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U.S. Small Business Administration

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IT'S YOUR BUSINESS

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YOGURT MAKER CRAFTS RECIPE FOR SUCCESS

The story of Agro Farma is as simple as the idea for a better tasting and healthier yogurt, and yet so much more. Sitting in the yogurt section of nearly every grocery chain in the nation today is their flagship product, Chobani. Chobani is the brainchild of Hamdi Ulukaya, a Turkish immigrant who recognized the promise held in the yogurt market and risked everything in its pursuit. In 2005, Ulukaya was in the fourth year of running Euphrates Inc., his feta cheese manufacturing startup in Johnstown, N.Y., when he noticed a mailed advertisement for the sale of a Kraft Foods plant. Rebuilt in 1920 after a fire destroyed the original building, the New Berlin, N.Y. facility had aging yogurt production equipment and once employed 55. When Ulukaya toured the 80,000-square-foot building, he decided to buy the plant the very next day.

“When I started Eu-

phrates, I always thought yogurt quality could be better. As an entrepreneur, in whatever you do, you need to be aware of your category-what’s good, what’s bad, where the potential is-and I saw that early on. I knew how to sell cheese to the food service industry but the retail yogurt world was a whole different ball-game,” explained Ulukaya.

With an SBA 504 loan through Empire State Certified Development Corporation and Key-Bank, Ulukaya was able to purchase the plant in August 2005. Ulukaya

hired five seasoned Kraft employees and spent the rest of the summer covering the outside of the facility with a fresh coat of white paint. Agro Farma started out making private label regular yogurts for other large companies but Ulukaya believed he could make a better yogurt than the competition: “We aimed at people who never liked yogurt. We couldn’t blame them because what was available was not what the rest of the world was eating.”

The recipe for Chobani

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Hamdi Ulukaya, owner of Agro Farma.

YOGURT MAKER CRAFTS RECIPE FOR SUCCESS

Cont. from p. 1

is thicker and creamier than regular yogurt, with twice the protein and none of the preservatives and artificial flavors. What's in the yogurt- five live and active cultures, including three probiotics- is as important as what's not, and Agro Farma turned this competitive advantage into the yogurt's slogan, "Nothing But Good." Ulukaya described the philosophy behind the product: "We look at our yogurt as pure, healthy, simple and something that you enjoy tasting. That is very, very important for us."

Existing Greek yogurt lines were most often sold in expensive specialty stores, so Ulukaya marketed his yogurt brand to a wider customer base through mass distribution channels of grocery store chains. After more than a year developing Chobani's trademark taste, in October 2007 Agro Farma's first shipment included five different flavors- blueberry, peach, strawberry, vanilla and plain- sold to a single Long Island grocery store.

The yogurt became a sensation, with customers spreading the word about Chobani to friends and family; customer demand

led more and more Northeast grocery stores to place orders for the 6 ounce single-serving Chobani containers. Agro Farma has had to adapt quickly to the meteoric rise in demand, adding employees, equipment and square footage at breathtaking speed.

"We broke all the records along the way. We became the number one selling Greek yogurt, passing brands that had started six or seven years before us. We became the number one yogurt in the Northeast, and then we became the number one brand in the country," said Ulukaya. "Even though we make a lot of it, every batch has attention from us, meeting certain criteria to make sure it's good. We want to make good yogurt."

Agro Farma manufacturing plant in New Berlin, NY.



With less than 50 employees when Chobani first hit the shelves, Agro Farma has grown to employ 670 today, providing valuable

employment opportunities in Chenango County. The plant is a hive of activity, with workers in white lab coats and safety glasses working busily while construction crews expand the facility in seemingly every direction. Agro Farma now has three full-time shifts, with multiple production lines running 20 hours before stopping for cleaning and maintenance for four hours.

Agro Farma has invested the bulk of their profits into increasing production capabilities, adding two milk delivery bays, new production lines for

kid-size 3.5 ounce Chobani Champions and three flavor Chobani Club Packs, and most notably, constructing a brand new distribution facility across the street in only three months. The distribution warehouse is the largest of its kind in the Northeast, with capacity to store 2.4 million



Inside the new refrigerated distribution facility.

cases of Chobani yogurt in 150,000-square foot refrigerated space and 14 tractor-trailer bays for faster distribution. According to Dairy Management Services, Agro Farma's weekly order for 25 million gallons of milk from local farms provides an annual economic impact of \$300 million for the New York State farming community.

Less than four years after launching, the success of Agro Farma is inspirational, with 1.2 million cases of Chobani made weekly. And in spite of working seven days a week, Ulukaya and his team are enjoying the dynamic journey: "A lot of exciting things are happening for the company. If you put your mind to something, put good people around you, and believe, anything is possible. Chobani's story is, for me, if you really try hard, you can do anything," he said.

SMALL BUSINESS EVENTS CALENDAR

Every Door Direct Mail Workshop in Watertown

JUNE
14

The U.S. Postal Service is offering a free workshop to learn about their Every Door Direct Mail Program at the Jefferson Community College Extended Learning Center on Tuesday, June 14 from 10:00 a.m. to 11:30 a.m.

This program allows small businesses to mail a standard mail flat (3.3 ounces or less) to postal customers for only 14.2 cents per piece, without having a bulk mailing permit or paying additional fees. Businesses can send a mailing out to at least 200 and up to 5,000 households within specified mail routes.

Upon registering at www.usps.com (using Every Door Direct Mail in the search box), you will receive an email from the USPS with more information on the event. If you have any questions, please contact Sarah O'Connell at the Watertown Small Business Development Center at 315-782-9262 or soconnell@sunnyjefferson.edu.

International Market Planning in Corning

JUNE
16

The Corning Small Business Development Center, U.S. Department of Commerce and the U.S. Small Business Administration will present an International Market Planning seminar from 8:30 a.m. to 3:00 p.m. on Thursday, June 16 in Corning.

Topics covered will include the top internal elements to evaluate before entering into a new international market, facts you should know about the country you are entering, ways to develop contacts and resource available in a foreign country. Guest panelists include representatives from Corning Inc., Hilliard, ITT, Sikorsky, NY Wine and Grape Foundation, Empire State Development, Corning Small Business Development Center, the U.S. Department of Commerce and the U.S. Small Business Administration.

The seminar fee is \$45 per person, which includes breakfast, lunch and a copy of "A Basic Guide to Exporting 10th edition." Preregistration is required by June 10; contact the Corning SBDC at (607) 937-6861 or sbdc@corning-cc.edu.

Annual Family-Owned Business Education Day in Skaneateles

JUNE
27

The New York Family Business Center will present an educational day for family-owned businesses from 8:30 a.m. to 5:00 p.m. at The Lodge at Welch Allyn in Skaneateles. The day will offer workshops designed for ages 10 and up covering topics to create a fruitful family tree for generations to come.

Keynote Presentation will be made by James Houghton, Market Street Trust Company. James is a sixth generation family member and chairman of Market Street Trust Company, a multi-family office and wealth management firm that has grown from the accounting office started by his great-grandfather in 1909 to serve the financial interest of the founding family of Corning Glass Works. Amory Houghton Sr. Founded Corning Flint Glass works in 1851. Corning Glass was a privately held family business until 1940.

Breakout sessions are designed to give practical guidance to all ages. Ages 10 - 19 will be exploring how even the youngest generation can contribute to the family business and will also partake in Junior Achievement It's My Business program. Ages 20 and up will work with Stephanie Brun de Pontet to form some action plans that each generation can participate in to prepare for transitioning the family business. She will talk about leadership development, stewardship, educating each generation and how to make strategic commitments to plan for succession.

Reservations are required; please contact the New York Family Business Center at dherlihy@nyfbc.org or 315-579-2871 or online at www.nyfbc.org. Cost for members: \$95 per person and ages 19 and under \$50 per person. Cost for non-members: \$175 per person, additional family members \$125 per person, and ages 19 and under \$50 per person.

SMALL BUSINESS EVENTS CALENDAR

Downtown Syracuse Retail Event

JUNE
22

Are you thinking of downtown Syracuse for your next business location? Entrepreneurs are invited to attend a free event from 8:30 a.m. to 3:00 p.m. at the SUNY Oswego Metro Center, The Atrium Building at Two Clinton Square. Attendees will be able to pick up information and meet individually with: leasing agents to learn about the available spaces downtown and set up appointments to tour the space; city business development representatives to learn about incentives for bringing a business downtown; representatives from major lending institutions to learn about options; and event organizing partners- U.S. Small Business Administration, Onondaga Small Business Development Center (SBDC), Syracuse First, WISE Women's Business Center and the Downtown Committee of Syracuse.

Downtown retailers will be on hand to provide their point of view on doing business in downtown Syracuse, what attracted them to downtown, and what it is like doing business downtown. Attendees will receive an overview of the process of opening a business downtown, the questions to ask when working with leasing agents or building owners, and what resources exist to assist business owners.

For more information, please visit www.downtownsyracuse.com/retail. To RSVP, please call 315-422-8284 or email events@downtownsyracuse.com.

SBA INTRODUCES MOBILE APP FOR SMARTPHONES

Smart phone users interested in starting or growing a small business can now find helpful resources at their fingertips via a new SBA mobile application from the U.S. Small Business Administration.

"Increasingly, smart phones are the vehicle through which Americans access information. This is certainly true of many entrepreneurs and small business owners and this new application ensures they will have access to SBA's resources and programs – literally at their

fingertips," said SBA Administrator Karen G. Mills. "Greater mobility fits with the new user-focused SBA.gov launched recently, and is another example of the steps we are taking to do a better job of connecting entrepreneurs and small business owners with the tools to help them start or grow their businesses and create jobs."

Developed and donated as a gift by Palo Alto Software, Inc., the SBA mobile app will make the search for extensive resources more efficient, whether

users are starting a new business or taking an existing business to a new level. The app will first be available for the Apple iPhone®, with future versions for other smart phone platforms.

The mobile app will help users connect with SBA district office staff and SBA-affiliated counselors and mentors who can provide free, personalized small business assistance. The app will help answer questions such as: How do I start a business? Where can I go in my area to get free help with writing a

business plan? And where do I begin finding funding for my business?

The SBA mobile app also features a built-in startup cost calculator to help estimate the costs associated with getting a business off the ground, plus an SBA partner locator to help users find SBA offices, Small Business Development Centers, Women's Business Centers and SCORE.

The free mobile app can be downloaded from the SBA's website at www.sba.gov/content/sba-mobile-app.