

Mabel's

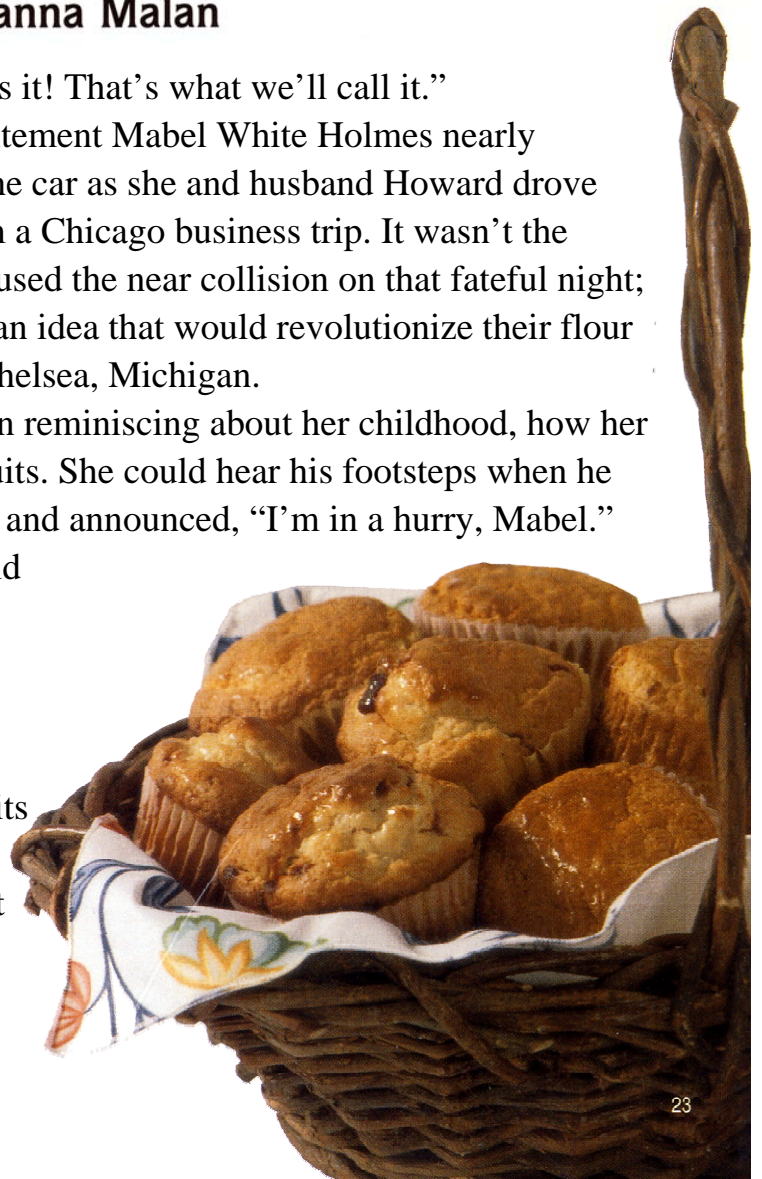
MAGIC MIXES

By Allan and Deanna Malan

Jiffy! That's it! That's what we'll call it." In her excitement Mabel White Holmes nearly wrecked the car as she and husband Howard drove home from a Chicago business trip. It wasn't the heavy rainfall that caused the near collision on that fateful night; it was the genesis of an idea that would revolutionize their flour milling business in Chelsea, Michigan.

Mabel had been reminiscing about her childhood, how her father loved hot biscuits. She could hear his footsteps when he came home for lunch and announced, "I'm in a hurry, Mabel." Gulla, the cook, would chuckle as she called from the kitchen, "Now, Miss Mabel, you tell your father them good, hot biscuits will be ready in a jiffy." America's first prepared baking mix had a name.

Allan Malan



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abel's magic mixes began in 1930, when her twin sons, Howard and Dudley, came home for lunch with two motherless friends. When the visiting brothers opened their lunches, Mabel shook her head. Those sad, flat

biscuits! Fluffy biscuits are not easy



to make, but these were like hard-tack. It

was then Mabel decided to make a ready-mix for biscuits.

Howdy Holmes, Mabel's grandson, reflected on her motivation: "My grandmother Mabel was shocked by the hockey puck biscuits the motherless boys' dad had made. She wanted to save homemakers time in the kitchen and make a mix even a man could prepare."

Mabel and her husband, Howard Samuel Holmes, represented several generations in the flour-milling business. After operating gristmills in Kansas, Illinois and Indiana in the nineteenth century, the Holmeses bought the Chelsea flour mill in 1887. In 1901 it became the Chelsea Milling Company (CMC). It was one of 488 gristmills in Michigan. Today, it is one of five.

The Holmes' mill was located in what became known as a "T town," where the railroad crosses Main Street. Mills usually were built on waterways. The Chelsea location was unusual—with no stream or river nearby, it relied on alternate power.

By 1930 the CMC had earned a reputation for quality flour milling. It was a good time to

introduce a new product. Although the Depression was under way, the "Jiffy" mix caught on because of its quality and low price. The first major retailer to carry a large inventory of the "Jiffy" baking mix was the C. F. Smith chain in Detroit.

In 1936 tragedy struck. Mabel's husband was in a silo elevator when it malfunctioned. He fell ninety feet to his death. The accident propelled Mabel into a role as unconventional as the "Jiffy" prepared mix product: she became the president of the Chelsea Milling Company. Her twin sons, Howard and Dudley, joined her in the company. In 1940 they took over, with Howard as the president and Dudley as secretary-treasurer. The partnership worked well. Howard took care of administrative chores and used his engineering background to oversee maintenance of the equipment. Dudley developed products, secured raw materials and managed the flour mill.

Howard, now eighty-four, remains the chairman of the board. Every day he is at the company, contributing his managerial expertise. He recalls the days when local farmers hauled in the soft winter wheat: "It was quite a sight. The farmers lined up their wagons for miles in both directions. It was a real social event. Sometimes, they would wait for hours until it was their turn to unload. They exchanged their raw wheat for milled flour." Dudley retired in 1984.

The "Jiffy" company has competed effectively against such industry giants as General Mills, Proctor and Gamble and Pillsbury. In supermarkets the large boxes of Duncan Hines,



Betty Crocker and Pillsbury mixes dwarf the no-waste, pocket-sized “Jiffy” boxes. With \$100 million in annual sales, “Jiffy” is holding its own. On average, a box of “Jiffy” mix costs forty-nine cents, one-third to one-half the price of the competition on a per-ounce basis.

The “Jiffy” corn muffin mix has been a best seller for twenty years. Today, according to Howdy Holmes, CEO and president of CMC, it’s the seventh-largest-selling dry grocery item in the country. The third-generation corporate leader, who is best known as Howdy, added, “All of our products, on a per-category basis, are at least in third place in sales.”

CMC keeps up with the dry-foods giants despite an unconventional precedent set early in the family business—the company does not advertise. Unlike the bigger corporations, who dedicate a large percentage of their budget to ads, CMC offers no coupons, does no TV promotions and doesn’t utilize print media. Instead, the company relies on word-of-mouth advertising and concentrates on “Jiffy Value.” Howdy defined it as “the highest quality ingredients and the best price.” The motto on the packages and delivery trucks reminds the consumer of the “Jiffy” philosophy—“Quality and value since 1930.”

The production practices at CMC are as uncommon as the company’s marketing methods. The “Jiffy” milling complex in Chelsea has been nicknamed Jiffyville by Howdy. The giant corporations may look down their noses at this one-location, self-contained company, but having a single facility is another strength for the little giant. “We do it all,” Howdy beamed. “Every aspect of the manufacturing occurs at Jiffyville except the making

of boxes. That is done in Marshall, Michigan.”

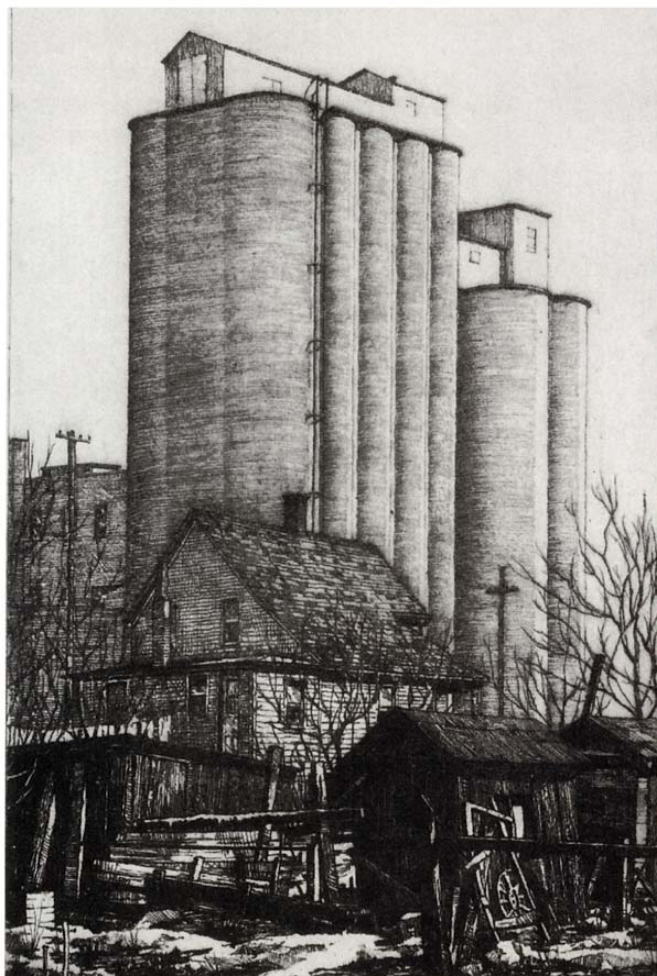
The twenty-seven on-site silos store a million bushels of wheat. The company mills about 2.5 million bushels of flour per year for its nineteen “Jiffy” products. The production process consists of three steps. First, the wheat is transferred to the mill and processed into four types of flour. Next, the finished flour is pneumatically blown into the mixing department, where it is blended with the other ingredients. Finally, the blended product is dispensed into individual boxes—1.4 million each day—along two miles of conveyors. The finished packages are then palletized, warehoused and delivered. The



Jiffyville fleet of trucks operates within a three-hundred-mile radius of the plant. Other consumer points are reached by commercial carriers.

The nineteen “Jiffy” products include muffins, cakes, brownies, frostings, pizza and pie doughs, and all-purpose baking mixes. Howdy explained, “We stick with staple products for two reasons. They give the homemaker a chance to be creative by adding additional ingredients. And, it keeps the company on the cutting edge of quality.” “Jiffy” avoids trendy foods because they depend on expensive advertising for their popularity and they are short-lived.

Howdy’s attitude toward his employees is unique. He calls them Team Jiffy and treats them as an extended family. The company’s mission statement summarizes the spirit: “The mission of Team Jiffy is to achieve 100 percent product integrity with quality people caring about each other.” A longevity bulletin board in the plant lists employees who have been with the company for twenty to forty years. At a time when many corporations are downsizing,



Artist Jonathan Taylor's sketch, *An American Cathedral*, depicts the Chelsea Milling Company's huge silos rising above a dilapidated house. Although the house is gone now, the silos are still a familiar sight.



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the CMC considers its 350 employees when making corporate decisions. Howdy firmly believes that “people—not equipment—are the most important asset. After all, they are the heart of the company.”

The seeds of integrity, generosity and caring for people were sown early in the Holmes family. Mabel’s simple concern about the welfare to two motherless boys was only the beginning. When CMC needed more space, a dilapidated house stood in the way. Mabel’s husband convinced its owner to sell the property, with the provision that she could continue living in the home for the rest of her life. Howard also installed modern plumbing and kept her lawn cut. When artist Jonathan Taylor passed through Chelsea

in 1934 he was struck by the contrast of the decaying house nestled in front of the huge, white silos silhouetted against a bright, blue sky. His sketch, *An American Cathedral*, now hangs in the Smithsonian Institution.

Change in any company is difficult. In a family-owned business, it can be painfully slow. “Family businesses fail,” Howdy said, “because people can’t separate their hearts from their heads.” He intends to preserve the company’s founding principles, but some of the practices that worked for decades are being improved. When the marketplace demanded that this century-year-old business move from a proprietorship to professional management, Holmes hired a team to manage all company operations, including accounting, human resources, manufacturing and marketing.

There have also been product changes in Jiffyville. New products at CMC averaged about one a decade. In 1930 the baking mix was introduced, in 1940 a pie crust mix was added and in 1950 the corn muffin mix appeared. The pattern broke in 1995-96, when three mixes were added: raspberry muffins, buttermilk pancakes and the corn muffin six-pack.



Technological changes also came in 1996. The company added a three-hundred-thousand-dollar machine that collates boxes into groups of six, stamps a UPC label on the bottom and wraps the six-pack in clear plastic. In 1996 "Jiffy" expanded its warehouse by 125,000 square feet at a cost of \$5 million, eliminating quality control problems in previously leased spaces.

Earlier, a preventive maintenance program was started, since many of the machines are forty to sixty years old. They now operate at their designed speeds and run efficiently. To meet the problem of demand exceeding supply, new machines are added instead of overusing old equipment. A computer in the test

kitchen analyzes a sample from each batch before it is packaged, ensuring the correct ingredient ratios in each mix.

Today CMC foresees future expansion possibilities. The company is considering exporting to foreign markets, supplying restaurants and providing mixes for institutions. "Jiffy" is not only thriving, it is growing. The decades-old principles and practices and recent modernization of this family business still work. Howdy summarized it best: "I like to think of it this way. I am standing on my father's shoulders who stood on my grandfather's shoulders." ■

Free-lance writers Allan and Deanna Malan retired from teaching to their Jackson County, Michigan, farm. Muffin photos Duaine Brenner.

"JIFFY" CEO

A LONG-TIME WINNER

Howard S. "Howdy" Holmes, CEO and president of the Chelsea Milling Company, prepared for his current responsibilities as a race-car driver. The skills needed to become a success in the fast-paced world of car racing parallel those needed to run a successful business. Holmes said, "The top teams in Indy car racing are structured corporate entities with the finest crew members, state-of-the-art equipment, substantial corporate sponsorship and a clearly delineated hierarchy of responsibility."

During his twenty years of racing, Howdy combined the necessary people and resources for the most productive unit possible. It required a lot of selling, which meant Howdy had to wear many hats, including those for Goodyear Tire and Rubber, B. F. Goodrich, Valvoline, Quaker State of Canada, Champion Spark Plugs, Labatt's, Domino's Pizza and Ford Motor of Canada. Howdy's many accomplishments included Sports Car Club of America Central Division Championship (1972 and 1973), Labatt's North American Formula Atlantic Champion (1978), Canadian Driving Champion (1978) and Indianapolis 500 Rookie of the Year (1979).

Howdy was also a feature writer for the *New York Times* and *Challenge Magazine*, contributing editor for *Formula Magazine*, *Autoweek Newspaper* and *V.W. Greats* and a columnist for *Race Car Magazine*. In 1981 he won the Book of the Year Award from the American Auto Writers Association for his *Formula Car Technology*.

The skills Howdy developed in his twenty-year racing career prepared him for a successful corporate career. He summarized, "Through on-the-job training, formal education and by trial and error, I developed into a successful business professional with a strong background in sales and communication proficiency, both on and off the track."



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