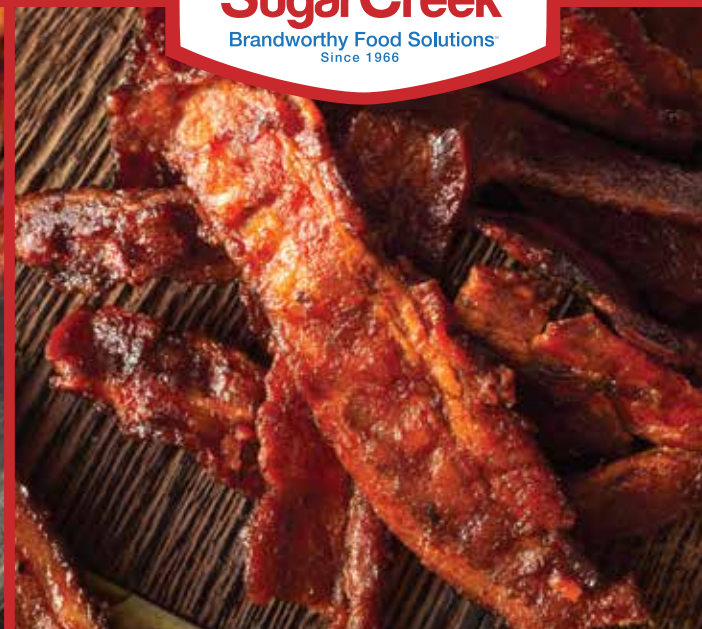




# THE HOUSE THAT *bacon* BUILT

50 Years of Family, Food & Innovation





**1966**

John S. Richardson and two other investors started the company in Washington Court House, Ohio



**2003**

Cooked turkey bacon production began



**2013**

Corporate Brand Renewal

**25**  
Employees

**1,900**  
Employees

**1993**

First microwave installed, allowing fully-cooked bacon strips to be sold to foodservice accounts



**2009**

All production plants SQF Level 3 certified under the Global Food Safety Initiative (GFSI)



**2015**

Sous Vide operations began at the new Cambridge City, Indiana plant



**SUGARCREEK'S HISTORICAL TIMELINE**

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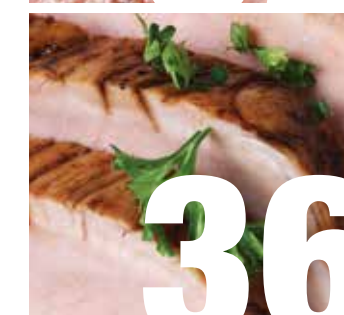
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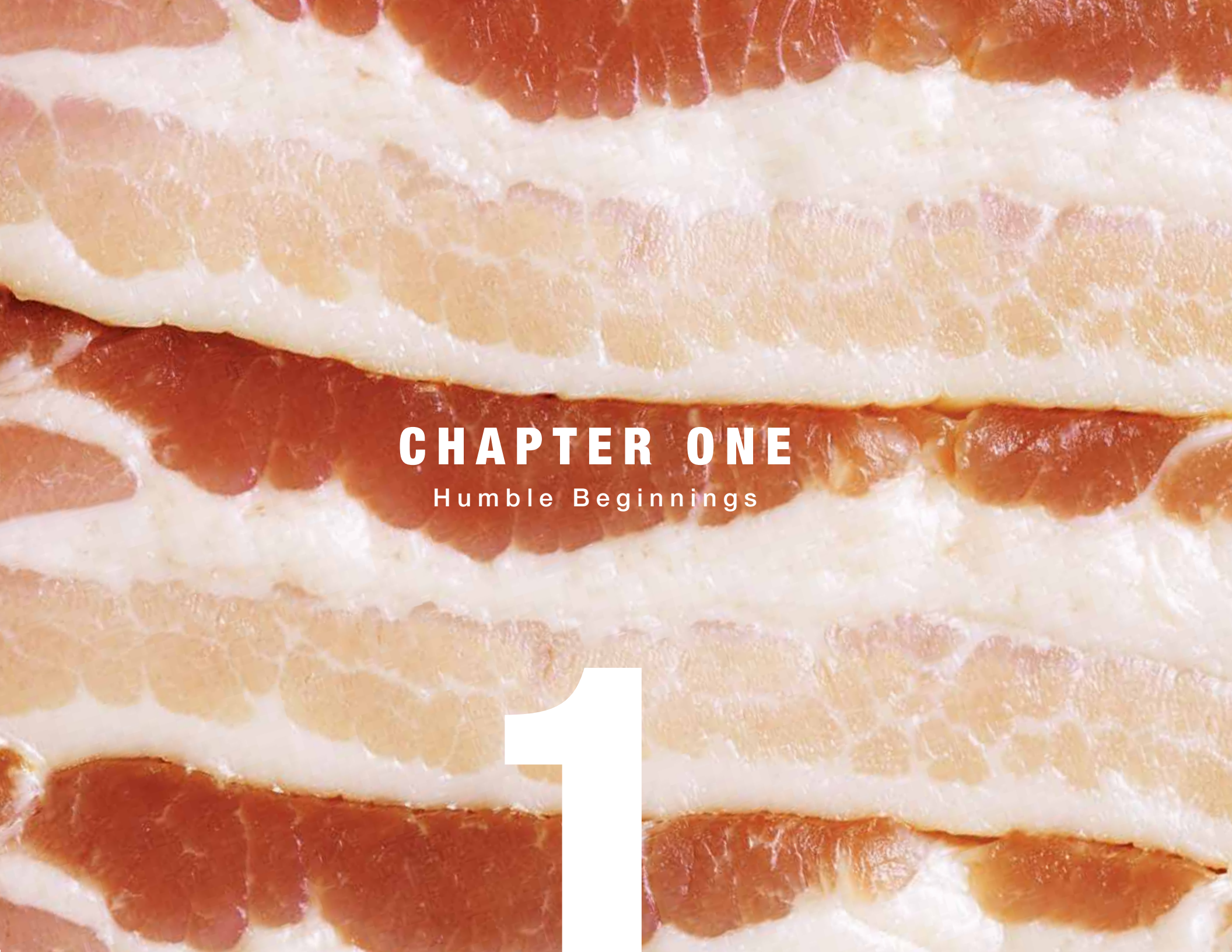


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## INTRODUCTION

Founded in 1966, SugarCreek is an innovative, diversified, and flexible food manufacturer that works with some of the industry's largest and best-known companies to develop brandworthy food solutions. With 1,900 employees and projected sales of \$650 million in 2016, SugarCreek is the largest independent bacon producer in the United States. As a value-added food company, SugarCreek serves domestic and international customers through a wide-ranging assortment of raw and fully cooked products built on innovative processing, cooking, packaging, and food safety systems. It all started over 50 years ago with one man's dream of shaping his destiny. This is our story.



# CHAPTER ONE

Humble Beginnings

## JOHN S. RICHARDSON AND THE RICHARDSON FAMILY

John S. Richardson, the founder of SugarCreek, grew up in the small town of Pinewood, South Carolina. After graduating from high school and doing a brief stint in college, he moved to Atlanta, Georgia, and began working in construction. In the early 1940s, he was transferred to Pearl Harbor, Hawaii, to build housing for the United States Navy. His fiancée, Rachel Burns, joined him there, and they married on December 4, 1943. John S. served in the Naval Reserves at Pearl Harbor as a ship fitter until the end of the Second World War. After the war ended, the couple returned to Atlanta where their daughter, Gail, was born in 1946.





Left: John S. and Rachel boating in the 1940s. Right: John S. and Rachel on their wedding day, December 4, 1943.

## GETTING STARTED IN THE FOOD INDUSTRY

John S.'s introduction to the food industry was as an employee of the Atlanta-based White Provision Company, a meat packer that was owned by the larger Swift & Company. The decision to join the Swift organization would change his life forever, setting him on a path towards private entrepreneurship and the founding of SugarCreek some 20 years later.

John S. felt drawn to the food industry. Having grown up during the Great Depression and having lived through the Second World War, he knew that the food industry was relatively recession-proof. Since people have to eat regardless of the state of the economy, there was a certain safety net in being able to produce food and, by extension, in working for a food-producing company.

In his new role, John S. learned various aspects of the food business, including selling and purchasing. It did not take long before he started to demonstrate an affinity for numbers and moved into accounting. One of his key strengths was his natural understanding of where an operation makes and loses money, analyzing its causes and explaining the information in layman's terms. Consequently, when Swift & Company began making a concerted effort to assess the profitability of all its plants and products, John S. was assigned the task of reviewing production facilities that were experiencing challenges.

Top: John S. doing a presentation while working at Swift & Company.  
Bottom: John S. while gaining experience as an employee in the food industry.



## A VISION IS BORN

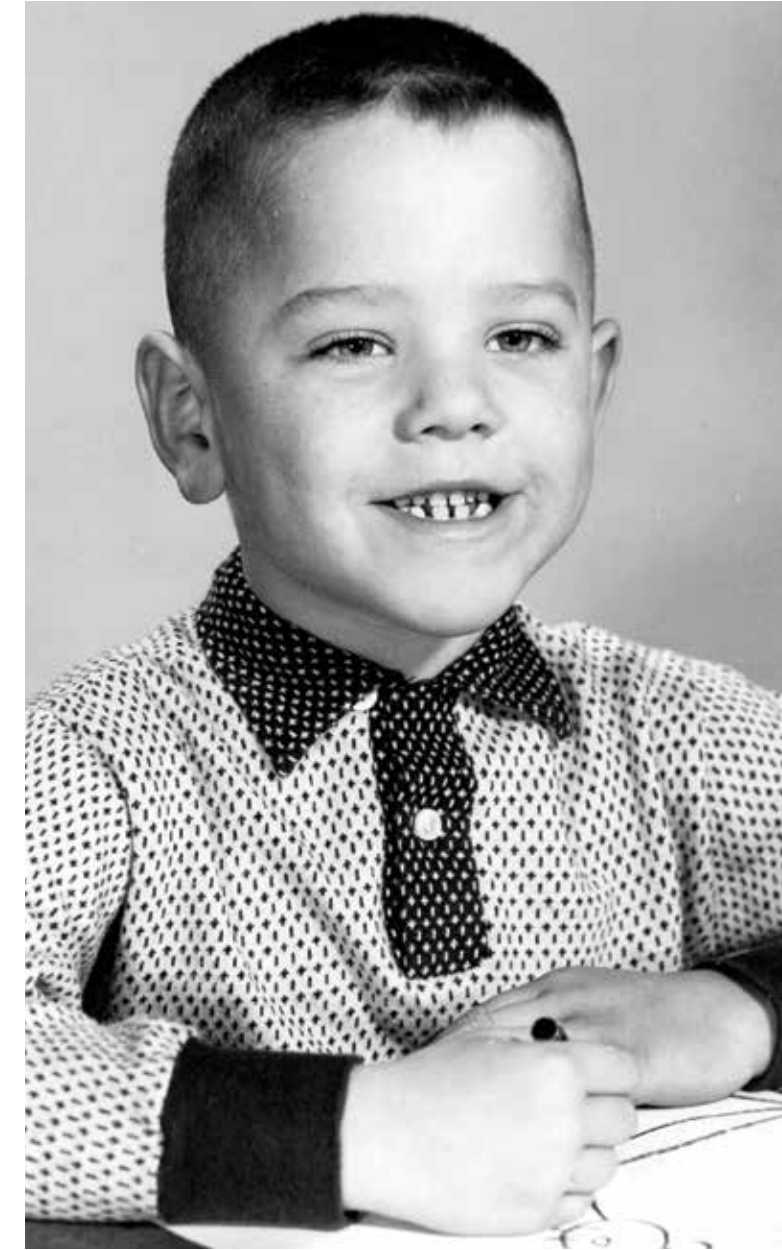
Assignments to various company locations meant that the Richardsons were on the move about every three years, calling areas of Chicago, Boston, New York and, eventually, New Jersey home. It was during a stint in Chicago that John G., the current CEO and Chairman of the Board, was born in 1951. Throughout the years that John S. worked for Swift & Company, the industry began to shift from full-line packing houses that combined slaughtering, cutting, processing, and packing under one roof, to specialty businesses where meat processing was done in a standalone facility. John S. realized the specialty most consistently profitable and, therefore, most likely to survive long-term as a standalone smoked meats business was bacon processing. With that, the vision for SugarCreek was born. In 1960, John S. left Swift to pursue new opportunities that would bring him closer to making his vision for private entrepreneurship a reality.

After leaving Swift, John S. worked for smaller packing companies in New York, New Jersey, and Boston before moving the family to Greenfield, Ohio, in 1964 and Washington Court House, Ohio, in 1965. Relocating to Ohio made sense for a budding entrepreneur trying to establish himself in the bacon-processing industry. Ohio was one of the top five hog-producing states in the country, and the small town of Washington Court House was the center of the largest hog-producing county in the state. "It was a hub for a bacon operation," John G. reflects.

John S. had a lot of faith in the food industry. He felt strongly that certain basics could be leveraged in growing a successful business in this particular market segment. He concluded that since people always eat breakfast, bacon would remain a staple and always be in demand. Equally important, being a bacon processor meant building an enterprise that could be expanded beyond just one location.

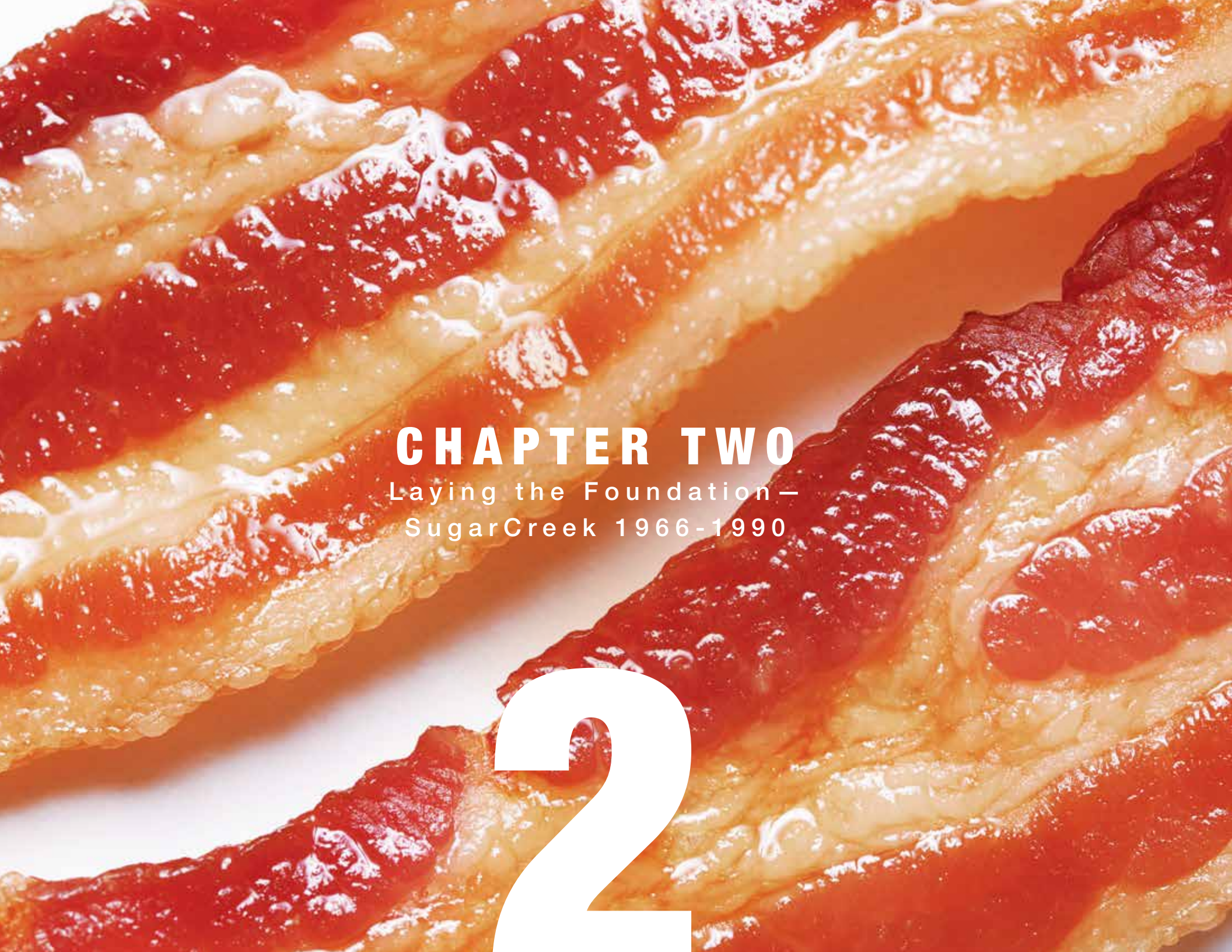
While promoting his vision to potential partners, John S. was excited to see his entrepreneurial dream turn into reality. His plan was to supply raw bacon to the retail industry and he was an early adopter of a business model built on his ability to foresee significant changes in the way retailers would distribute their product. At the time, suppliers delivered their product directly to customers' individual retail stores, but the evolving interstate highway system would give a competitive edge to manufacturers that could deliver full truckloads of specialized product to key distribution points. Retailers would then distribute the product to their stores independently. Washington Court House was an ideal location in providing easy access to larger centers of population served by food retailers.

The decision to venture out on his own was not without its risks, however. John S. was about to leave behind a well-established career at the time his daughter, Gail, was ready to go to college and his son, John G., was in high school. John S. felt so strongly about the potential for success as a bacon producer that by 1965, he had everything in place to start SugarCreek.



The Richardson family's first home in Chicago.

Left: John G. as a young boy at school. Right: John S. with his children Gail and John G. in the early 1950s.



# CHAPTER TWO

Laying the Foundation—  
SugarCreek 1966-1990



The SugarCreek plant in Washington Court House, Ohio.



## THE FOUNDING OF SUGARCREEK



In November 1965, the company was incorporated for a \$50 filing fee. The name SugarCreek comes from the creek that John S. crossed daily near where he started the family enterprise. Less than a year later, in September 1966, the newly built Washington Court House plant began operations. Located on 10 acres in a new industrial park, the 10,000-square-foot concrete block facility had two smokehouses, a built-in rail system to move bacon trees, and a small office area. SugarCreek began by smoking and curing entire slabs of bacon. Slicing and packaging were added shortly after.





Left: The loading dock of the SugarCreek plant in Bloomington, Illinois. Right: The SugarCreek facility in Frontenac, Kansas, in the early days.

John S. launched SugarCreek with \$1,000 in cash and \$200,000 in capital together with two investors—Sam J. Coil and Joseph P. Burke. In January 1967, during a shortage of funds, additional shares were sold to James Woods and Dwight (Buck) Bell. As non-operational partners, the shareholders supported John S. in building the company.

A&P Tea Company was SugarCreek's first customer and remained its largest account until the late 60s. In 1967, the Cincinnati-based Kroger Company became a 50 percent equity owner in SugarCreek, while the remaining 50 percent were shared among the other partners. Kroger's growth strategy involved investing in manufacturing businesses like SugarCreek that produced the products it sold through its growing chain of grocery stores. Kroger's involvement meant a tremendous boost in volume for the young company when it replaced A&P as SugarCreek's single largest customer. It also allowed John S. to continue growing the company's customer base.

## BUILDING CAPACITY

From the late 1960s through the early 1980s, the principal focus was on building capacity, resulting in the opening of three more plants over the course of 13 years. In 1967, the first full year of production, SugarCreek's sales were \$3,832,000 on 8,279,000 pounds of sliced bacon. Ten years later, in 1977, sales exceeded \$39 million on 48 million pounds, the number of employees stood at 430, and the capacity for all plants had grown to 64 million pounds.

The first step in adding capacity was the opening of SugarCreek's second facility in Bloomington, Illinois. A former beef and pork fabricating plant that was converted into a raw bacon operation, it began production in 1969 and made sliced bacon. Six years later, in December 1975, the Dayton, Ohio, plant began production after being converted into a bacon operation. In 1982, Frontenac, Kansas, became the location of SugarCreek's fourth manufacturing facility.

The SugarCreek plant in Dayton, Ohio, under construction.

“...we were just getting bigger.”

Establishing a manufacturing plant in Kansas marked an important step in the evolution of SugarCreek becoming a company with national reach. By the early 1980s, SugarCreek had matured and was handling all of the Kroger Company's business east of the Mississippi. Changes in the distribution of the hog population across the country combined with Kroger significantly expanding its market presence in the West made opening a plant in Kansas a strategic move that allowed SugarCreek to keep growing alongside its largest customer and partner. At 50,200 square feet, the newly-built Kansas plant was state-of-the-art when it began production in March 1982.

Now operating out of four plants, SugarCreek continued to focus on producing private label raw bacon for retail customers throughout the 70s and 80s. “With the three additional plants, we replicated what we were already doing in Washington Court House. We were doing more of the same... we were just getting bigger,” John G. reflects.

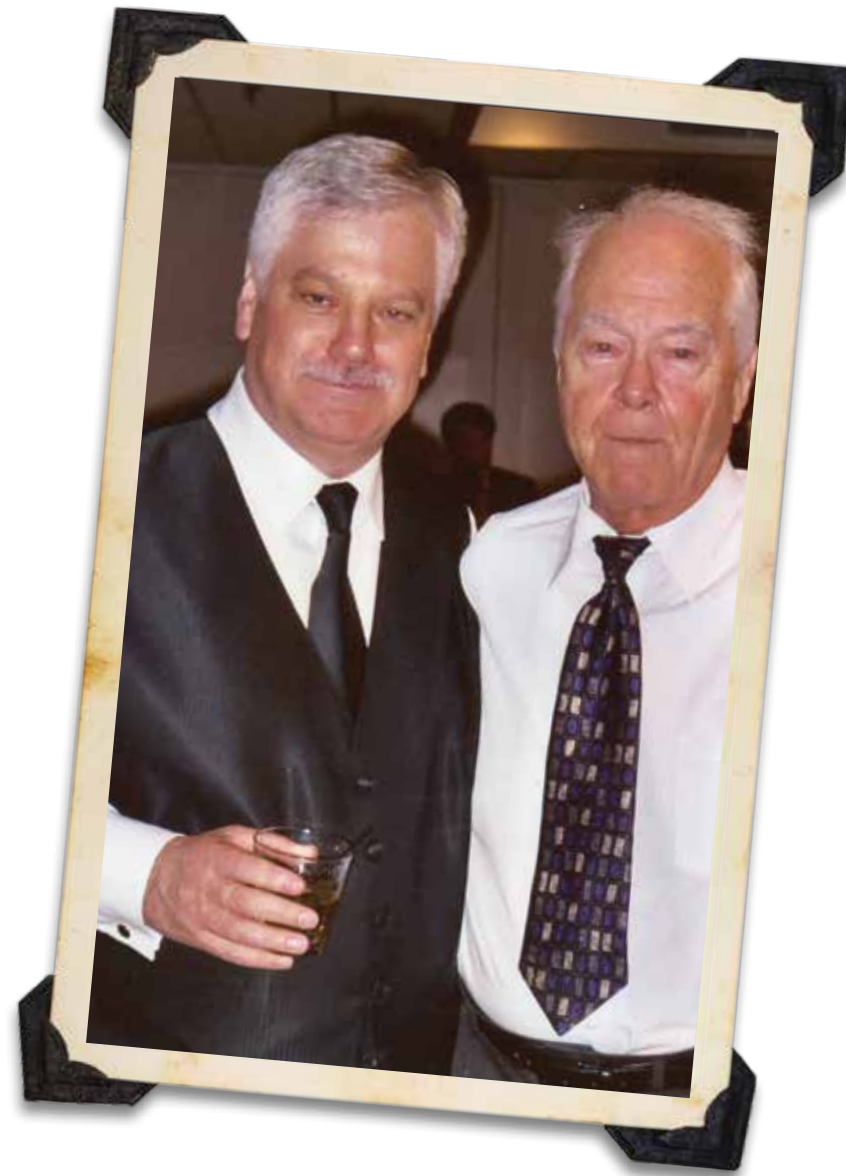


## JOHN G. RICHARDSON JOINS THE COMPANY

John G. Richardson began working part-time for SugarCreek as soon as his dad started the family business. His first job was in construction while the original Washington Court House plant was being built. On weekends and throughout the summer, he worked for different contractors employed in the completion of the building. He quickly received the moniker “Little John” to distinguish him from his father, who was often referred to as “Papa John”. Following that, he helped out with maintenance-related jobs every summer from grade nine through college. “As I grew up, on the weekends, my Dad and I would often go on road trips together to look for used equipment to buy. Around the kitchen table, we would talk about the business as well—we ate, drank, breathed, and slept the business 24/7. We were always thinking and talking about it,” John G. recalls.

After high school, John G. attended Illinois State University while working at the nearby Bloomington plant. He graduated in 1973 with a bachelor’s degree in business administration and, following a short stint building trucks in Cleveland for White Motor Corporation, joined SugarCreek full-time in 1974.

John G. started his full-time career working in operations at the Dayton plant where he served as plant manager from 1975 to 1978. In his mid-twenties at the time, he struggled with supervising people who were older and much more experienced. All the while, his father encouraged him to hang in there, expressing confidence that he would grow into his role.



John G. and John S. Richardson


“When I came back from Kansas, I could have an adult conversation about SugarCreek with my father—I had learned the business.”

From Dayton, John G. and his family returned to Washington Court House where, over the course of two years, he learned Procurement, Transportation, Freight, and many other key corporate areas of the business. By the early 1980s, he was getting more comfortable with his role, prompting him to move to Kansas with his young family to oversee the building of the new plant in Frontenac. That project proved to be pivotal in his professional development.

“When I came back from Kansas, I could have an adult conversation about SugarCreek with my father—I had learned the business. I started to see the pieces of the puzzle: the sales, the equipment, and the customers. I began to see the business as a platform and picked up on the nuances. I was excited about the future of our company,” John G. remembers.



The SugarCreek plant in Dayton, Ohio.



## GOOD ENOUGH IS NOT ENOUGH—THE FOUNDATION OF THE SUGARCREEK CULTURE

John S. Richardson was a value-driven entrepreneur who was truly passionate about the business he had created. His ambition and unwavering commitment to creating a high quality product are best described by his core mantra and business imperative: “Good enough is not enough.” John G. remembers, “I don’t think there was anyone more immersed, more knowledgeable, and absolutely crazy about the product and the process than my father.”

Coming from humble beginnings and shaped by the Great Depression and World War II, he believed in the value of hard work. As someone who had walked away from a stable career and taken a significant risk in becoming an entrepreneur, John S. was driven by the conviction that people could change their destiny if they only wanted it badly enough. Long-time employees remember SugarCreek’s founder as a true Southern gentleman, a driven entrepreneur, and a warm person who genuinely cared about employees.

A reflection of the founder’s philosophy and relational approach to business, father and son had many conversations about the values behind developing a successful business. These values involved how to treat and mentor people, how to nurture relationships, and how to develop a team and share the success of family entrepreneurship with employees, customers, and the community. John G. remembers, “I learned a lot from my father on how to plan for the long term, never burn a bridge, develop relationships and negotiate. He taught me many business and people skills and that leading a business is about staying in the game and never quitting, never being greedy, and always planning for the long term.”

**I don’t think there was anyone more immersed, more knowledgeable, and absolutely crazy about the product and the process than my father.**

## THE FORK IN THE ROAD—EARLY STEPS TOWARDS DIVERSIFICATION

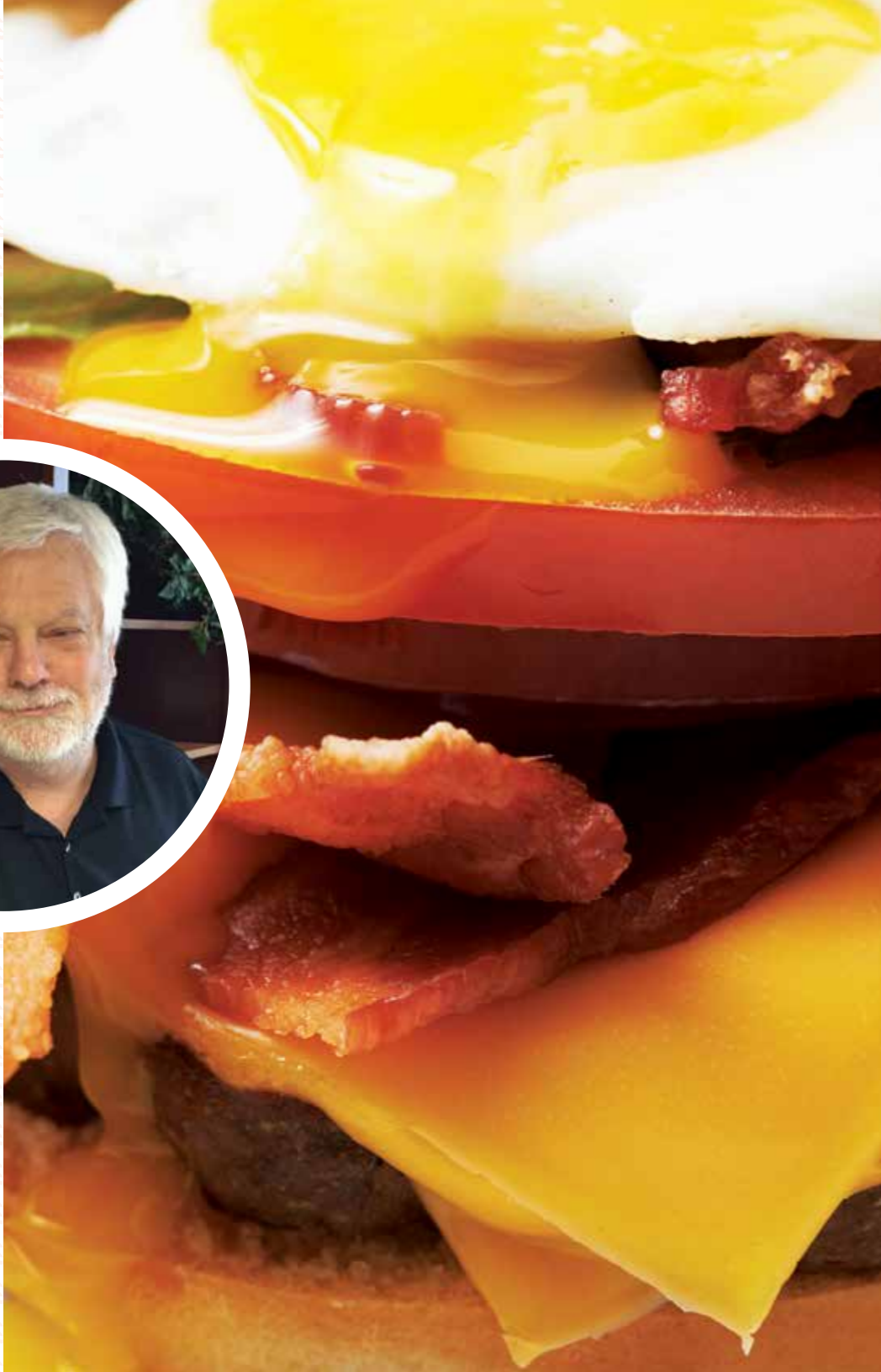
By 1982, SugarCreek was operating out of four facilities and had reached a level of maturity. Increased manufacturing capacity allowed the Richardsons to continue growing the company by widening the customer base and adding new product. “Once we got Kansas up and running, we had plenty of capacity, and we did not need any more raw retail. We were at a fork in the road,” John G. recalls.

The move towards diversification was driven by John G. His vision throughout the 1980s and into the early 1990s was to transform the company from being a private label raw bacon manufacturer to becoming a breakfast company. “I wanted to balance the business more. We sold bacon, but we did not sell sausage, ham or other breakfast meats. My first goal was to diversify our customer base into foodservice because we were so heavily entrenched in retail. Dad was reluctant, but he let me play with it,” John G. said.

The growing popularity of fast food restaurants that used bacon on their burgers provided an opportunity to break into the foodservice market. Adding bacon bits to the product portfolio was another early step towards diversification in the mid-1980s. Producing bacon bits from bacon ends added value to what otherwise was a low-value byproduct of sliced bacon production. Following the decision to start manufacturing bacon bits, the Bloomington plant was converted into a bacon bit operation, and production began in 1985.



John G. Richardson.



## PASSING THE BATON

By the late 1980s, the Kroger Company, which had remained a 50 percent shareholder of SugarCreek and accounted for about 70 percent of SugarCreek’s overall volume, decided to reposition itself by terminating its ownership in manufacturing businesses that were not directly related to its core retail operations. Seeing an opportunity to become entirely independent, John S. and John G. bought out Kroger and their other remaining partners in 1987. Three years later, in 1990, John S. retired and sold his stake in the company to his son.

Following his retirement from SugarCreek, John S. continued to look after the affairs of Cincinnati-based Wingate Packaging, a company he had purchased together with long-time friend and meat industry colleague Robert Braunschweig in 1983. Wingate supplied packaging services to SugarCreek, so he was able to continue contributing to the success of the company he had founded almost 25 years earlier. A testament to his work ethic and dedication as an entrepreneur, John S. continued to work until weeks before his passing in 2011, at the age of 90.



John S. Richardson retiring from SugarCreek, the company he had founded, in 1990.



## CHAPTER THREE

Diversification —  
SugarCreek in the 1990s and 2000s

# 3

## BECOMING A VALUE-ADDED FOOD COMPANY

In 1990, when SugarCreek transitioned into the second generation, annual sales were close to \$50 million, and the company employed around 800 people. “This was a tremendous foundation on which to build,” John G. says. “We had satellite campuses, good people, and excellent customers. Being debt free at the time was a huge advantage for which I am grateful.” Since then, John G. has transformed SugarCreek into a widely diversified company with over \$600 million in annual sales and a focus on value-added, fully-cooked, ready-to-eat (RTE) products.

Throughout the 1990s and early 2000s, John G.’s vision continued to evolve. The goal was for SugarCreek to become a more comprehensive food processor serving both retail and food service customers with raw and fully-cooked meat products. “I became increasingly aware that we had plenty of raw capacity, plenty of retail business, plenty of private label business. We needed to expand in the areas we weren’t in rather than in the areas where we were relatively mature. So we grew into fully-cooked products—we first cooked bacon bits, then we started cooking bacon and eventually evolved into cooking other proteins as well.”

Cooked bacon became part of SugarCreek's core business after the installation of the first microwave for fully-cooked bacon strips in the Washington Court House plant in 1995 and the creation of a second line in Kansas a year later. The parallel launch of raw turkey bacon in 1995 added a raw product alternative to pork in the company's growing product portfolio. A second shift was added to production in all plants and was a major contributor to the growth experienced throughout the 1990s.

Diversifying into turkey bacon and investing in new cooking capabilities at the same time were significant stepping stones in the ongoing process of SugarCreek becoming a highly diversified, value-added food company. Producing turkey products allowed the SugarCreek team to learn about grinding, blending, emulsifying and formulating—processes that lend themselves well to sausage and other extruded or formulated items. At the same time, enhancing the company's cooking ability laid the foundation for a broad range of cooked proteins that have since been introduced, such as pork sausage, chicken bacon, meatballs, and many other products.

2002 marked the end of a twenty-year run during which SugarCreek had grown by maximizing space through remodeling, streamlining, and expanding its existing production plants. By the beginning of the new millennium, John G. saw the need for another cooking facility and increased warehouse space. This realization prompted the 2002 opening of the 65,000 square foot pre-cooked bacon plant in Dayton and the 88,000 square foot storage facility in Cincinnati. The decision to invest in a separate plant for cooked bacon was made based on the conviction that demand for cooked bacon would eventually exceed demand for raw bacon products. The Dayton bacon plant began with two fully-cooked bacon lines and now has six, generating more than 1 billion bacon strips per year.

The new storage facility in Cincinnati marked a significant shift in the way SugarCreek warehouses its products. Throughout the previous two decades, SugarCreek had converted so much square footage in all of its facilities to production that it often ran out of room for storage of both raw materials and finished goods. For years, SugarCreek had contracted with local storage facilities to various degrees of satisfaction. With the opening of a dedicated storage facility, all critical capabilities were now under one roof. The warehouse gave SugarCreek the ability to stage, cross dock, and build loads, making operations at the plant level much easier.



SugarCreek was well on its way to becoming a value-added cooked protein company. Both from a strategic and a convenience standpoint, John G. realized that fully-cooked ready-to-eat foods were what the end consumer would be looking for in the future. “By 2005, I started to think about what it would take to become an innovative food company that is value-added, focusing on convenience through cooked and prepared food,” he reflects.

Convinced that becoming a state-of-the-art cooked food solutions provider was the future of SugarCreek, John G. purchased the first impingement oven without having a particular product or customer in mind. Michael Richardson, John G.’s son and COO of the company, remembers, “He made that purchase saying, ‘I don’t know what I’m going to cook, but I’m going to cook something.’” Once the equipment was in place, SugarCreek did not shy away from taking on customers asking for different cooked products. “We said ‘yes’ a lot. We said ‘yes’ to cooking turkey sausage. We said ‘yes’ to cooking chicken fajita strips. We said ‘yes’ to cooking meatballs, and then we built a business out of it,” Michael reflects. A testament to this vision, today SugarCreek is one of the top three producers of ready-to-eat meatballs in the country.

Certifications play a significant role in SugarCreek’s ability to react quickly to exciting new opportunities. “We try to have every certification you can get because you never know when opportunities are going to call,” Michael emphasizes. Today, product and process certifications include Safe Quality Foods (SQF), United States Department of Agriculture (USDA), organic, halal, and others. In 2005, SugarCreek was approved by the European Union for production, storage, and shipping, and, in 2008, the Washington Court House plant was certified for organic production by Quality Assurance International (QAI).

As SugarCreek became a more diversified, innovative, and flexible food manufacturer with a distinct capability in cooked products, sales grew from \$56 million in 1992 to \$560 million in 2015.



**I don't know what I'm going to cook, but I'm going to cook something!**





**9/11 was a game changer for the entire food industry. It was like flipping a switch from that point, and it has made us safer and better.**



## **9/11 CHANGES AN ENTIRE INDUSTRY**

The terrorist attacks on September 11, 2001, introduced the notion of bioterrorism to food manufacturing. At SugarCreek, increased awareness of biosecurity resulted in a comprehensive review and overhaul of processes related to access to the property, background checks, visitor protocol, tracking people throughout the campuses, and monitoring material entering and exiting the plants. In response to heightened security concerns following 9/11, SugarCreek fenced the perimeters of its plants wherever possible. Camera systems, door swipes, proximity controls, and restricted entry points were implemented to secure each facility better. "9/11 was a game changer for the entire food industry. It was like flipping a switch from that point, and it has made us safer and better," says John G.

## **OPERATING IN A GLOBAL MARKET**

In addition to working with food service and retail customers across the United States, SugarCreek has pursued export opportunities across Europe and Asia. At present, the company's largest international growth is in Canada, where the North American Free Trade Agreement and a well-integrated logistics network have created an environment that is highly favorable to cross-border trade. As a customer-driven manufacturer, SugarCreek goes where there is opportunity, and today, exports account for 17 percent of the company's overall business.

A substantially sized organization that moves significant volumes of raw material through its various plants on any given day, SugarCreek relies on a global supply chain that sources the highest quality commodities, packaging, and ingredients.





## “DO YOU WANT A JOB OR DO YOU WANT A CAREER?”—THE THIRD GENERATION OF RICHARDSON FAMILY ENTREPRENEURS

Similar to his dad, SugarCreek COO Michael Richardson, learned the business from the bottom up. His first job was sweeping the floor and cleaning up a dry warehouse, followed by stints in virtually every area of the company during high school and college breaks.

After Michael graduated from Ohio State University with a double major in finance and operations in 2002, he informed his dad that he wanted to join the family business full-time. At a dinner, John G. asked his son, “Do you want a job, or do you want a career?” and whether he understood the difference. Michael told his father that he wanted a career that would allow him to grow with the company and become a stakeholder in the organization.

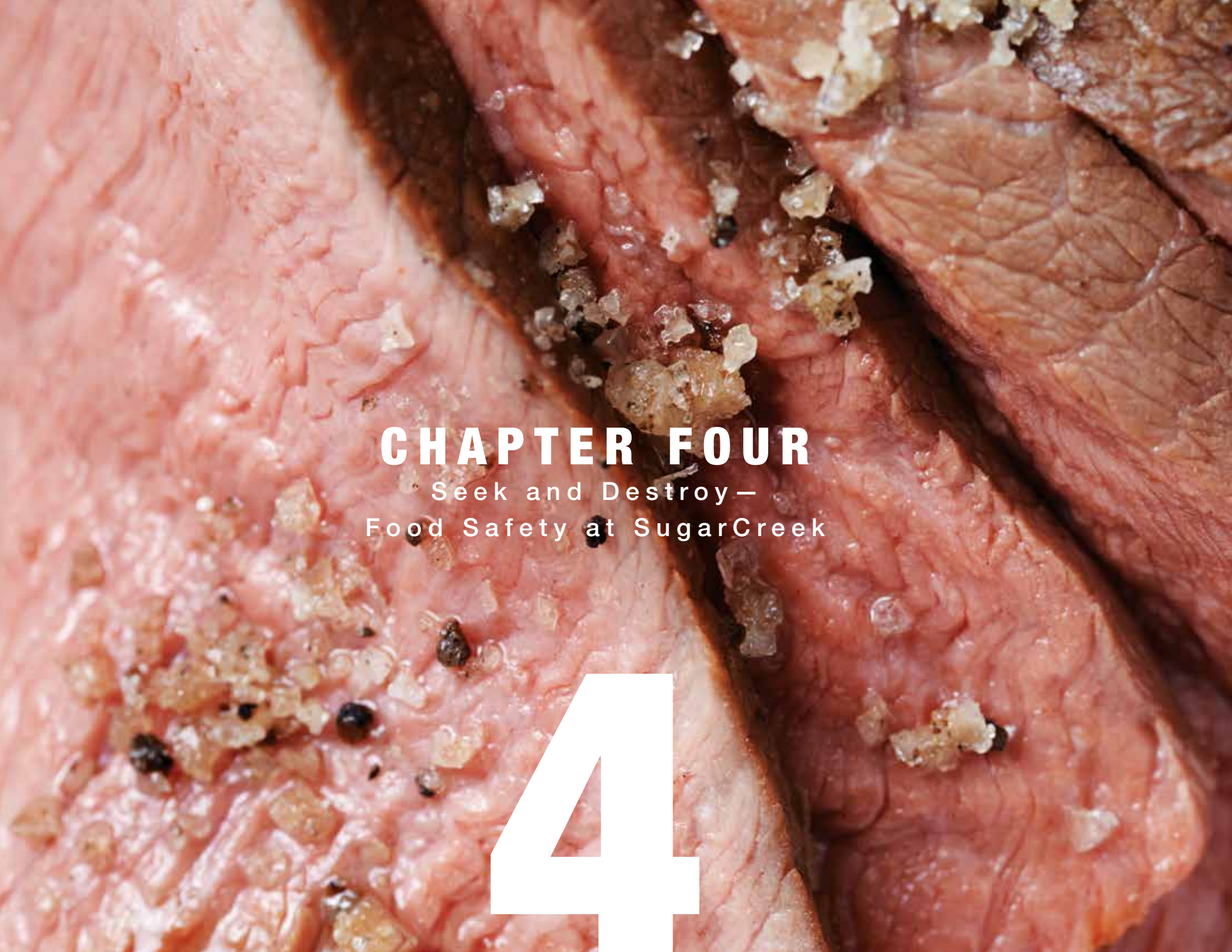
Just like his father taught him, John G. was determined to challenge his son to learn each and every aspect of the business. In 2002, Michael started in Transportation and subsequently went into Customer Service, Supply Chain, Sales, Quality Assurance, Operations, Maintenance, Accounting, Human Resources, and Wingate Packaging before heading back to Operations at SugarCreek in 2012. “I probably didn’t appreciate it at the time, but having worked in every function has made me incredibly well rounded,” Michael concludes.

In 2006, Michael’s sister Jennifer (Richardson) Hutcheson joined the company full-time. Her earliest memories go back to playing inside boxes as a child in the Washington Court House plant. She worked at SugarCreek during the summers while in high school, doing different jobs in the office. “Michael and I grew up with SugarCreek, or better *in* SugarCreek with my Dad and the employees who have been with us for so many years now,” she remembers. Following high school, she attended American University in Washington, D.C. and graduated with a major in pre-law and a minor in business administration. She worked as a paralegal in New York City before getting her first professional exposure to the food industry as a manager in the franchise sales department at Quiznos in Denver. It was during a cab ride to a trade show they attended together in Chicago in 2006 that her dad told Jennifer that SugarCreek needed help with the major accounts and asked her to join the family business as National Account Manager. In that role, she remains the steward of critical relationships with customers to this day. “Having had some outside corporate experience before joining SugarCreek full-time has given me even greater appreciation for everything my dad has accomplished. Having an impact on long-term relationships with customers has been a highly rewarding experience,” Jennifer reflects.

Sam Richardson, son of John G. and wife Julie (Riney) Richardson, is also exploring the idea of becoming a part of SugarCreek. Like his dad, Sam will begin working at SugarCreek during summers in 2017, learning the business from the ground up. “SugarCreek has been in my family for many years. I love to hear my dad talk about the future of the company and the idea of becoming a part of it excites me,” says Sam.



John G.’s children: Sam, age 15 (left), Michael (top right), and Jennifer (bottom right).



# CHAPTER FOUR

Seek and Destroy –  
Food Safety at SugarCreek

# 4



SugarCreek's approach to food safety is built on the foundation that customers are entrusting the company with their brand. The most important way to honor that responsibility is to take food safety to the highest level possible. As its products have become more diverse over time, SugarCreek has continuously adapted its food safety and quality systems to meet and, in most cases, exceed regulatory and customer requirements. Many of the company's key innovations over the years have been in the area of food safety while transforming itself from being a low-risk, all-bacon manufacturer to producing higher-risk, ready-to-eat, value-added products. SugarCreek applies its comprehensive food safety programs to all areas of operations including equipment, plant design, testing standards, processes, requirements for suppliers, and release of product to the customer.



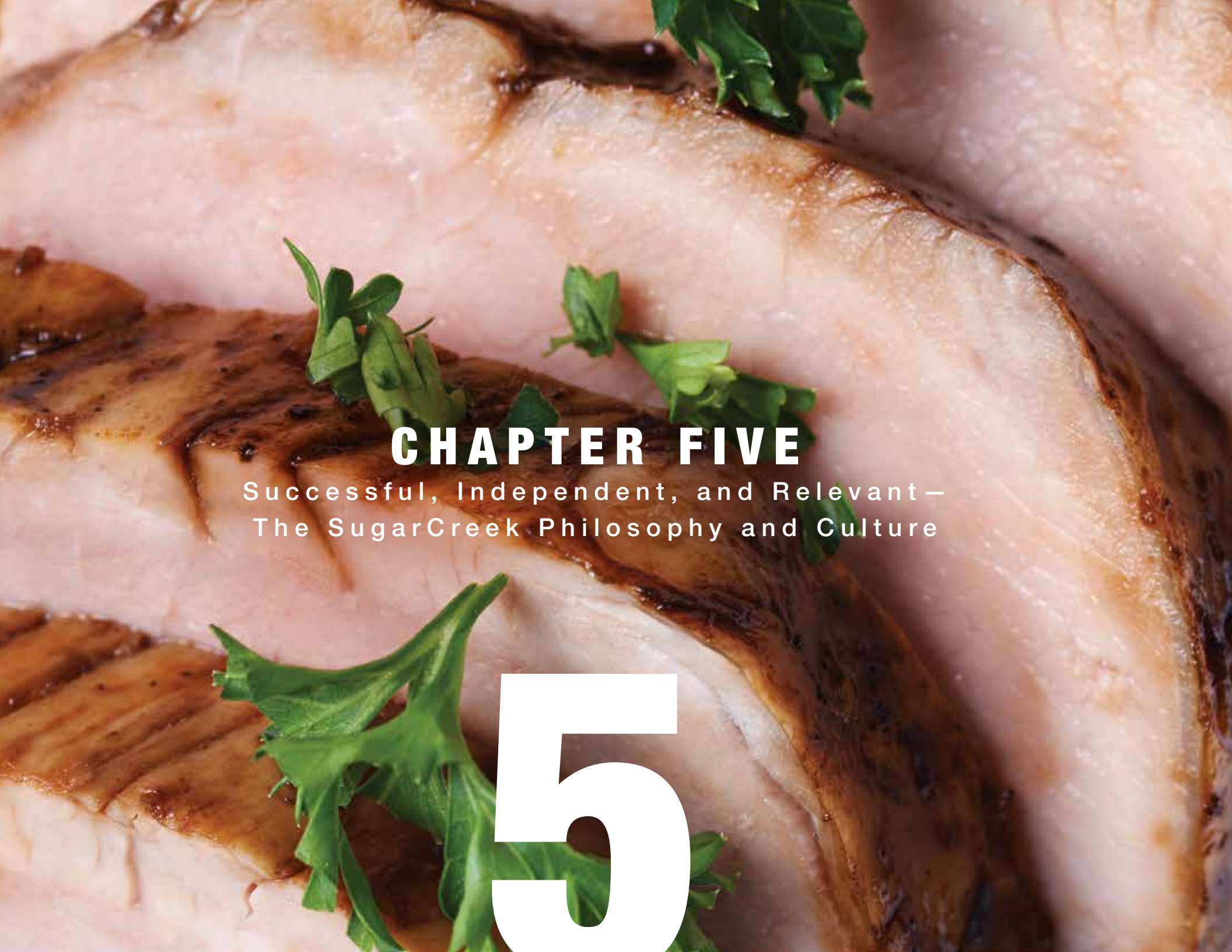
Surveillance and a “seek and destroy” mentality are the two core tenets of food safety at SugarCreek. The collaborative mindset is to test actively for bacteria and microorganisms and, if present, destroy them. Microbiological testing for pathogens is done daily, and equipment used in SugarCreek’s robust food safety programs include metal detection, laser scanning, and infrared-scanning systems as well as x-ray technology. Also, employees complete visual inspections at multiple points throughout the process.

The company’s corporate laboratory in Washington Court House opened in 1999. The lab is USDA-certified and is currently working toward ISO certification by the end of 2016. All plants send their samples to the internal lab for microbiological testing. Only recently has SugarCreek begun using outside labs for testing to stay on top of the much higher volume of products moving through each facility on any given day.

All SugarCreek facilities are SQF Level 3 certified under the Global Food Safety Initiative (GFSI). Level 3 is the highest achievable standard under this global auditing system which has created one universal standard for food safety and quality assurance for food manufacturers worldwide. In 2009, SugarCreek became one of the first in the industry to be GFSI Level 3 certified across the entire organization.

“Hold and release” is another expression of the uncompromising food safety mindset that sets SugarCreek apart from many other processors. As a matter of principle, SugarCreek holds all product while testing is being done and will only release it to the customer after acceptable lab results are received. “We want to err on the side of being too cautious. Food safety is a core competency that is above negotiating. It is not an area where you want to cut corners or save money—it is a vital part of our foundation and something we work at all the time,” John G. explains.





# CHAPTER FIVE

Successful, Independent, and Relevant—  
The SugarCreek Philosophy and Culture

# 5

John G. Richardson uses three key words to describe his approach to entrepreneurship: successful, independent, and relevant. Success is about being profitable and efficient. Being independent symbolizes controlling one's destiny and always remaining a family-owned and operated business. Being relevant represents the company's mission to stay agile, remain ahead of trends, and continue to be a thought leader in the food industry. Together, "successful, independent, and relevant" represent the pillars of the SugarCreek philosophy and culture.

SugarCreek has what Michael describes as "an incredible sense of urgency" that expresses itself in a fast-paced, highly entrepreneurial and proactive environment that seeks opportunities and faces

challenges head-on. When there is a problem, John G. is known for his determination to hear the bad news right away so he can attack any challenge immediately. As a non-branded co-manufacturer that partners with many high-profile brands, SugarCreek has to be flexible and able to adjust quickly to customers' changing needs. As a result, SugarCreek is an organization that has evolved through investing in new technology, differentiating its product mix, and reinventing itself at various times. "I think our willingness to do what others won't do like short runs, multiple changeovers and projects that are more complex, and doing them efficiently, is what sets us apart. We don't like to say 'no'. We like to say 'yes'. We are very entrepreneurial in that regard," Michael explains.



Aerial view of the SugarCreek facility in Washington Court House.



Seated left to right: John G. Richardson, CEO and Chairman of the Board; Michael Richardson, COO. Standing left to right: Alan Riney, EVP Sales; Tom Bollinger, CFO; Ed Rodden, CIO.

“  
**SugarCreek is our father’s first child, and he takes care of his family.**  
 ”

As the owners of a privately held and intensively entrepreneurial business, the Richardsons feel a very personal sense of responsibility to the customers they serve, the employees who make up the larger SugarCreek family, and the communities they call home. For Jennifer, private entrepreneurship is about “doing what’s right, valuing relationships and becoming a strategic partner to our customers.” For John G., a family entrepreneurial spirit embodies sustainability and values that go far beyond the accumulation of personal wealth. “The business is more than just me and my immediate needs. Any organization that affects peoples’ lives is a means to an end... to sustain a family, have a home, pay for a college education or two. I feel very strongly about that. It puts things into perspective.”

Being a family business includes looking after employees and helping whenever help is needed. “For as intense and driven as he is, [my] dad is also extremely compassionate and giving. He has one of the biggest hearts I know of, and he truly changes people’s lives,” Jennifer says. “SugarCreek is our father’s first child, and he takes care of his family. I think that’s the most special thing that he does,” Michael concurs.

John G.’s personal sense of responsibility for employees goes a long way. Helping individuals and families at SugarCreek through hard times and creating a culture in which people are treated personally and fairly and where performance is rewarded is a top priority. At SugarCreek, family entrepreneurship equates to an environment that is transparent, and where employees can take ownership and where people succeed as part of the SugarCreek family.

John G. is known for his boundless curiosity and willingness to listen. These are significant contributors to his ability to gather information for making far-reaching decisions, such as investing in new technologies and equipment that keep moving the company forward. To the uninformed, many of John G.’s decisions appear to be made very quickly and off the cuff. Those who have accompanied him on his entrepreneurial journey, however, see that these decisions are based on studying the facts, identifying a trend, and investing in the technology. “He incorporates all of that into his decision-making so that what may appear risky on the surface is grounded in research and thought,” says Michael.



Seated left to right: Michael Richardson, COO; Greg Jodrey, Culinary Chef; John G. Richardson. Standing left to right: Pete Tamborski, General Counsel; Jim Coughlin, VP Sales; Lance Layman, VP Business Development; Olga Bitsakis, National Account Manager; Ed Rodden, CIO; Tom Bollinger, CFO; Maya Dogic, Customer Service Manager; Dan Barton, VP Supply Chain.



**I think the employer that has the best team, the best people, the best culture, and the ability to recognize talent and promote that talent is the one that is going to win.**



An expression of that same insatiable inquisitive spirit, John G. and other company stakeholders, when traveling the world, never miss an opportunity to visit a plant or a grocery store to find out what's trending in the food industry.

Visitors to SugarCreek's head office are often surprised to learn that John G., Michael, and other members of the executive team do not have separate offices but work out of a typical cubicle area with the rest of the office staff. Eliminating walls or barriers is one of many ways to foster increased communication and to lead by example. It is a management approach built on the Richardsons' desire to be viewed as members of the team. Work circles are another expression of a culture that is highly inclusive and where the sharing of information is a way of bringing people into the conversation and creating opportunities for mutual learning as a team. "Not having offices allows employees to engage in what they overhear and contribute to the conversation," explains Michael.

For John G., acquiring top talent and creating an environment that enables employees to win as a team is what defines a world class organization. The success of an organization depends on talent and a culture that brings out the best in people. Based on this approach, SugarCreek is committed to giving people the tools for building long-term careers. Preference to promoting from within is an expression of wanting people to grow with the organization. "I think the employer that has the best team, the best people, the best culture, and the ability to recognize talent and promote that talent is the one that is going to win. Like my dad, I find the people side the most challenging, the most frustrating, and the most agonizing, but at the same time the most fun, the most exciting, and the most rewarding. The people you work with is what makes it all worthwhile," says John G.

That same relational approach extends to suppliers and customers as well. It is no coincidence that many of SugarCreek's key customer relationships go back 10 years or more. "We are looking for long-term strategic partners. We want relationships that last because that is how you build trust," Michael explains.

John G. and Michael Richardson.





**CHAPTER SIX**  
SugarCreek Today  
and the Vision for the Future

**6**



Recent investments in cutting-edge technologies and the 2015 opening of new plants in Cincinnati and Cambridge City, Indiana, have positioned SugarCreek well for its future as a value-added food company. Increased square footage allows SugarCreek to produce a greater variety of proteins as well as vegetables and starches. Without abandoning its core business as the country's largest independently-owned bacon producer, SugarCreek's growth strategy for the future is grounded in fully leveraging the newly created assets of the Cambridge City and Cincinnati plants: a strategy that puts SugarCreek on a clear path to becoming a billion-dollar company.

Built at a cost of \$30 million, the 165,000 square foot plant in the Fairfield area of Cincinnati, is commonly referred to as the Brandworthy facility, exemplifying SugarCreek's mission as a company: co-developing and producing food solutions for the best-known and most reliable food brands. Plans are currently underway for the facility to become the new headquarters of the organization. Once complete, the combined plant and office complex will have a Culinary Innovation Center with two test kitchens and a USDA-certified research and development lab.



Meat ball production at the SugarCreek plant in Cambridge City, Indiana.

The decision to relocate the headquarters from Washington Court House to Cincinnati was made with the future needs of the company in mind. As SugarCreek continues to grow, Cincinnati is easier for customers to visit than Washington Court House. Its location between Cambridge City, Washington Court House, and Dayton will make Cincinnati the epicenter of SugarCreek.

The new Cincinnati production plant plays a significant role in SugarCreek's aspiration to be a full food solutions provider. At present, SugarCreek is using the facility to produce snacks and appetizers. The plan for the future is to use the Cincinnati plant for cooking starches and vegetables in tandem with the new Cambridge City plant, which will serve as SugarCreek's flagship facility for cooked proteins.

At 418,000 square feet and an investment of over \$122 million, the Cambridge City location is four times the size of the other plants in the growing SugarCreek organization. With three large cooking halls and cutting-edge processing equipment, the highly automated, high-volume operation offers SugarCreek the ability to produce a variety of fully-cooked, value-added products ranging from pork to poultry to beef and seafood.

The Cambridge City plant is the culmination of all the lessons learned in the areas of food safety, manufacturing processes, and product development. It is a "smart factory" that points towards the future of manufacturing regarding process efficiency, product quality, and operational visibility. The plant runs the latest smart-factory technology, including radio-frequency ID-tagged bump caps and a network of 260 cameras while "meat trees" collect and transmit critical data over a custom-built sensor network. Gathering the data and feeding it back to production as actionable information has been essential to SugarCreek's ability to establish a high-performance work team structure at the new plant.







# Sous Vide

**(sous-vide; French for “under vacuum”):** the technique of cooking ingredients in a vacuum-sealed plastic pouch, usually for a long time at a low temperature.



Described by John G. as “science and art at the very same time,” sous vide (French for “under vacuum”) cooking is the centerpiece of operations at the new Cambridge City plant. It describes a precise, consistent cooking process where food is vacuum-sealed then placed in a temperature-controlled water bath for cooking. Cooking the food evenly at a low temperature over an extended period, yet still achieving pasteurization, allows proteins to retain moisture and texture while preserving nutrients at a higher rate than traditional cooking methods. Because the food never leaves the package until it is taken out by the customer for reheating, sous vide is one of the best processing methods from a food safety perspective, as well.

Implementation of a sous vide system is an expression of John G.’s ability to foresee trends and his willingness to reinvest in his vision for the company. Convinced that sous vide will become the standard in food processing, the line was installed without having a particular customer or product in mind. In creating the capability, the Richardsons applied the same forward-thinking approach that had guided the decision to introduce the first impingement oven years earlier: set up the equipment, learn the process to do it right, and be ready for future demand. The evolution of SugarCreek’s sous vide

business will be guided by its customers and their needs. “The new plant lends us space and the opportunity to make high-quality food, and that’s our goal. It will allow us to evolve as a meal solutions provider. There are so many options and opportunities to produce different items with sous vide technology,” John G. explains. By 2020, the sous vide segment is projected to be fully established, and SugarCreek will be at the forefront of the market.

As SugarCreek celebrates its 50th anniversary, John G. is excited about the future of the company. “We are becoming a nation of foodies. People enjoy food. They are concerned about food, its source, and sustainability, but most importantly, they want to have an incredible experience. There is a demand for companies who do it right and who do it competitively and consistently. I am probably more excited about the industry and the potential today than I have ever been. I don’t want SugarCreek to be the biggest. I want to make the highest quality food for our customers and their consumers. I am proud of where we’ve been, I am proud of where we are, and I am even more proud of where we are going.”



**I want to make the highest quality food for our customers and their consumers. I am proud of where we've been, I am proud of where we are, and I am even more proud of where we are going.**





## No matter how you slice it...

At SugarCreek, we believe in being reliable and in providing our customers with consistent, high quality products. But the ways that we pursue those goals – innovative processing, cooking, packaging and food safety systems, are as advanced and sophisticated as the food industry has ever known.

[www.sugarcreek.com](http://www.sugarcreek.com)

