

Hollyberry heats up, grows revenue 45 percent in '07

BY CHRISTOPHER TRITTO
ctrutto@bizjournals.com

Hollyberry Baking Co. is cooking, both inside and outside the kitchen. Holly Cunningham, the nine-year-old company's founder and president, projects revenue growth of 45 percent this year, from just under \$500,000 in sales in 2006 to about \$725,000 in 2007.

Cunningham, a former *Business Journal* "30 Under 30" award winner, creates made-from-scratch cookies, cakes and other baked sweets sold primarily as corporate gifts. She also operates a catering division, Hollyberry Catering, which specializes in boxed lunches and desserts as well as small-plate corporate and social events. Each division accounts for about half of Hollyberry's revenue.

Last year, Cunningham partnered with Tony Bommarito of St. Louis-based A. Bommarito Wines to offer holiday gift crates featuring a combination of fine wines and gourmet desserts. She also pairs her sweets with local Kaldi's Coffee products.



Holly Cunningham

Now, she is teaming up with Ken Kellerhals, owner of Bissinger's Handcrafted Chocolatier in St. Louis, to sell a new chocolate gooey butter cake.

Cunningham initially sought permission to market her dessert as containing Bissinger's chocolate. But after taste-testing the product, Kellerhals decided to carry the cake at his three Bissinger's retail locations this fall and also sell it through his company's 2007 holiday catalog. Hollyberry will sell Bissinger's the cakes at wholesale prices as orders come in. The cakes retail for \$21.95 to \$36.95, depending on size, and will also be included in combination gift crates ranging upward to more than \$100.

"I would think this will be something we'll be doing for years," Kellerhals said of his sales partnership with Hollyberry. "A lot of people are asking us to use our chocolate in the production of their product, and it's another way for us to extend our name out there."

Bissinger's, which opened its Chocolate Experience store in the Central West End on June 1, is expanding its wholesale operations. The company is generating 12 percent annual growth of online sales and had revenue of more than \$7 million last year. That figure continues to rise, Kellerhals said.

Although she has no plans to open retail stores, Cunningham said she has watched how companies such as Starbucks have taken something simple like coffee, added additional products, improved their presentation and provided customers with a whole new experience. She wants to do something similar at Webster Groves-based Hollyberry.

In addition to her strategic partnerships and new product additions, Cunningham is driving revenue growth by increasing her focus on corporate sales through a new gift catalog. She also launched a new Web site Aug. 1 to boost online orders.

Hollyberry also is negotiating some wholesale opportunities Cunningham expects to finalize later this year, including an arrangement to sell cakes and sweets at local Straub's markets.

"We're open to different ideas, but we're staying focused on working with a couple of people," Cunningham said. "We're trying to stick our toe in the water. I'm big on working the kinks out."

Barbara LeMons, hired July 30 as Hollyberry's director of operations, will be responsible for executing the plans. Kim Larson, a former president of the Webster Groves Chamber of Commerce, joined the sales staff earlier this month. The company has five full-time and 10

part-time employees who comprise an all-female staff.

"We're beginning the process of expanding now," Cunningham said. "We eventually plan to move regionally and nationally. We're looking for backups for everything — space, personnel, product, the pans they go in. We have the rights to 5,000 square feet in Webster where we lease to a tenant on a month-to-month basis. We are going to be prepared."



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