

QUAD-CITY Business Journal

Hill & Valley refines recipe for success

By Lynn Thompson

“You’re from Rock Island, Illinois? Isn’t that where Hill & Valley is headquartered?”

To hear those questions from people across the country would invoke pride two-fold in Scott Florence, president of Hill & Valley Inc., the nation’s leading and largest manufacturer of sugar-free and no-sugar-added baked goods.

The queries would confirm that Hill & Valley had become a nationally known company.

Founded by Florence’s father-in-law, George Coin, the company was known as Nancy’s Pies until Coin and Florence realized that sugar-free products were a much needed but rare commodity. With a new name, the company’s sole purpose became making baked goods with quality ingredients and a blend of Sorbitol and Maltitol, derivatives from corn.

In August 2005, Hill & Valley was bought by Circle Peak Capital of New York. Florence said a private equity firm has access to resources necessary to expand into a national or global market that a family-owned business may not have.

Brian Gustaitis, a senior adviser with Circle Peak Capital, said the firm is very pleased with its investment in Hill & Valley. “They make an excellent food product so it has been a pleasure to help with capital, provide some ideas and help them grow,” he said.

Gustaitis, who also serves as chairman of Hill & Valley, said the Quad-Cities is a wonderful source of hard-working people. “With a fine core of employees, they have done very well executing their vision.”

The change in ownership has allowed Florence to shift his primary focus to the product. “Our main mission has always been to provide the best, freshest tasting product possible,” he said.

“We bake products that promote responsible eating for the growing number of consumers who are concerned about health and weight issues. And we continue to research how we can make the products taste great without sugar.”

To promote the benefits of sugar-free products, Hill & Valley advertises in Diabetic Living magazine and co-sponsors American Diabetes Association walks throughout the country.

Today, Hill & Valley sells its cakes, cookies, muffins, brownies and pies nationwide to 15 of the top 25 grocery retailers in the U.S. Sold primarily through supermarket in-store bakeries, the firm's customer list includes Wal-Mart, Super Target, Kroger, Hy-Vee, Jewel and Rock Island Country Market.

Florence is passionate about the Quad-Cities. Born in Kentucky, he grew up in Dallas, Texas, and studied in New York and Indianapolis where he received his MBA from Indiana University.

He joined the company as vice president in 1995. "My wife (Alexa) is from here so she was hesitant to move back, but I love it here," Florence said.

"It is a smaller community so it is easier to know people. You can go anywhere on a bike and feel comfortable. We have a great river, and we are surrounded by farmland. Agriculture, farming and where our food comes from is immensely important to me."

Florence believes, though, that local governments need to make an adjustment in how they market the Quad-Cities.

"I, along with others, are extremely passionate about this area," he said.

"I'm patriotic and partisan. I root for the home team, love my God and my family, support public schools, eat Iowa corn and attend Labor Day parades. We need to make the rich heritage of this area richer. Exploit our strengths. Tax breaks to bring your plant here? Why must we resort to these tactics?"

Florence recently hired managers in sanitation and food safety, research and development/quality control and customer service to support Hill & Valley's growth. The company's current work force of 150 also will increase when a third shift production line is added this month.

As the firm continues to succeed and expand nationally, Florence hopes to ignite his passion in people from outside of the Quad-Cities. He said he is preparing for his goal of convincing the most expensive, talented people in the country to leave their high paying jobs, pull their children out of schools and move to the Quad-Cities to work at a plant in Rock Island.

He knows the task will be difficult. "We, as a region, may not be there yet. But then again, 20 years ago, our plant was an empty building with a leaky roof."

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