

Hill & Valley a Bakery

Hill & Valley Inc. is putting the fun back into baked products by taking away the guilt and offering foods that make life enjoyable, exclusively in no-sugar-added form.

By **Joyce Laird**, contributing editor

When confronted with sinful-looking desserts, even the most health-conscious consumers sometimes weaken. One bakery is dedicated to providing truly decadent treats and healthy eating at the same time, concocting fun no-sugar-added formulas.

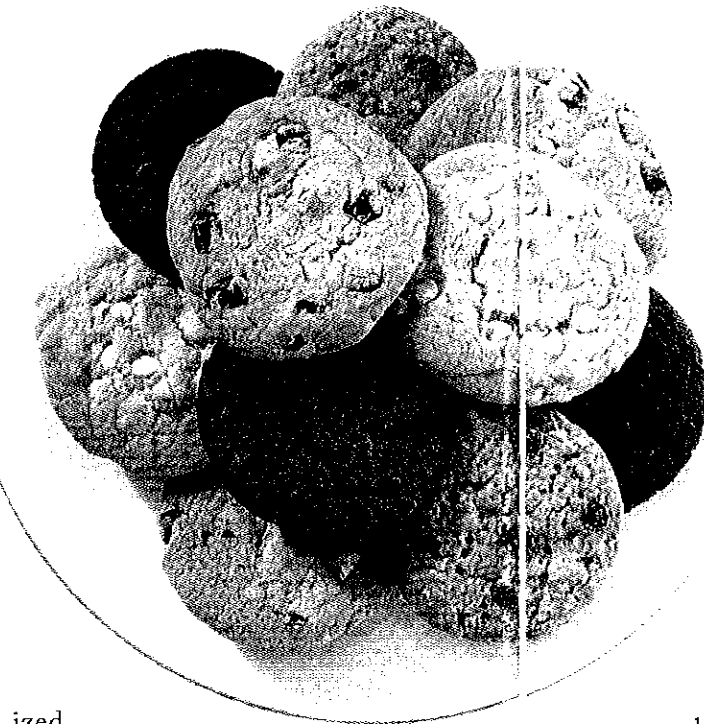
Hill & Valley Bakery started in 1987 as the Rock Island Baking Co., primarily offering pies. A popular version was a line of 4-in. snack pies. Founder George Coin discovered a hot niche market when his no-sugar-added snack pies started outselling the others. In 1988, the company's name changed to Nancy's Pies, and all the pies became either sugar-free or no-sugar-added.

But the name Nancy's Pies became limiting and was increasingly difficult to use considering the ever-growing

variety of other desserts that the company produced. That difficulty precipitated the brand name Hill & Valley. After George Coin retired 18 months ago, the company officially replaced the name Nancy's Pies with the Hill & Valley brand name it had been fostering.

"We're still in the same location in Rock Island, Ill. and running with the same management team," says Scott Florence, president and C.E.O. "Today, Hill & Valley Inc. employs more than 100 people and is the largest exclusive manufacturer of sugar-free and no-sugar-added bakery products in the United States. Our offerings include cream cakes, decorated layer cakes, cookies, muffins and brownies, as well as our pies."

Florence points out that George was smart in seeing the no-sugar-added niche and going after it. "He soon real-



ized that there was a huge market begging for the products,"

Florence says. "Large retailers wanted a variety of products that would attract customers looking for healthy alternatives to standard sweets."

Hill & Valley began looking at the higher volume items in major in-store bakeries that could be converted to sugar-free or no-sugar-added, and they reformulated them using both in-house research and external laboratories.

"That's the key to our success," Florence says. "We find the most popular baked goods that consumers love, and then mimic the exact taste and tex-

ture with a healthier formulation. It's perfect for consumers who are diabetic, watching their weight, or who just like the idea of reducing refined sugar in their diet without sacrificing the food that makes life fun."

Florence notes this isn't an easy task because sugar does a lot more for a product than just make it sweet. It's a bakery ingredient that has multiple functions in a single application.

It adds texture. It adds flavor.

When heated it caramelizes and gives a rich, nutty tone. It adds superb mouth feel. Being a humectant, sugar helps with moisture retention. Sugar contributes many great qualities to baked products. Therefore, a lot of research goes into formulating products without sugar to still keep all of sugar's valuable attributes.

Felicia Carlson, marketing manager for Hill & Valley, works closely with the R&D department as well as consumers in product development. "We've

been working with all the best natural sugar-free sweeteners for so many years, we know all their various properties and what they are able to do as far as mimicking sugar. We basically try to achieve a taste and mouth feel equal to or better than those offered by sugar-based products," she says. "The art is in the creation of the product, but each still has to pass the consumer test." In doing so, Hill & Valley takes full sugar formulated products and mixes them with the sugar-free or no-sugar-added products to do blind taste tests, using the opinions that are gathered to provide direction in improving products.

"We have hundreds of consumers who take on that job. We rotate them.

They come in and eat the products, and believe me, they tell it like it is. 'I wouldn't eat that,' 'That has a bad aftertaste,' or 'Wow! That's fantastic!' The ones that are called fantastic get produced," Florence says.

"The biggest challenge is always consumer perception. They come in

thinking, 'I'm going to sacrifice mouth feel, flavor, texture—but it's better for me.' In our research that's been the common perception," Carlson says. "Therefore, with our product line, we are extremely careful to concentrate on all of these aspects. That is why we are so successful. The reality is that the consumer has to eat the product and they have to love it—not just eat it because they think it's good for them like a vitamin pill."

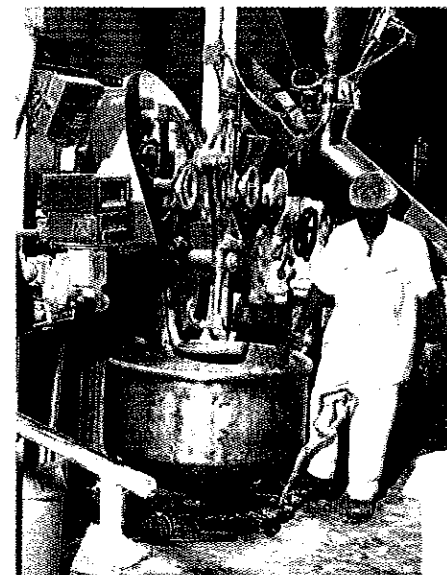
"Baked goods are a staple of life. Today, people are looking for healthy ingredients in breads and are moving toward many simple, artisan products that take them back to a more home-made feel. When it comes to desserts, it's different," Florence says. "They go into the bakery section in a grocery and buy healthy bread and then look at the pies or cakes or cookies and say, 'whoa! I want that!' without a lot of regard to how unhealthy it may be. They see it, they smell it, and they want it. It's a sensual experience. Indulgence is a big part of the bakery industry and we never lose sight of that. We offer them indulgence without the guilt."

In conjunction with the company's effort to promote healthier eating, Hill & Valley also is working with the local

state organizations throughout the country promoting walks for diabetes, a cause to which Florence says everyone in the company is dedicated.

As for future products, the company will be soon bringing out a new line of brownies that Carlson says will mimic the look, flavor and texture of home-

made. Looking at distribution, the bakery is initiating a major push to increase exposure on the West Coast in the coming year. Hill & Valley products are sold nationwide through major chains, including Wal-Mart Supercenters, Meijers, Super Target, SuperValu, Albertsons, Piggly Wiggly and Hy-Vee supermarkets.



Reformulating to sugar-free or no-sugar-added takes an understanding of what sugar does for baked products, beyond merely serving as a sweetener.

"We also offer direct purchase from our Web site," Florence says. "We feel most people still prefer to go into a store and see our products up close and

personal. However, we do offer direct sales for those who might want to buy that way. It is just a side offering, not a major initiative."

Hill & Valley continues to expand and the market niche still has plenty of room for growth.

"It all comes down to eating the product and loving it," he says. "If the consumer doesn't love it as much as the original, it doesn't matter how good it is for them or how much time you put into developing the formula. It has to taste superior to the sugar-loaded product to gain a loyal customer base. But, if a baker is willing to put in the time and effort to produce products that will meet consumer expectations, there is a profitable market waiting." ●