



ANOTHER HISTORIC MILESTONE

Klosterman Baking's newest bakery in Kentucky provides the much-needed resources to better serve its burgeoning base of regional and national customers.

by Dan Malovany

Actions speak louder than words. That's especially true at Klosterman Baking Co., Cincinnati's hometown bakery and one of the largest family-owned bakeries in the Midwest. While it's easy to talk a good game, it takes a totally different mindset to execute a better plan for more than a century.

"Besides 127 years of baking history and knowledge, we believe our relentless pursuit of exceptional customer service is what has helped us become one of America's most trusted wholesale baking companies," explained Kim Klosterman, chairman and CEO. "What does that mean for our customers? It means we are transparent, responsive and reliable. We practice proactive communication, and the entire team has a 'make it happen' attitude because the customer's experience is everything to our success."

Execution comes from a mission that's unequivocal. For Klosterman, it's to enhance the dining experience of today's family. And despite all the changes in the industry over the years, that goal hasn't wavered since 1892.

"The keys to success really lie with the customer. Our customers' needs evolve as their consumers' tastes change, as well as how those changes shape dining experiences," noted Chip Klosterman, president. "Like our customers, we also have to adapt to these evolutions. We're not really in the baking industry. We like to say we're in the service industry. With this mindset, every

member of our team inherently listens to our customers continually, allowing us to naturally adapt to the changes in the market over time."

Today, more than 1,000 employees work at seven bakeries and 11 distribution centers that deliver fresh breads, rolls and a variety of other baked goods to more than 4,000 restaurants, institutions and retail outlets. Those products are distributed in its core markets of Ohio, Kentucky and Indiana as well as to Michigan in the north, Pennsylvania to the east, and Tennessee to the south. Moreover, Klosterman ships frozen baked goods to all 50 states through partnerships with many of the nation's major foodservice distributors.

In addition to developing signature restaurant items and offering popular white and whole wheat retail sandwich breads, the bakery's diversified portfolio of more than 400 products includes artisan, organic and flatbread options, as well as branded classics such as its Klosterman Dark Rye bread and Rich 'n Good Honey hamburger and hot dog buns. "Our team works hard each day to meet and exceed our customers' and consumers' expectations," Ms. Klosterman said. "We mean it when we say we have a 100% customer satisfaction goal, and we do everything we can to make sure we meet that commitment."

To ensure that commitment going forward, the company recognized it needed to add capacity a few years

(From left) Kim Klosterman, chairman and CEO; Chip Klosterman, president, and Kevin Stevens, vice-president of operations, ensure the family-owned company is positioned to meet its customers' needs with the opening of the new Boone County, KY, bakery.

Photos by Donald Phelps Photography



Three 140,000-lb flour silos serve current production needs, although there's room to add more for the future.

ago. “The bakery expansion came in response to recent years of success and consistent growth in our product sales,” Mr. Klosterman said. “Our initial goals were to help increase capacity for our current spectrum of products as well as adding in new production capabilities to expand Klosterman’s portfolio of product offerings — all while extending our footprint to the South to better serve clients in that region.”

In its typical fashion, the company quickly got to work on its action plan. After purchasing a former conveyor manufacturing facility in Boone County, KY, it submitted purchase orders for equipment in March 2018, began installing equipment toward the end of the year and started turning out hot dog buns on the first day of production in January of this year.

The 190,000-sq-ft bakery now houses three lines, including a high-speed bread, bun and donut line. Overall, the bread line cranks out 15 varieties of sandwich breads at a rate of up to 180 loaves a minute and 14 types of hamburger and hot dog buns at up to 5,400 doz pieces per hour, according to Kevin Stevens, vice-president of operations.

“This bakery was designed to be a work horse with long runs of high-tonnage volume, but flexibility was added to accommodate future customer requests like toppings on products, split tops, shine and steam capabilities,” Mr. Stevens said. “This is a very high-capacity facility that’s built for tomorrow, but despite its high speeds, it’s very versatile with state-of-the-art robotics and other systems that reduce heavy lifting.”

Ramping up the Boone County bakery also created a positive ripple effect across the entire operation. “This plant was able to give relief to two of our other plants

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Chip Klosterman, Klosterman Baking Co.

that feed high-speed retail bread and bun products into our system,” Mr. Stevens added. “By taking on retail capacity, that allows other bakeries to add more restaurant-style products and enhance their capacity at the same time.”

Legendary innovation

Product development has always been a part of Klosterman’s DNA. “We’re very proud of our service, but also we’re proud of our creativity,” Ms. Klosterman recalled. “We come from a long line of people with interesting, creative thoughts. We think outside of the box and always have. Those two things make us really unique.”

Throughout its storied history, the bakery has made many “firsts” in the Cincinnati area, such as the first sliced bread, brown ‘n serve rolls, hamburger buns, Coney buns and buns packaged in plastic wrap. After seeing half-loaves in Europe more than a decade ago, Klosterman even rolled out 12-oz half-loaf breads that have seen a resurgence in popularity over the past two years as companies cater to smaller families and single

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households. “We started our half-loaf in the 1990s and reintroduced it again in 2009,” Ms. Klosterman said. “We were a little early in the first round, but our timing was right the second time around.”

The company also rolled out some of the first commercial flatbreads and sandwich thins in the country. R&D is an ongoing endeavor, Mr. Klosterman said, especially in serving the foodservice channel. “Our quick response to customer needs has opened doors for the company by way of product development opportunities,” he noted. “Because we are a private, family-owned business, we are able to more easily respond to customer requests and align with our customers’ interests and brand development.”

To build the Klosterman brand from a retail packaging perspective, the company focuses on partnerships with organizations that focus on families. Not surprisingly, the bakery is a long-time partner with the

Freshly baked loaves come out of the oven in six-strap pans at a rate of up to 180 per minute.

Klosterman produces a variety of donuts on a high-volume line at its new Kentucky bakery.

Cincinnati Reds, promoting Family Sundays with 24-oz 100% Whole Wheat Bread, according to Amy Schmitz, director of marketing.

The 2019 marketing program includes promoting membership at the Cincinnati Zoo, discount admission to Kings Island amusement park, single game tickets for FC Cincinnati soccer, a Beach Waterpark giveaway and 50% off adoption fees from the Society for the Prevention of Cruelty to Animals. “This initiative has really ramped up over the last few years as we have seen the power of these partnerships at work,” Ms. Schmitz said. “It started with a promotional strip on a bag and now it has grown beyond just the packaging. Each of these partnerships is a golden opportunity for social media for the partner and our company.”

Klosterman also teams up with several not-for-profit organizations. “We’ve found a way to blend our brand with the nonprofit’s brand on retail packaging so they stand out on store shelves and allow an opportunity to offer prime real estate for the partner’s messaging,” Ms. Schmitz observed. “In a sense, it’s almost like a scaled-down billboard.”

For Klosterman, she added, family is synonymous with community. “Consumers want to feel a sense of community, even when it comes to what bread they’re purchasing at the grocery store each week,” Ms. Schmitz explained. “They want to feel they are a part of something.”

She added that mobile devices,

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apps and social media platforms have transformed the frequency of engagement consumers have with a brand, and that influences how they feel within their own experience with it. “It has opened the door for brands to be a part of consumers’ daily lives and become more than an item on a shopping list,” Ms. Schmitz said.

Just beyond the border

When it came to selecting the location for its new bakery, the initial search explored a variety of sites in Kentucky, Ohio and Indiana. However, Mr. Klosterman pointed out, it was the first building they saw — a leased facility that wasn’t for sale at the time — that they ended up negotiating with the owner to purchase in the end.

Its prime location — near four major interstates heading in all directions from close by Cincinnati/Northern Kentucky International Airport — is just a 25-minute drive across the Ohio River from Klosterman’s headquarters. Moreover, the building with 100,000 sq ft for production; 35,000 sq ft for ware-

Dozens of loaves line up for slicing and bagging in one of four systems serving the high-volume production line.





Dough pieces drop into pans that create six 8-packs of hot dog buns at a time.

house; and 60,000 sq ft in maintenance, R&D and office space fits the company's current needs and accommodates future growth, according to Mr. Stevens. "This building was in really good shape, and that helped us move quickly," he said. "Because there was a building boom going on, it would have taken us two years to build based on the availability of subcontractors in our region if we had to construct a plant from the ground up."

Mr. Klosterman collaborated with Mr. Stevens and Fred Robin, director of corporate engineering, to meticulously lay out the bakery to maximize warehousing and create a straight-line flow for efficient, high-speed bread and bun production. Other key managers involved in the planning, building and running of the bakery include Ross Anderson, CFO; Ken Redden, project engineer; Mark Duke, director of quality assurance; Sy Stohry, director of regulatory compliance; Roger Brothers, director of product development; Charlie Rea, plant manager, and Kyle Ray, plant engineer.

Mr. Stevens pointed out that sanitation also played a key role in building design and equipment selection. "BISCC standards have changed, so we incorporated the latest standards into our equipment," he said. "We kept asking ourselves, 'Is it going to make the product, and is it going to be easy to clean?' We also looked for pinch points and other key areas of safety when putting the bakery together."

He acknowledged that starting up a three-line operation and filling orders on the same day was tricky. "A lot of times, I would compare hot dog and hamburger production, and hamburgers are usually easier to run," Mr. Stevens recalled. "However, we were at speed on hot dog bun production right out-of-the-gate. Overall, it went pretty well as

startups go, but it has taken some time to hone in on some equipment to get to its full potential."

Driving quality at high speeds

From the beginning, the emphasis has been on quality assurance and food safety. Klosterman relies on Alchemy Systems training programs to train and optimize the performance of the bakery's new recruits. Today, more than 160 employees work on three shifts, or about 150 hours a week, at the Boone County bakery.

In production, three 140,000-lb silos currently supply flour to the Shick Esteve bulk ingredient handling system. There is room to add another silo for donut production — and even two more — as plant production expands. Additionally, 12,000-gal tanks hold sucrose, soy and palm oil while a two-tank clean-in-place system supplies liquid cream yeast to the bread and bun lines, and there's a dump station for minor ingredients. Mr. Stevens noted a Shick Esteve Automated Ingredient Management software system provides such front-end controls as recipe and batch management, production scheduling, lot tracking, traceability, and process data acquisition.

The bread and bun lines rely on a classic 3.5-hour sponge-and-dough process that uses an AMF Bakery Systems automatic trough handling and fermentation system that's engineered to eliminate heavy lifting and ensure employee safety. Overall, the fermentation rooms hold 16 bun and 26 bread troughs on a first-in-first-out basis.

The bread line is fed by one AMF 2,200-lb sponge and two 2,800-lb dough mixers. Depending on the variety, doughs mix for about 12 minutes before dropping into an AMF traveling dough chunker and vertical dual-belt

conveyor system that feeds the hopper of a two-pocket AMF divider on the makeup line.

After dividing, the dough balls travel through two sets of bar rounders and receive flour dusting before entering one of two, side-by-side moulding systems where they pass through a sheeter roller, a curling chain, under a pressure board and into six-strap pans, which have been coated by a light spray of release agents from a Burford Corp. pan oiler. Mr. Stevens noted the extra-wide pans carry 180 pieces a minute while moving at a lower speed, which is designed to reduce wear-and-tear and maintenance costs in the long run.

From make-up, the filled pans travel on Intralox conveyors before entering the conveyORIZED proofer and oven system from Stewart Systems, a Middleby Bakery company. The line is also outfitted with a Stewart pan-lidding operation and a racetrack bun cooler.

After baking and panning, the loaves travel on an IJ White dual-tower spiral cooler for 60 minutes. This system incorporates several new technologies, including the Track Glide Z-6000 to eliminate potential product contamination. The spiral coolers are outfitted with an IJ White high-pressure belt washing system.

On the bun line, the bakery also uses an AMF 2,200-lb sponge and 2,800-lb dough mixer. A dough pump and a double-belt vertical conveyor feed the AMF Flex 8-pocket divider that provides accurate scaling as well as a high output with 135 strokes or 1,080 pieces a minute. Following a 1-minute intermediate proof, flour dusting and rounder-bar forming, the pieces tumble onto 40.5-in. pans to create six 8-packs of hot dog buns at a time. After traveling through a Stewart conveyORIZED proofer for about an hour, the pieces receive

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toppings from a Burford seeder if needed, then bake in the Stewart oven for up to 8 minutes, depending on the variety.

Labor-saving robotics

Located in the middle of the bakery, a Workhorse pan storage-and-retrieval system maximizes production throughput at all times. ABB robotics pick and place six bun pans at once or eight bread pans simultaneously on and off conveyors as needed. Overall, the bakery uses three types of pans for buns and five different ones for bread. In ad-

Creating a buzz around a cause

Klosterman Baking relies on packaging, media relations, social media, traditional marketing billboards and radio commercials to tell consumers a story about the value of its nonprofit partners. "We believe wholeheartedly in the mission of each of these organizations, so we not only support them but also find ways to help them spread their message and awareness to allow them to grow beyond a simple monetary gift," said Amy Schmitz, director of marketing.

This year, the bakery's brand-new partnership with the Cincinnati Zoo and Botanical Garden highlights the importance of pollinators. "It's a perfect fit for our honey product line as bees are an essential pollinator and essential to our product," Ms. Schmitz explained. "We were able to raise \$10,000 for the Cincinnati Zoo's Pollen Nation program, dedicated to supporting bees and other pollinators in our region."

Klosterman also partners with Folds of Honor in the summer to raise funds and awareness of their critical mission so support the children and spouses of fallen military and those disabled in the line of duty. So far this year, the bakery committed \$50,000 to support scholarships for those families throughout Ohio, Kentucky and Indiana. In the fall, the bakery will support Pink Ribbon Girls, a nonprofit that provides meals, housecleaning, transportation and peer support to individuals diagnosed with breast and women's reproductive cancers. "Our goal is to raise \$10,000 to \$15,000 for them this year through product sales and support from the community," Ms. Schmitz said.

She added the company is a strong supporter of the Ronald McDonald House Charities of Greater Cincinnati.



dition to its ergonomic benefits, Mr. Stevens said, the automatic system provides a de facto barrier between bread and bun production and the finished packaging department on the other side.

The versatile, automated packaging lines handle an array of bag sizes and formats while keeping labor, repetitive motion and lifting to a minimum. After cooling, freshly baked loaves are aligned and diverted through Mettler Toledo metal detection to one of four Bettendorf Stanford slicer/baggers at about 65 packages per minute. After passing through a Burford twist-tying machine, the bags flow to four GBS pattern formers and tray stackers before they're rolled to the bakery's warehouse for staging and distribution.

The bun line also has Mettler Toledo metal detection followed by four Bettendorf Stanford slicers and autoloader baggers before GBS pattern forming and tray stacking.

Separately, the donut line was producing cinnamon and powdered sugar varieties during *Baking & Snack's* exclusive visit to Klosterman's Boone County bakery this summer. After mixing in one of two VMI 400-liter spiral mixers, the batter is pumped into the hopper of the Moline system that deposits 12 donuts at a time that then travel through a 26-ft fryer, automatically flipping halfway through the 1-minute process.

The donuts travel along an IJ White spiral cooler with a 42-in.-wide belt that can handle up to 3,600 lb an hour for up to 30 minutes of dwell time for everything from holes to full-sized glazed donuts. Due to the challenges of cleaning conveyor belts for glazed products, this system incorporates dual-immersion technology for donut cooler belt-cleaning. The washing station sanitizes the belt with 140°F hot water to allow flexible production of multiple products.

Additionally, the versatile Moline line comes with a glazer and two powdered sugar and two cinnamon tumblers for donut holes and rings, as well as an Aasted chocolate-enrobing system with a 70-ft cooling tunnel that sets the chocolate coating. A Bradman Lake box former and closer provides the retail packaging for the donuts.

Always looking forward

When building the bakery, the company included several features that provide food and worker safety, as well as create a more comfortable workplace. Throughout the facility, cameras ensure security throughout the plant and allow Mr. Stevens and key management personnel to monitor

Above: The bakery's robotic pan storage-and-retrieval system eliminates labor and keeps the bread and bun lines operating smoothly.

Bottom: Klosterman's Boone County bakery produces 15 different varieties of packaged bread for the retail market.



Bread dough pieces go through two side-by-side moulding stations before traveling in pans to the conveyORIZED proofers.

production even while they're visiting other facilities.

Meanwhile, on the production floor, the ventilation system cycles the air six times hourly and directs enhanced circulation into key areas, such as near the oven, to maintain steady temperatures and deliver fresh ambient air to cool products even during the hot summer months.

Klosterman also added other comfort features. "Our bakery also features an open, sunlit cafeteria with free coffee and ice water, designed to give associates break time in a naturally lit environment," Mr. Stevens not-

ed. "Clean, easy-access locker rooms allow employees to come and go with ease, and a variety of conference rooms can accommodate small to large groups for training, meetings and team events."

During the 2019 International Baking Industry Exposition, which runs Sept. 7-11 in Las Vegas, expect the Klosterman team to be actively walking the show floor as they search for new ways to boost capacity and further automate the Boone County bakery. "We do have plans for a fourth line probably within the next

Dozens of donuts travel through a 26-ft fryer in Klosterman's Boone County bakery.
Klosterman Baking Co.

18 months," Mr. Klosterman said. "We've quietly been growing over the years."

That growth comes from the long-term relationships with its customers. "When we support their best interests with openness and trust, everyone wins," Ms. Klosterman said.

At Klosterman, actions may speak louder than words. But then again, it always helps to have an open line of communication when it comes to customer service.

"One thing I'm very proud of is that if you call the bakery, you get a real person on the telephone. We have an automated system, but you get a real person first. It's really important just to touch base directly with the customer," Ms. Klosterman explained. "The whole bakery is an open door. You can get to anybody you need any time day or night. That's something we pride ourselves in. Of course, we have 127 years in baking. We're proud about that."

And, of course, she added, "It goes without saying that we know how to bake a good loaf of bread." ●

