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Bakers mixing love of craft, business savvy to thrive

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Their stories go something like this: They started off washing pots and pans. Then they gradually learned from the old-timers, making the breads, the cookies, the sfogliatelli and babkas. Very early on they realized they were hooked.

Over the past several years, however, retail bakers both on Long Island and across the country have realized that they have to couple their passion for their traditional craft with an adeptness for business to survive and thrive.

"Before, you were successful and you just put the money in your pocket," said Thomas Reinwald, a recent college grad who hails from a Huntington family of bakers. He is spending his summer touring independent retail bakeries and sending Twitter dispatches. "Now that the margins are getting smaller, you have to look at all the different aspects of your business. A lot of business owners see themselves as bakers first, but really you have to see yourself as a business owner first."

Survival a common theme

Reinwald, 23, and an intern with the trade organization Retail Bakers of America, decided to turn a cross-country road trip with his brother Gregory, 27, into the Heritage Tour, sharing stories and business strategies with retail bakers. As it turns out, they encountered themes and tactics adopted by many retail bakeries here.

These businesses are more closely analyzing costs and profits, looking for ways to eliminate waste, exploring new sources of revenue through different formats such as serving breakfast or lunch, developing wholesale accounts or selling their goods at farm stands. All of this, while preserving the tradition and quality of their made-from-scratch goods, they said.

"The bakery business has really changed," said Richard Reinwald, president of Retail Bakers of America, owner of Reinwald's Bakery in Huntington, and father of Thomas and Gregory. "Before we were really a commodity. You needed your daily bread. And now the bakery industry has moved toward a place where we are a discretionary purchase."

Independent retail bakeries have had to stake out their territory amid the successful expansion of supermarket bakeries over the past 30 years and the increased competition from big-box stores like Wal-Mart and Costco, which is now No. 1 in cake sales, according to the RBA.

For families with more demands on their time, these bakeries became less of a daily ritual and more of a special-occasion destination, said Paul Sapienza, the RBA's vice president of

operations. About 30 years ago, there were more than 30,000 U.S. retail bakeries. Last year, that number was down to 6,601, the RBA said.

In the past year and a half, these bakeries also had to face the spike in the cost of ingredients like flour, which, at one point, tripled. Then came the steep rise in gasoline prices and, now, the recession. Baked treats are considered an affordable luxury but many bakers still say customers have cut back spending.

"One important thing is cost accounting, figuring out how much products cost by each individual item and tuning the product mix so that bakeries aren't wasting time and resources on products that are not profitable," said Sapienza, owner of Elmont's Sapienza Bake Shop. "Then there's the question, how do you sell it? And that's the marketing."

Diversify, but watch costs

Kathy Fehn, president of the Master Bakers Association of Nassau and Suffolk Counties, Inc. and an owner of Fehn's Cake and Cookie Shop in Seaford, said she is paying attention to costs. Her production is organized so that the oven isn't on for just one item, and she produces smaller batches of certain items to eliminate waste.

Like other bakeries, Fehn's has added a cappuccino machine. She is pursuing wholesale accounts with restaurants and country clubs and plans to sell gelato next spring.

"I know people are trying different things and if it works, it works," Fehn said.

A Taste of Home in North Bellmore is one example of a bakery expanding into multiple retail channels. Sisters Monica Tarantino and Rose Fuger run the bakery, cafe and sweet shop supported by a family team of their mother, husbands and children.

They serve breakfast and lunch and their own ice cream. They sell gift baskets, croutons and bread crumbs, as well as gourmet chocolate made in the initial storefront the bakery inhabited before its expansion in 2006. They also deliver bread to farm stands.

Tarantino credits her sister as the visionary. Rose Fuger, who began her bakery training working for traditional German, Italian and Jewish bakeries throughout her teen and college years, opened her first bakery with her parents when she was 24. She said she always knew that she would have to offer more than just the usual.

"We saw the need to expand and offer different product lines to appeal to many different types of customers," Tarantino said. "My sister is always asking, 'What happens if we do this?' "

Despite the convenience of one-stop shopping offered by in-store bakeries, Long Island's retail bakers say a market for handmade baked goods made from fresh ingredients is still strong.

Francesco Guerrieri, owner of Francesco's Italian-American Bakery in Hicksville, opened a Massapequa location in October and a Farmingdale store last month.

"People today are very picky," he noted. "They see a cake in the supermarket and it's like

every other supermarket cake, and it's worth it to take that trip away from the supermarket to get something that is excellent and made the old-fashioned way."

To survive and strive

LI BAKERS

have had to . . .

* more closely analyze costs and profits

* look for ways to eliminate waste

* explore new sources of revenue, such as serving breakfast or lunch items

* develop wholesale accounts

* maintain strong community relationships

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