Panning Traditions

One of the largest manufacturers of jawbreakers and Jordan almonds in the U.S., Sconza Candy Company has moved beyond just sugar confections, transforming itself into a panning specialist. *By Elizabeth Fuhrman*

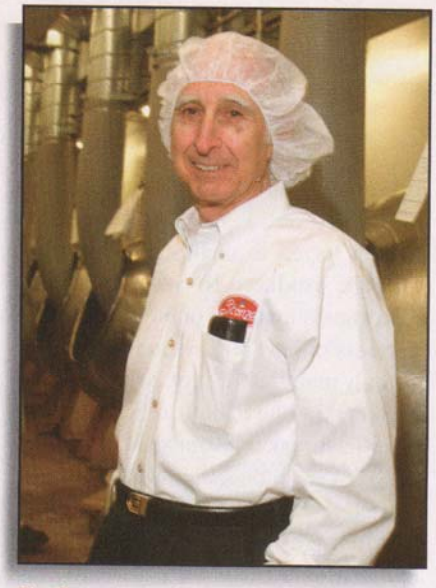
With its roots founded in sugar confections, Oakland, Calif.-based Sconza Candy Company started a new chapter in its history four years ago by entering into the chocolate confections market. The company initially produced a small chocolate-panned line, but now that line represents a major part of the company's sales.

"Going into chocolate was just a natural line extension of what we were already doing," says Greg Cater, Sconza's sales manager. "Our customers wanted us to offer a broader range of candies, so we made the move. It's been good for us and enabled us to expand our core business of panning."

A panning company at heart – 90% of Sconza's products are panned – the company's production breaks down into two confectionery categories: sugar and dextrose coatings and chocolate, yogurt and carob coatings. The company's other product lines include toffee-coated nuts and pressed-tablet candies. Sconza employs 80 people, some of whom operate 120 coating pans in four different panning rooms.

A third-generation company, founders Vincent and Mary Sconza began making peanut brittle in their own kitchen in Oakland and selling it directly to customers in 1939. Once the business grew sufficiently, they moved the operation to an industrial location and gradually expanded into hard and panned candies.

The second generation of the family and the company's current president, Jim Sconza, started working as a kid with his father during summer vacations. Jim eventually became involved in every aspect of the business and joined



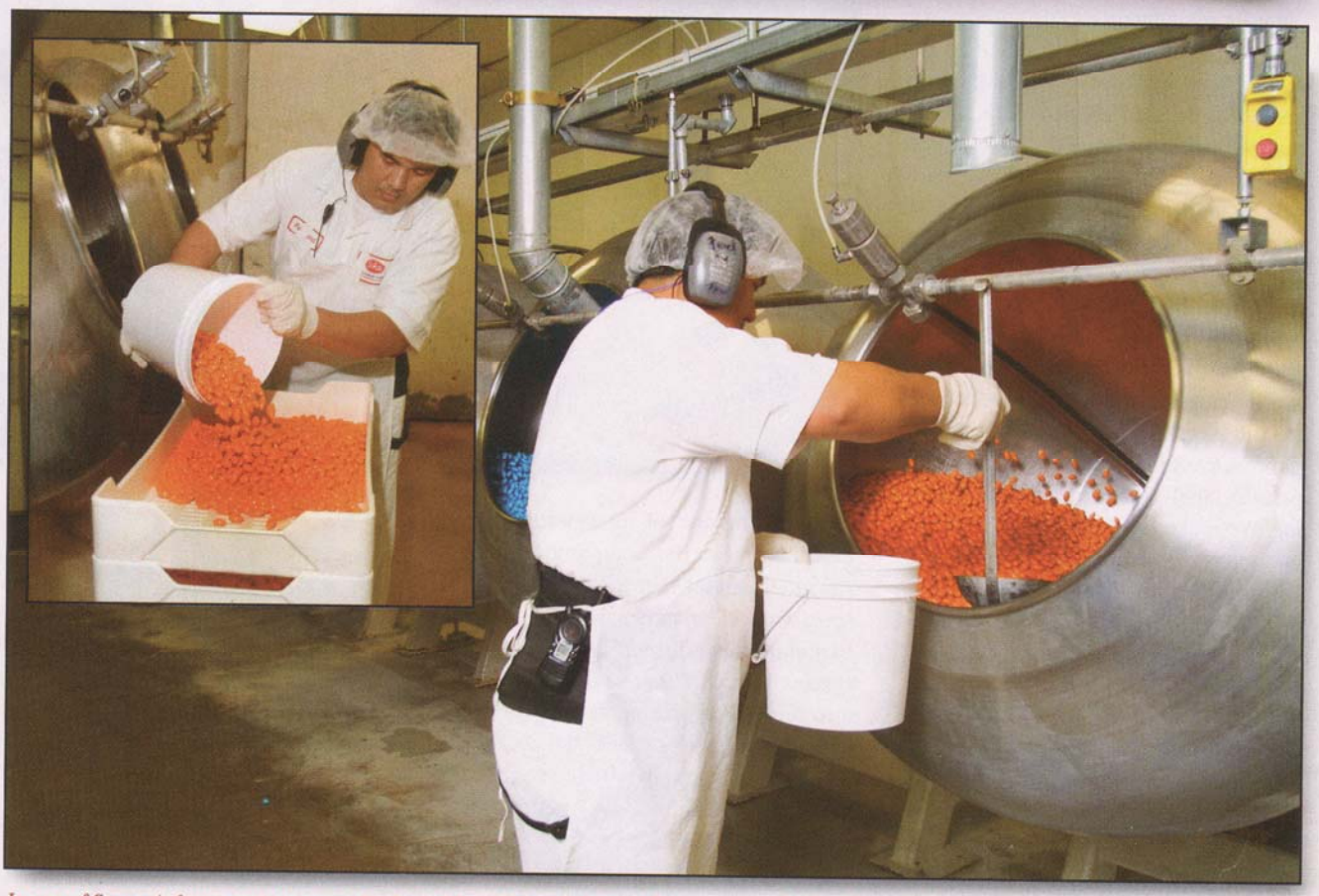
Jim Sconza runs Sconza Candy Co. with more than 45 years of experience.

Opposite: A third-generation candy company known for its panned products, Oakland, Calif.–based Sconza Candy Company's sister and brother team Janet Angers, customer service manager, and Ron Sconza, plant manager, and brother-in-law, Greg Cater, sales manager, fall in line behind president Jim Sconza.

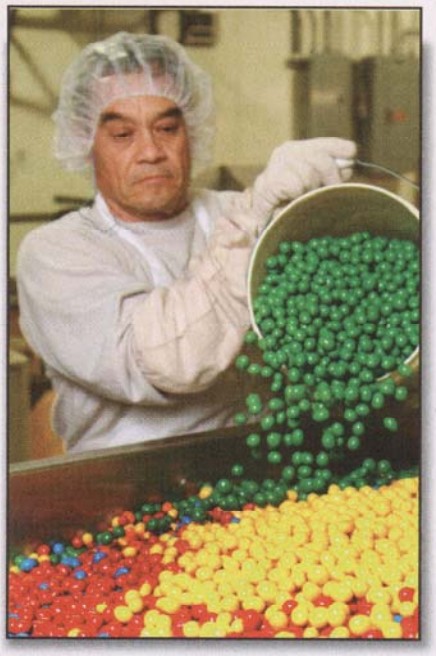
his father on a full-time basis after college 45 years ago. "It was a very small business at the time with only about half a dozen people," Jim recalls.

Growth necessitated the business's move through several facilities, eventually landing the company in Oakland and into its current 60,000-sq.-ft. facility.

The third generation at Sconza entered into the family business much the same way the second generation did. Jim's three children, grew-up working summers at the plant, and now are all involved either directly or indirectly in the business. Jim's son, Ron Sconza, acts as plant manager and daughter, Janet Angers, serves as customer service manager. Additionally, Jim's daughter Julie's husband is Greg Cater. Greg came in



In one of Sconza's four panning rooms, Ferdinand Suarez is polishing and then moving Jordan almonds for packaging.



as the company's sales manager eight years ago and has been a very key part of its growth, Ron says.

With experienced people in place, moving into chocolate wasn't the only area Sconza was ready to expand. Private label and contract manufacturing became another way for the company to grow. Sconza had done private label and contract manufacturing off and on over the years, but decided to make a conscious effort to grow this side of the business. "We decided about four years ago that we wanted to make it a well-managed and disciplined part of our business," Cater says.

"It's been kind of our entrepreneurial spirit to grow it," he continues. "We have been able to react to what customers want in some very innovative ways. We are able to respond quickly to what they are looking for and take a product idea to the marketplace in less than six months. We still have room for growth in private label and contract manufacturing. We make candy for a lot of people, and many items that you see in the marketplace were made in our plant."

"We believe that flexibility is one of the advantages that we have here," Ron continues.

Sconza now attributes 15 to 20% of the products it makes to private label or contract manufacturing.

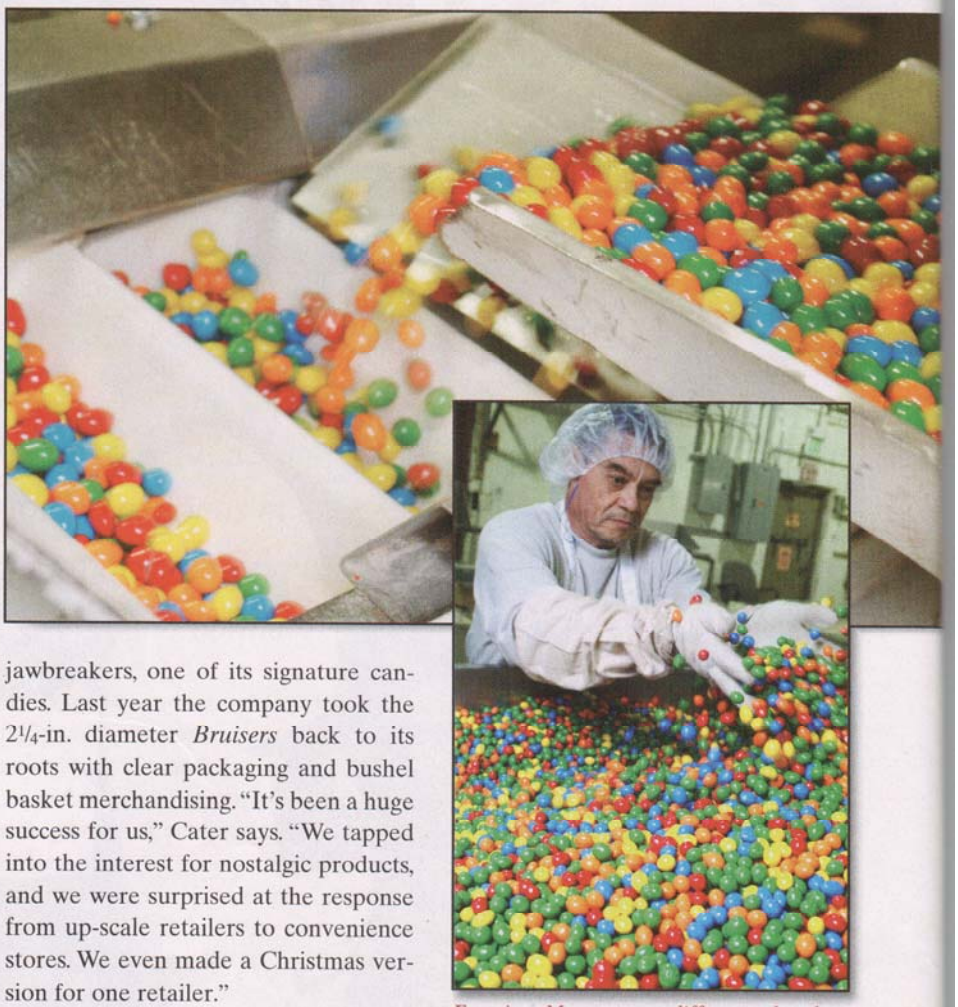
Cater credits the steady growth in this area of the business to improvements the company has made in processing and the equipment Sconza added for packaging. The company currently operates eight vertical form, fill and seal (f/f/s) machines along with a flow wrapper and bulk packaging equipment. The company recently purchased a new CMD f/f/s machine that will run 150 bags per minute and has a special flat-bottom f/f/s machine on order.

"There is a wide range of packaging that we can do in this plant," Cater says. "We've made significant investments in our packaging equipment. When I started here eight years ago, we had one f/f/s machine. Now we have the flexibility to make packages from 10 grams to 5 lbs. For our own labels and private label customers."

New packaging and merchandising also has played a major role in increasing the sales of Sconza's *Bruiser* brand jawbreakers, one of its signature candies. Last year the company took the 2¼-in. diameter *Bruisers* back to its roots with clear packaging and bushel basket merchandising. "It's been a huge success for us," Cater says. "We tapped into the interest for nostalgic products, and we were surprised at the response from up-scale retailers to convenience stores. We even made a Christmas version for one retailer."

Sconza, which has been making jawbreakers since 1950, considers the confection to be one of the original novelty candies. About a year ago, consumer interest began to peak again for these nostalgic products. To Sconza's knowledge, the company is one of two manufacturers of jawbreakers in the U.S. and the only manufacturer of large-size jawbreakers in the country. Sconza produces jawbreakers from ¼-in. in diameter to 3⅜-in. in diameter, which weigh 1 lb. each.

Although jawbreakers appeal to adults who are children at heart, the products are still very clearly a kid's candy. The target market for jawbreakers is typically kids between eight and 12, although younger and older consumers are drawn to the products too. "We're also looking at the export market for jawbreakers, where the demo-



Francisco Munoz pours different colored ¼-in. jawbreakers into the packaging hopper to be mixed.

graphics are so much better outside of the country for children than they are here in the U.S.," Cater says.

Sconza's best selling jawbreaker is its 2¼-in. About five years ago the company introduced what it calls the Bizarre color mix – red, blue, green, yellow and orange speckled – to its jawbreaker line. Originally, a psychedelic-colored jawbreaker was the only variety in its big jawbreaker sizes that Sconza offered. "We did it thinking that it would support our business, and that it might cannibalize our staple psychedelic, but it didn't," Cater says. "Instead, we were actually able to grow the category with just new colors."

Another flagship item for Sconza is its Jordan almonds. Not so coincidentally, the company is one of the largest manufacturers in the country of this confection as well. Thus, it made sense that the Jordan almond was the first product it introduced into the reduced-sugar/sugar-free market. "We had customers saying 'you do so well with Jordan almonds that we need a reduced-sugar Jordan almond,'" Cater explains. "It has been a steady growth item for us. It's really expanded our reputation in Jordan almonds as being a leader in that area."

Sconza's reduced-sugar/sugar-free line now includes chocolate-panned candies, too. Additionally, the company is meeting another customer demand for Kosher and organic products. The company has been Kosher certified for more than 10 years and most of the candies made are Kosher certified. The organic certification was obtained almost two years ago. "Again, we've had customers asking for it, and it's part of the reaction to it," Ron says.

Sconza's organic offerings include chocolate-panned fruit, nuts and coffee beans.

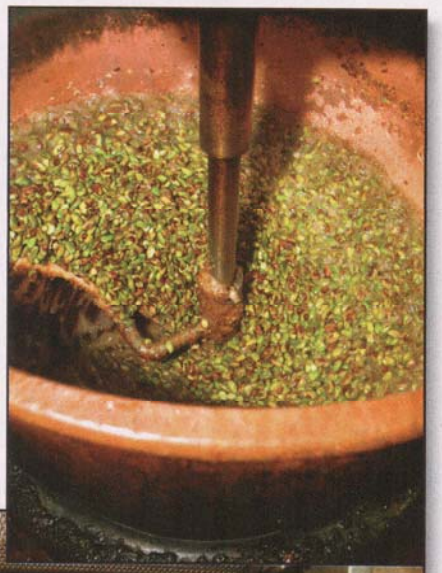
"Organics is still a pretty small percentage of the products that Sconza produces at this time, but it's definitely growing," Ron continues. "We went out and got one of the best available certification agencies to come in and authorize us to use their mark, and that's been very positive for us. This is really an emerging trend."

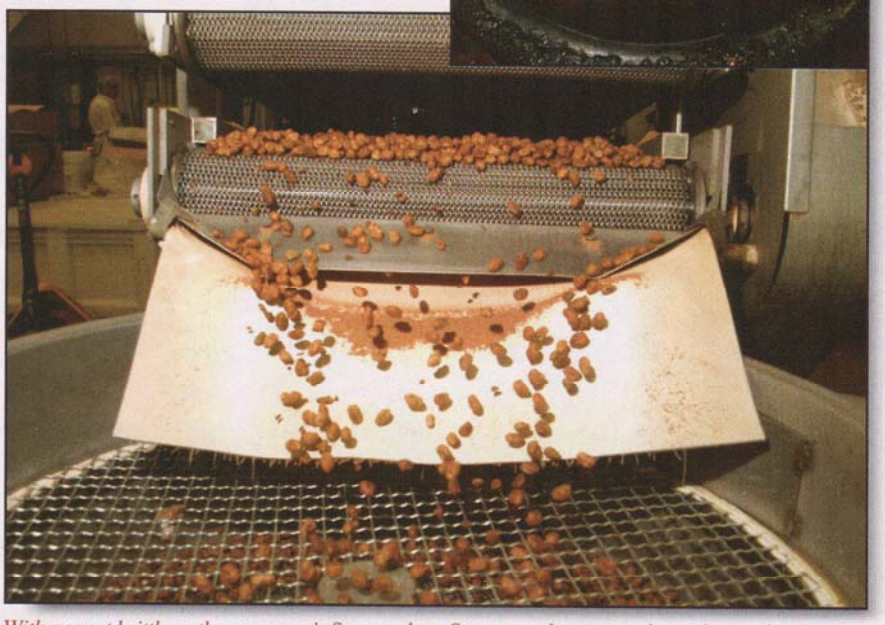
Sconza believes that consumers are going to want these perceived healthier products with no compromise on taste. "Organic is a natural and healthy and better-for-you product, and there is a niche for people who aren't going to give up their candy," Cater says.

The reduced sugar/sugar-free line is still growing as well. "Neither of the categories [sugar-free or organic] are skyrocketing, but they are steady growth items, which make them great to manufacture," Cater continues.

Within regards to volume, it's really a split between Jordan almonds and jawbreakers for the product that the company produces the most. "I will tell you that three or four years from now that mix is really going to change," Ron says. "Chocolate will be our signature item. We started with this product four years ago and it now represents 40% of everything that we do. That's where we have experienced the most growth and that's where we are growing the organic side the most."

"We focus our technical there, our R&D there, our improvement in our processes are there," Greg adds. "We think that we still have room to improve, and we're going to and that's only going to increase our growth in that department."





With peanut brittle as the company's first product, Sconza no longer produces the product but continues its nut tradition with products such as cinnamon toffee pistachios. Sconza roasts and caramelizes all of its own nuts.

With Sconza grossing sales of approximately $15 to 20 million (*Candy Industry* estimate), the company is well set up for the future. Primarily a West Coast company, most of Sconza's volume and growth comes from that region. The company does have warehouses in Oakland and Chicago, which act as distribution centers giving Sconza a presence is almost all 50 states. The Chicago distribution center has also significantly increased the company's presence on the East Coast as well.

Still, Sconza understands quality is what helps them to continue to grow its business. "We want to maintain our quality, so we look for the best, most wholesome ingredients to make our candies. For example, we use an excellent grade of chocolate for all our chocolate-panned candies, and we don't use any compound chocolate because it would diminish the quality."

Sconza Candy Company's management team: Greg Cater, sales manager; Janet Angers, customer service manager; Jim Sconza, president; Connie Franceschi, marketing manager; Sam Black, operations manager; and Ron Sconza, plant manager.

This quality cornerstone is what Sconza will build from when it enters into some other emerging trends: gourmet chocolate and "better-for-you" products. During the first quarter of 2005, Sconza plans to grow its brand name in gourmet chocolate with the already quality chocolate-panned products the company has been making. Additionally, with the continuing good publicity that fruits and nuts are receiving, Sconza is putting together a healthy

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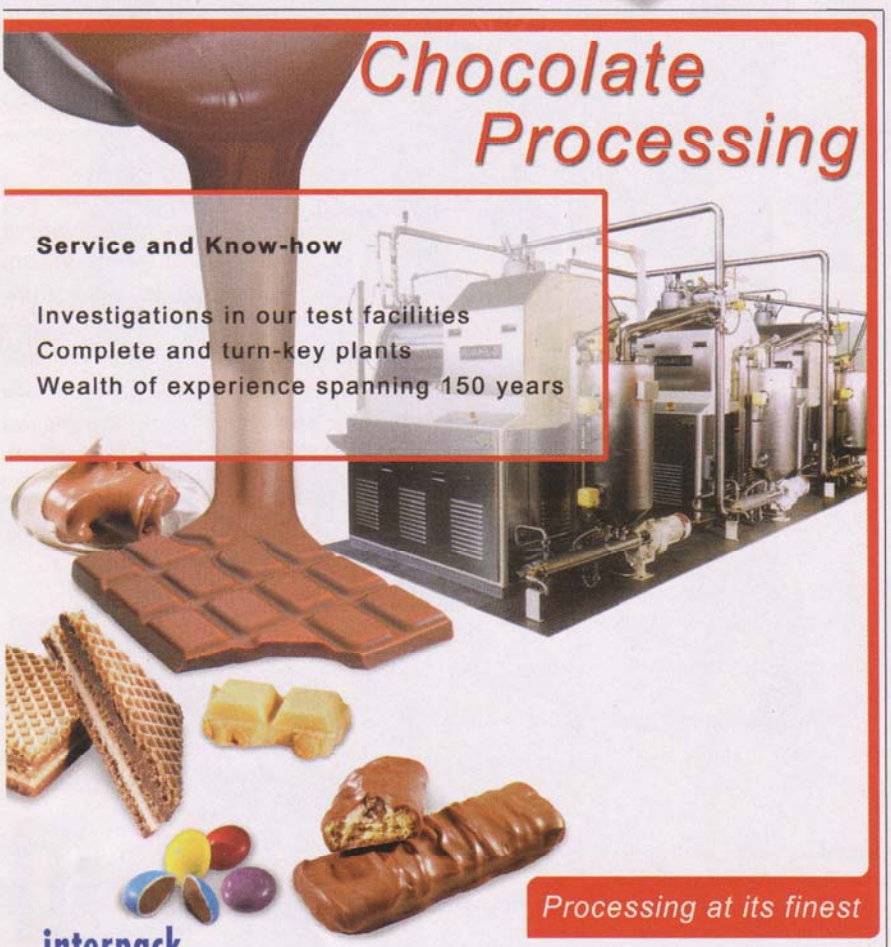
confectionery line. These new products aren't going to be functional foods that numerous additives have been poured in, says Connie Franceschi, marketing manager. "It's going to be products that are inherently healthy like nuts or blueberries where we don't have to use any smoke and mirrors," she adds.

The new products will be introduced at the NASFT Fancy Food Show in January and at the All Candy Expo in June. At the same time, the company will be launching its healthier for you natural line of chocolate-covered dry fruits, which are an item focused largely on the non-traditional parameters of the grocery store. "We've been putting together a line of our products that work well in produce, deli and bakery kinds of areas other than just traditional candy aisle kind of items," Cater says. All the new items introduced at the show will be chocolate and branded Sconza items.

Sconza's objective for the coming years focuses on remaining flexible and innovative, as it's done with the reduced sugar/sugar-free, organic and better-for-you lines. "Our challenge is to find the niches in which to sell our candy and focus on growing our business in those areas," Jim says.

Now, that's something the company can bite into.

Sconza's newly purchased CMD form, fill and seal machine will run 150 bags per minute.



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Germany
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contact@fblehmann.de · www.fblehmann.de

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