



FIGHTING HUNGER

Smokey Denmark Meat Snacks Nourish the Unhoused

An estimated 4,000 people experience homelessness in the Austin area on any single day. Jonathan Pace, co-owner of the Austin-based Smokey Denmark Sausage Company, didn't just notice. He acted.

Two encounters with homeless men provided the impetus to help. The first occurred when Pace found a homeless man digging in a dumpster outside of his office. "He had bloodshot eyes that just looked haunting, because he needed something to eat. I told him, 'You don't have to dig in a dumpster, just come by if you need

something.'" Pace offered him summer sausage from the company store. A week or so later, a man with the same haunting eyes approached his car on the way to work. "I didn't have anything to give him. I didn't have cash or any food, and I thought, we have to think of something we can do to help him and others like him."

That was the beginning of Smokey Denmark's two-year journey to nourish the homeless community in Austin. And as a supplier partner who is also committed to giving back, MULTIVAC was honored to help make it possible.



THE EVOLUTION AND GROWTH OF SMOKEY DENMARK

Family-owned Smokey Denmark is known for its smoked sausages. What began as a small, local butcher and sausage shop has grown into a thriving multi-million dollar sausage company serving restaurants, stadiums and retail markets in Texas, Oklahoma and Louisiana.

Albert “Smokey” Denmark made sausage for the original Black’s BBQ in Lockhart, Texas, before launching his own company in 1964. His small butcher shop in East Austin, Texas found success selling “hot links” to local restaurants and in 1969, Denmark built a state-of-the-art sausage facility. With a focus on quality, Denmark had just two products, an all-beef sausage and a pork-and-beef blend. When Smokey Denmark’s health began to fail, he sold the company to lawyer Jim McMurtry and his brother Cliff. McMurtry is the father/father-in-law of now co-owners Melissa and Jonathan Pace. In 1972, the McMurtry family began to expand production, grow distribution and develop a wide variety of recipes.

Jonathan Pace, an accountant, became interested in the business in 1999 as he was migrating the company’s accounting system to avoid Y2K problems. “I grew up in the restaurant business, washing dishes and doing everything. I told Melissa that I would love to buy out Uncle Cliff, who was ready to retire.”

Both Jonathan and his wife Melissa (also an accountant) began working full time in the company and quickly realized the potential.

“We poured our profits into the company, rebuilding and buying new equipment, and business took off.” They added foodservice distribution through Sysco, Ben E. Keith, US Foods, Columbia Packing and a lot of the regional food service companies across Texas.

Participation in H-E-B’s Texas Quest for the Best Contest led to growth on the retail side of the business. H-E-B is a private supermarket chain with more than 350 stores throughout Texas.

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Jonathan Pace, co-owner, Smokey Denmark



Being named a finalist in the H-E-B Quest for Texas Best competition led to a growing relationship with the retailer.

“We didn’t win the contest, but we did win because we developed a relationship with H-E-B, and they have been great partners. “We hope to expand with them across all of Texas,” says Pace.

The product line has grown to 30 products, including hot links, jalapeno sausage and boutique products made for the holidays.

“We make a sausage for Thanksgiving,” says Pace. “It’s a turkey sausage with a dressing, gravy flavor and a little bit of cranberries. We sell it out of our retail meat market a few weeks before Thanksgiving and it’s become a tradition for locals.”

For Christmas, there’s a tamale sausage, for Halloween a ghost pepper sausage and even a green sausage for St. Patrick’s Day. Proceeds from sales of the boutique sausages go to the Capital Area Food Bank of Texas.

The company’s own retail market, while accounting for less than 1% of sales, remains an important way for Smokey Denmark to connect with the community.

“We love the fact that we have a meat market that people come into and buy our products, and we get to talk to customers about how they use our products,” says Pace. “Our mission is to create memories around food. We want people to enjoy what we make, but we also want to help people. That’s important to us.”

A COMPANY OF OWNERS

Since the Pace’s became owners, revenue has grown ninefold. Pace credits a strong team for much of the success.

“Part of our core values is that we’re a company of owners,” says Pace. “We want our employees to think like owners and to know that we’re all in this together. We want our team to be happy and enjoy being here every day.”

The strategy is working. The company had virtually no turnover during the past year.

GROWTH IN A LIMITED FOOTPRINT

Smokey Denmark’s original vision was to be on every plate in Texas. “Now that we’ve done that, we want to be on every plate in America,” says Pace. But growth sometimes bring challenges. Two years ago, a promotion with 64 Costco stores brought their plant to capacity. “We quickly learned that we had maxed out our production at this facility,” says Pace.

While waiting for the right time to build a new plant in Georgetown, Texas, the company invested in new equipment that added 20% more capacity.” A tight footprint and budget were challenges, but when another customer suddenly closed their business, Brian Shamblin, director of Sales for the South region was able to offer a new R245 thermoformer at an affordable price with a quick turnaround. “We knew the R245 was the best solution,” says Shamblin.

The highly flexible machine was chosen to improve output of 1-pound and 3-pound sausage packages.

“Before the R245, a typical day might have included seven batches. That was as fast as we could go,” says Colby DeFrieze, plant manager. “With the new MULTIVAC R245, we can do 11 to 12 batches per day in the same amount of time, without adding any new people.”

Company president Marlis Oliver appreciates the machine’s sealing speed and inline labeling capability. The old process required hand feeding product into the labeler. “We’re incredibly efficient with the inline labeler,” says Oliver.

THE JOURNEY TO CREATE A HEALTHY SNACK STICK

After deciding to do something for the homeless, the company’s research found that the homeless population lacks protein. A poor diet, lacking in protein and high in starch and sugar, can lead to diabetes, iron deficiency and other health issues. They decided a high-protein snack stick that would be shelf stable and easy to distribute would be a good solution.

“Our thought is to provide customers who make a purchase with two snack sticks,” says Pace. “You eat one, and you give one to the homeless. If you’re at a stoplight and they approach you, you now have something with nutritional value to offer them.”

After sampling snack sticks on the market, making their own samples and conducting blind taste tests with the team, they settled on a formula that is a lean pork and beef blend.

“It’s a lean, delicious product based on a sausage recipe that we’ve been making for years,” says Pace.



Founders Albert and Eloise Denmark.

“We didn’t set out to make an inexpensive product, because it’s for the homeless. We set out to make the best snack stick that we could make.”

Marlis Oliver, president, Smokey Denmark

“We didn’t set out to make an inexpensive product, because it’s for the homeless. We set out to make the best snack stick that we could make,” says Oliver. “Our Texas-style snack stick has the perfect amount of smoke and a formula that makes you think of a Texas-style sausage when eating it. While it’s designed to help people in need, it can also go up against any snack stick on the market.”

The label of the snack sticks contains a message of positive support for those in need, reminding them that they are valued.

“We just didn’t want to hand them a snack stick without anything on it. We wanted to let them know that they are not forgotten,” says Pace.

One challenge for the company was that they didn’t own the die configuration needed

to package the snack stick on their R245. They reached out to MULTIVAC for help.

“When Jonathon and Marlis shared their vision with me about the project, I knew I needed to help,” says Shamblin. “Addressing food insecurity is a passion of mine in the communities we serve.”

Shamblin arranged for half of the cost of the tooling to be funded through MULTIVAC Cares Foundation, an associate-directed charitable foundation of MULTIVAC.

“While MULTIVAC Cares Foundation regularly partners directly with organizations like Ronald McDonald House Charities, Habitat for Humanity, Harvesters, and Toys for Tots, supporting a specific customer together in this way highlights our flexibility and willingness to tailor our charitable efforts to support other needs,” says MULTIVAC president Matt Malott.

MULTIVAC has aligned its charitable giving with a customer’s mission before through the Associate Directed Grants program. “It empowers associates to recommend charitable opportunities, and often these are connected to our customers or their philanthropic efforts.”

“The partnership with MULTIVAC was a catalyst to move the project forward,” says Pace.

To launch the program, 5,000 snack sticks were produced and packaged on July 10. Malott, Shamblin, Regional Manager Chuck Dowlearn and South Sales managers Scott Moore and Bret Moeller all used their personal time to participate in first run of the snack sticks on the MULTIVAC R245, and



(From left to right) Scott Moore, South sales manager, MULTIVAC, Matt Malott, president, MULTIVAC and Jonathan Pace, co-owner, Smokey Denmark, oversaw the first run of snack stick packages on the MULTIVAC R245.

to help distribute the sticks to the homeless. MULTIVAC provides employees with 16 hours of paid volunteer time off each year to use for their charitable activities of choice. More than 2,700 hours of volunteer time are donated annually.

“By offering paid volunteer time off and financially supporting a variety of charitable initiatives, we seek to foster a culture of service and compassion,” says Malott. “We all have the ability to make a difference, and MULTIVAC encourages associates to use this time to serve their communities.”

THE IMPORTANCE OF PARTNERSHIPS

Partnerships like the one between MULTIVAC and Smokey Denmark don't happen overnight. The trust between partners is built over years of working together. MULTIVAC's president sold Smokey Denmark their first machine (R230) in 1999, when he was a regional manager in Texas. Both companies are involved in the Southwest Meat Association, where they work together to raise money for industry scholarships.

“We love the relationship with MULTIVAC,” says Pace. “They make great equipment. Their customer service is fantastic. They're always there to help us when we have an idea or a dilemma. They're there with us as a team to help solve the problem and get us to that next level.”

Pace also appreciates the innovation that MULTIVAC brings to market.

“MULTIVAC is on the cutting edge of what consumers want, whether that's easy-peel packaging or environmental packaging,” he says.

“I'm impressed with the quality of the equipment,” added Pace. “They keep making the product easier to operate for our team. The ability of their service teams to come in or help us online, over the phone, or with virtual assistance, helps fix our problems quickly.”

When Smokey Denmark bought the R245 they did get quotes on competitive equipment. “They're very price competitive,” says Oliver, “but their partnership with us over 25 years is as valuable or more valuable than the price, so it was that combination that made it a no-brainer to continue that relationship with MULTIVAC.”

**We made this
snack for you.
To let you know
you are not
forgotten.**

Messaging on the snack stick packaging conveys a positive note for those in need.

“We're more than business partners, we're friends,” says Pace. “We feel like they care about us.”

MULTIVAC representatives have similar feelings about Smokey Denmark and the partnership. “You couldn't ask for a better customer,” says Dowlearn. “They are open, honest, and they understand we are here to support them and make them successful in their business.”

FUTURE PLANS FOR THE SNACK STICK

For now, Smokey Denmark will limit production of the snack sticks to the homeless, but in the future, they believe they can compete in the meat snack market, now a \$6.5 billion category. According to stats from Circana, U.S. unit sales of dried meat snacks, including sticks, were up 3.8% year over year, and 6.3% compared to two years ago. “The growing focus on protein across all demographics has led to robust interest in protein snacking, including meat snacks,” says Anne-Marie Roerink, president of 210 Analytics.

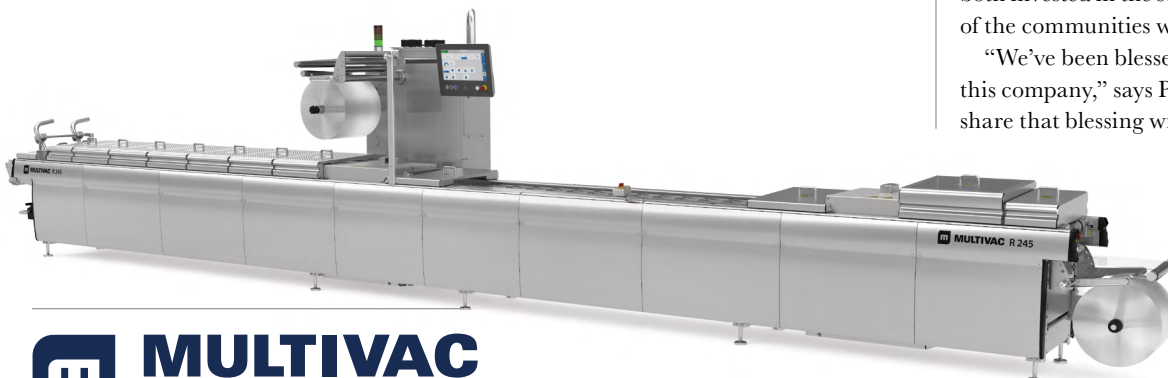
In addition to distributing the snacks through employees and customers, Pace is exploring future partnerships with local charities to grow the initiative. “I don't know how many snacks sticks we can hand out, but our goal is to penetrate the Central Texas area and get the product out there.”

“This project is a win-win for everyone involved,” adds Malott. “Not only does the community gain from increased access to nutritious food for those in need, but working together on this project helps build trust, loyalty, and a sense of partnership between Smokey Denmark and MULTIVAC. We are both invested in the success and well-being of the communities we serve.”

“We've been blessed tremendously with this company,” says Pace, “and we want to share that blessing with others.”

MULTIVAC R245

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