

# Architect of Consolidation

Gary Prince played a vital role in fundamentally altering the current landscape of the baking industry and in creating the No. 1 player in the market.

by Dan Malovany

During his 41-year career, Gary J. Prince emerged as one of the main leaders of the profound change that continues to transform the face of the fresh baking business in the US and Canada.

Through his efforts and those of others with whom he worked, Bimbo Bakeries USA (BBU) is now the No. 1 baking company in North America at more than \$6 billion in annual sales. In addition to his successful business career, Mr. Prince served the industry as chairman of the American Bakers Association as well as on ABA's board for many years, and he played an integral role in the founding of the Grain Foods Foundation in 2004.

For his accomplishments and leadership in the baking industry, the American Society of Baking (ASB) selected him to join the 2015 class of the Baking Hall of Fame.

Before Mr. Prince relocated from Canada to the US in 1994, he already had an established career in Canada. Growing up in the baking business, he started out as a route truck driver in Saskatchewan. He deftly worked his way up through the ranks of management until he became president of Weston Bakeries Ontario in 1992.

His journey in the US began as president of Stroehmann Bakeries, then owned by George Weston Foods of Toronto. The struggling Mid-Atlantic baker of mainly white bread and rolls had been steadily losing

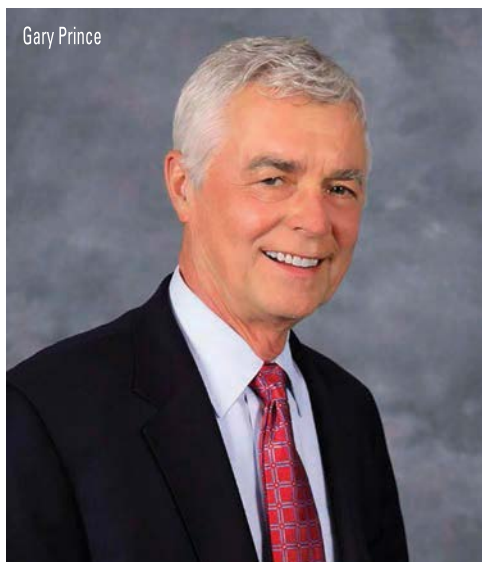
money. After exploring the sale of the company and rejecting several unsatisfactory offers, Mr. Prince vowed to turn the business around. He eventually achieved profitability in 1996 by focusing on eliminating waste, developing core brands and building a results-oriented culture.

With Stroehmann's now profitable and on Weston's behalf, he purchased Maier's Bakery, a competitor in the region, in 1998. Shortly thereafter in 2001, in a blockbuster, game-changing move for the industry, Weston outmaneuvered several bidders and acquired the eastern half of Bestfoods Baking Co. from Unilever. In that move, the newly created George Weston Bakeries (GWB) acquired such premium brands as Thomas', Entenmann's, Arnold and Brownberry, to name a few. As a part of the deal, Bestfoods Baking's business west of the Mississippi was purchased by Grupo Bimbo.

From 1998 through 2009, Mr. Prince served as president of Weston Foods US, which included GWB, Maplehurst Bakeries, Interbake and Stroehmann. Although he never owned a business, Mr. Prince always put himself in the owner's shoes, acting in the best interests of the company, according to Rowdy Brixey, a former ASB chairman who nominated Mr. Prince and currently works at BBU as director of engineering.

In 2009, Grupo Bimbo acquired GWB and merged it into its BBU business, which included such powerhouse brands as Oroweat and Mrs Baird's. Daniel Servitje, Grupo Bimbo's CEO, tapped Mr. Prince to lead the intensive integration of the two business units.

In 2011, Mr. Prince and BBU purchased the Sara Lee Fresh bakery business, allowing BBU to serve the entire US market with 71 bakeries and 14,000 routes. According to industry observers, Sara Lee had been one of the final bidders in the Bestfoods deal a decade before but lost out in the last minute to Weston. For more from Mr. Prince, see "In the Long Run" on Page 41. ●





Throughout his 41-year career, Gary Prince, now retired CEO of Bimbo Bakeries USA (BBU), has left his mark on many people's lives. But who has had an effect on him?

According to Mr. Prince, Galen Weston, currently executive chairman of Toronto-based George Weston Ltd., and Dick Currie, former president of George Weston, had profound impacts on his life. More recently, Daniel Servitje, current chairman and CEO of Grupo Bimbo, Mexico City, was also an important factor.

"They had a strong belief in people, and I was blessed to be surrounded by strong leaders — both whom I reported to and the people I worked with day to day," Mr. Prince said.

In this special report, *Baking & Snack* asked Mr. Prince to reflect on his career, milestones in the industry and being inducted into the Baking Hall of Fame. For more on Mr. Prince's impact in the baking industry, see "Architect of Consolidation" on Page 30.

Several industry leaders share a similar respect for Mr. Prince as well. Fred Penny, who worked alongside Mr. Prince for 13 years and is BBU's current president, had high praise for his peer. "His leadership, mentorship and deep dedication to the baking industry have set an extraordinary standard for me and others who will follow to aspire to," he said in a letter supporting Mr. Prince's nomination.

John Paterakis, president of H&S Bakery, and a 2007 Baking Hall of Fame inductee, recalled his long professional history with Mr. Prince, whom he recommended on behalf of the Paterakis family. Mr. Paterakis mentioned how Mr. Prince resurrected Stroehmann, turned George Weston Bakeries into an industry giant and transformed BBU into a major presence in baking.

In assessing Mr. Prince, Mr. Paterakis probably gave him the best compliment for anyone in this industry. "I think bread is in his blood," he said.

Former Bimbo Bakeries USA CEO explains  
how leadership and teamwork allow businesses to succeed ...

# In the Long Run

## **Dan Malovany: Did you know about your nomination to the Baking Hall of Fame? How does it feel?**

**Gary Prince:** I did not. It was all a surprise. When I heard, I was just delighted and deeply honored. Yes, I understand they induct the person rather than the company into the Baking Hall of Fame, but when I think about it, I am honored on behalf of BBU [Bimbo Bakeries USA] and Grupo Bimbo and all of the work that everyone participated in over the years.

## **Looking back on your career, what are the three biggest events that changed the course of the industry?**

One that comes to mind is the rise and fall of IBC [Interstate Bakeries Corp.]. Another is the Sara Lee acquisition of Earthgrains, and another would be Grupo Bimbo's acquisitions in the US.

## **How would you describe your leadership style?**

Inclusive. Taking a team approach to decisions. But that question may be best asked of others.

## **Over the years, what has been the key to navigating the consolidation in the baking industry?**

First of all, any business is all about the team and about the people. Continuity of leadership over a long period of time is really important, and having the right point people — both at the corporate and the local level of business — is key, particularly in

our industry. I've always believed you can't run a daily operation from the center; it must be done locally. And we were blessed to have great local leaders over the years, as we have today.

## **How can you plan far into the future and still nimbly adjust to the constant changes in the baking industry?**

It starts with a firm belief in what will — and will not — work in the long term. It really comes back to having strong fundamentals. That's the foundation that the business is built on. That allows you to focus on the long term.

You "own" growth from a position of strength, not one of weakness. I was also blessed with senior leaders — Galen Weston and Dick Currie from my time as a manager within George Weston, Ltd., and since the acquisition of these bakeries by Grupo Bimbo in the past decade, Daniel Servitje — who all took long-term views, and that made my position that much easier. If the owners of the business run it from a long-term view, they enable other leaders in the organization to embrace that view as well.

## **How do you assess today's state of the industry compared with the past?**

The industry is clearly in a different place. I would argue that innovation and health are at the center today more than ever. Innovation will play a key role in years to come — not only in products but also in service. Technology plays a much greater role now than

it did just five or 10 years ago — in some cases, just two or three years ago. Those who look forward and invest in their teams, technology and innovation probably will enjoy accomplishments.

**How do you get employees to buy into that concept?**

The leadership team needs to be held accountable. You need to have the right leaders in the right jobs that they find exciting, that they embrace.

The continuity of those leaders is important in any business to provide long-term leadership to the thousands of people who are engaged in its day-to-day operations.

**How do you take ownership of a company?**

It's easy to align your own efforts when the company has a continuity of ownership. In my case, I worked with Weston for 35 years, and Galen Weston always had a long-term view, as he does today. Likewise, Daniel Servitje, with whom I have worked now for six years, has a long-term view. When you're aligned like this, all decisions are made not with the next quarter in mind, but with the next year or next five years in mind.

**What lessons have you learned that remain guiding principles in your life today?**

Every person in an organization can and will contribute if they are allowed to think for themselves, if they are held accountable and if people are treated with respect. That's not to say one should be easy on expectations. People will generally rise to the occasion if given the opportunity. And I don't just mean the senior leaders, but including people at all levels of the organization and allowing them to contribute.

**What is your biggest accomplishment, and why?**

I come back to the development of the team I have worked with over the years and its continuity. It's not easy to keep people together and keep them focused, and we were blessed to have great leaders in the business who were accountable to themselves and their peers. Over the years, we continued to collect great talent, which ultimately strengthens the different teams in the business. It's all about the people. ●

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