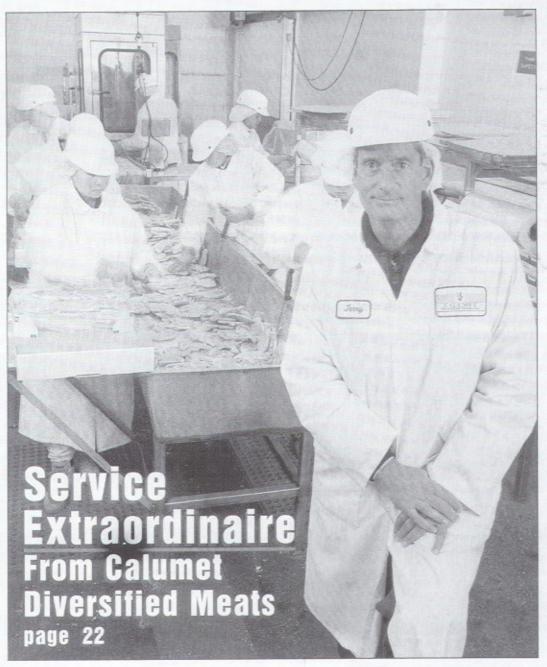
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Service Extraordinaire

From Calumet Diversified Meats

This foodservice company dances down a path of its own making.

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here is a song from the '70s whose lyrics go something like this: "I'm a pied piper and I'll show you where it's at." Well, the pied piper of conventional wisdom didn't get Calumet Diversified Meats coowners Jerry Klein and Larry Becker to follow him anywhere. It was probably back in the heydays of

the '70s that they vowed to seek their own path. These guys have since danced to the beat of a different drummer — one that took them into the realm of unconventional wisdom when it came to operating a pork processing business.

"Being the small company we are, we need an edge," says Klein. He describes that edge as "staying one step ahead of the competition." How? Klein says they were the first foodservice company to use pop-up thermometers in their pork roasts, the first in the world to use AEW's Automated Portion Control (APC) machine, and the first to marinate pork roasts using injection machines and then freeze them for the foodservice industry.

"We don't process any super-unusual products but we do offer a full line for the country's largest national distributors," Klein admits, but it is clear that this drive to do things the best way possible, even if it is a deviation from the norm, is what sets this

Stainless Steel Trough:
Co-ouner Jerry Klein, front,
designed a stainless steel trough
so frozen ehops would not begin to
thaw before they were boxed and
returned to the freezer for shipment.

foodservice industry supplier apart from its competitors. Calumet started out as a rib supplier in the heart of Chicago 21 years ago, but the company moved just north of the Illinois border eight years ago into an industrial park in Pleasant Prairie, Wis., where Calumet was welcomed with open arms. Calumet still offers pork loin back and St. Louis ribs, but Klein says the firm is now really a "custom-type operation" offering a dozen different varieties of pork chops, pork loins and roasts, pork tenderloins, diced and ground pork, and assorted rib products. All of the products are sold frozen and ready to be cooked by the end-user. In addition, Calumet offers cooked back ribs, St. Louis ribs, assorted loin roasts and pork chops under Calumet and private labels. These products are processed by Calumet personnel offsite at a location in Chicago.

While Klein is not opposed to spending money on equipment or a better way of processing the \$34 million dollars worth of pork products his 140 employees produce (Calumet was listed at num-

The most important thing is that we design, build, and repair everything ourselves. This is my mainstay. — Jerry Klein, Calumet Diversified Meats

ber 165 in Meat Processing's 1997 Top 200 list), he does spend carefully. Every surface in the plant is stainless steel because "stainless steel is maintenance-free," says Klein, adding, "I don't have to worry about paint chipping or peeling." He's a firm believer that spending the money up front on quality materials saves money in the long run on maintenance costs. That allows him to pass on the cost savings to his customers in 48 states and three countries.

Automatic Portion Control (APC) System

"We were the first company in the world to have an APC machine, back in 1989," says Klein. Calumet received the unit directly off the AEW production line; it was the first one AEW built as a production model. Now Calumet owns three such machines. Calumet produces a quarter million pounds of pork chops a week. All varieties of chops are portioned on the APC machine, including injected chops. After the center cut pork loin is injected, it is wrapped in poly and blast frozen for 12 hours before processing on the APC.

"By the time the product gets to the APC machine it's what we call chop-ready," says Klein. "All the machine has to do is slice it to the weight or thickness entered into the machine by the operator." The operator programs the computer for the desired portion weight, the door is closed, a button is pushed, and out come 150-180 injected chops per minute by weight. Chops can range in weight from five to eight ounces, and are accurate to within plus or minus two grams per ounce. Stan Tokarz, Calumet's director of operations says, "The machine gives us the ability to control yields, portion and weights to customer specifications." He also



Co-Owners: Jerry Klein, left, and Larry Becker have a birdseye view of the plant floor from their conference room.



Computerized Inventory: Andy Becker, logistics manager, runs a monthly mock-recall program aided by a computerized inventory program.

says the machine is very safe, and requires only one person to operate instead of the 10-to-12 people it used to take to portion the chops.

Calumet gives an extra edge to its quality control at the slicing stage. "Most companies use galvanized troughs with their APC machines, but the product starts to thaw with galvanized. Stainless steel conducts cold and creates an ice bin," says Klein. "It is critical that the product does not start to thaw and then get refrozen." One hundred percent of Calumet's products are frozen with a 12-hour blast freeze. Up to 125,000 pounds of meat can be frozen in the Midwestco manual freezer in a 16-hour time frame. By the end of the second shift each day, all product has been frozen to at least -35°F. By the end of each business day each item



Pork Chop Portion Control: Director of Operations Stan Tokarz, left, inspects chops as they exit the portion control machine.

is graded, sized, processed, packaged and frozen. When product is moved out of the blast freezer, it is taken to a holding/picking freezer where it is stored at -5°. Inventory is turned over 36 times per year or about once every 10 days.

Injecting Pork

As the first processor to inject and freeze pork, Calumet has had a lot of time to perfect the process. Pork roasts and chops are the two cuts the company injects with a proprietary solution of water and ingredients that are mixed together before going into the Fomaco injection machine. The solution is checked to make sure the temperature is cold enough, then it is put through filters and pumped into the injection machine. A critical component of injection, says Tokarz, is "making sure the speed and pressure of the needles into the meat to control solution pick-up is correct for each product. Consistency of every product is critical even though the length of time in the injection machine varies due to the size or length of the product."

After the pork roasts are injected, they are vacuum packed on either a Multivac or Tiromat machine, boxed, scaled, spread with freezer dividers, and then blast frozen. All Calumet products are packed in poly-lined boxes, with ribs and chops layer-packed. Ribs are packed in catch-weight boxes so the customer only receives whole slabs. Roast are jet-netted with a pop-up timer inserted, then individually vacuum packed.

Building Better Mousetraps

Klein decided there had to be a better way to deal with down time caused by machines malfunctioning or parts breaking. "In my opinion the most important thing in the plant is that we design, build, and repair everything ourselves. This is my mainstay," says Klein very proudly as we toured the maintenance department in the back of the plant.

An engineering tool and die maker and electrician, George Szilagyi, who was trained in Austria, runs the department. "We can't afford any down time, so that is why we basically have double of everything," comments Klein. There are two injectors, two dicers and four packaging machines. "We have a backup for everything. We do not buy new. We buy used and redesign and rebuild all of our equipment."

To illustrate the cost savings to the company, Klein showed me a stainless steel dicing blade that sells for \$57.50 retail. Calumet breaks one or two of these blades each day. By buying raw stainless steel stock, the maintenance department makes the blades in-house for only \$12 each, including labor. Calumet also pur-





Weighing Ribs and Loins: Foodservice customers demand exacting weights for pork products, and Calumet meets those requests by weighing every product.

chased a used dicer sight unseen from a California company for \$20,000; Szilagyi redesigned the machine to Klein's specifications and rebuilt all internal parts. Klein says it was better than new — and cost about a fourth as much as a new unit. Szilagyi and his son, Michael, and their maintenance department crew have even built spare electronics boards for the APC machines.

When the company decided it wanted to sell butterfly pork chops, the Szilagyis helped Klein design a butterflying machine and then built it.

"If I had to rely on outside people and be at their mercy, I'd lose so much money just waiting for them to arrive on site. And then I wouldn't really know if the repairs they made were the right ones or not," opines Klein. Another way Calumet saves money is by making its own tray ice.

Mock Recalls

Long before the general public was made aware of recalls due to the Hudson incident, Calumet installed a computerized UPC bar scan inventory system by Intermack. The computerized system has made a mock-recall program much easier to accomplish even though Andy Becker, son of co-owner Larry Becker and Calumet's logistics manager, says, "getting 100 percent traceback is not an easy chore." It was about seven years ago, says Becker, that one of Calumet's main customers asked if Calumet had a recall program in place. The company didn't at the time but the question prompted Calumet to put such a program in place even though tracking all production dates and lots was done manually.

"We track only to the wholesale level, and expect our customers to trace the product to the retail level," says Becker. "Once a month we do a random mock recall" generated from information given to him by Tokarz. "We just completed our six-month inventory for the end of the year and it took me and seven guys 140 total hours the first weekend in January. We spent 17 hours on Saturday and came back and worked three hours on Sunday."

Becker tells me he has had virtually 100 percent recall on all products for the past seven years. I asked him how that is possible to accomplish. "The most important thing in my mind is to have somebody in this position who really cares and translate that to the guys working by the hour on the line," he says. "You need to be exact — tracing product is an exact science, and it starts at this desk. If the person in charge says tracing products is just a job,

then the guys won't take it seriously and it won't be done."

"I can't stress enough how hard this really is to do," he continues. "If we lose track of some product, we go into a stagnant mode until that product is found. It's an every-day, all-day struggle, and if somebody isn't willing to do it all day every day then it won't work because in one day it can all be lost."

Even before the inventory system was computerized Klein saw a need and another way to save money by printing his labels in house. Six years ago, when Calumet purchased its first label machine the company was one of the first to bring this process into the plant. Label equipment has been upgraded only once, a Data Max DMX600 is presently used.

Value-Added Client Services

It takes confidence in your processing methods to invite customers to have their own quality control inspector on site at the plant. Customer's inspectors are in addition to USDA inspectors, but that is just what Calumet encourages: the company invites their customers to have an inspector on site who is paid by the customer. Because of this program, Klein says it has been years since they have had any rejections or returns. Calumet does not have a holding or retain room at the plant.

Calumet also offers it customers an office they can use while on site, complete with phone, fax, computer, secretarial and online Federal Express services. In the warmer weather months, an outdoor patio complete with phone line and computer hookup is available so customers can enjoy what few months of good outdoor Wisconsin weather the state can offer. And customers don't have to deal with a "bullpen of guys sitting on the phone selling," says Larry Becker. Customers talk directly to the co-owners about their orders - another one of the ways purchasing and return problems are eliminated. Becker adds: "All the old cliches are what we live and die with. We expect as much from our customers as they expect from us - loyalty. Every basic customer is the lifeblood of this company, and most have been on board with us for over nine years. As our customers expand their business we go along with them every step of the way providing them any assistance we can."

And what dance will co-owners Becker and Klein be bopping to next? No telling, but one thing is for sure — they won't be heading down any well-danced path. They relish cutting a new rug of their own. Mp