 6-month shelf life, although products rarely stay more than a week or two in the freezer," Mr. Galasso said. "With nearly 130 different products, good production planning is key to satisfying first and complete orders."

The Hispanic market is growing throughout the US, and Artimex positioned itself as a leader to capture the authenticity of taste, appearance and variety. Name recognition and positive reputation through c-stores and cross promotion within the Anglo market set it up for major market expansion in the coming months. Artimex's burgeoning partnerships with na-