

SQF Certification and Lean practices can expand markets

By Rich Rovito
Industry Reporter



WISCONSIN MANUFACTURING
EXTENSION PARTNERSHIP

The intoxicating aroma of popcorn permeates the Valley Popcorn plant in Neenah, where business is booming.

At the Fox Valley facility, popcorn is produced throughout the day in small batches in an array of kettles and then packaged for distribution to retailers in Wisconsin and a large swath of the country.

“Business is getting to the point that it’s certainly dictating that we need to increase our volume,” said Steve Klegon, director of administration, human resources and quality assurance at Valley Popcorn since 2015. “We just have to figure out the best way to facilitate that.”

Owner and Chief Executive Officer Carl Freundl and his wife, Carol, founded Valley Popcorn in 1992 with six poppers and a few cases of kernels in their small home and two-car garage in Oshkosh. The business moved to its current plant in 1996. The facility has undergone multiple expansions to accommodate the growth in production over the years.

Employment at the 25,000-square-foot facility, which includes an office area as well as a store that features a variety of popcorn products for sale to the public, is nearly 30 full-time equivalents. The vast majority of employees are involved directly in production. Plant operations continue to increase efficiencies, by improving technology and work practices.

Valley Popcorn’s ready-to-eat line of products is the primary driver of the company’s growth in business, Klegon said.

“Being our size, we have incredible care and concern for the quality of the product and every detail that goes with that,” he said. “Our product tastes good. It’s a great recipe. The raw materials going into it are held to high quality standards.”



In its ongoing plan to expand market opportunities, Valley Popcorn opted to pursue Safe Quality Food (SQF) Certification.

The intense attention paid to each and every detail of the production process allows Valley Popcorn to compete head-to-head with large, national snack manufacturers.

“What differentiates us in our market is the quality of our product, both in taste and presentation,” Klegon said. “I think that’s what has driven us to be a market leader in the Midwest and beyond. It’s a good product. It just is.”

As part of its ongoing plan to expand its market opportunities, Valley Popcorn opted to pursue certification under the Safe Quality Food (SQF) program.

“There are some companies out there that will ask as their first question if we are SQF certified,” Klegon said.

SQF is recognized by the Global Food Safety Initiative and retailers and food service providers that demand a stringent, credible food safety management system.

Few snack manufacturers have pursued food safety certification to this point, Klegon said. “But we are extremely conscious that a human being is going to be putting their hand in the bag and eating our product.”



Valerie Scully, Project & Continuous Improvement Manager

Valley Popcorn turned to the Wisconsin Manufacturing Extension Partnership for guidance on its journey to SQF certification.

“The WMEP has the historical knowledge and understood that the commitment was a critical component for us,” Klegon said. “We had never dealt with SQF before.”

Peg Dorn, a manufacturing specialist at the WMEP, worked side by side with Valley Popcorn management and production personnel to get through the SQF certification process.

“Peg and the WMEP brought the knowledge and recognized where we needed to go and the commitment we needed to have,” Klegon said.

Valley Popcorn employees immediately bought into the process, Dorn said.

“We made the commitment and it hasn’t just been a financial commitment,” Klegon said. “That’s certainly a piece of it, but there’s also a huge operational commitment that needs to be made. We were able to instill that type of commitment and that’s where the WMEP was a big help.”

It took about nine months to complete the certification process.

“I was here a lot,” Dorn said. “I saw a major shift during that time. “The company already was making very good product but I saw a deliberate shift toward more food safety. That’s the big thing, becoming pro-active.”

Valley Popcorn’s employees enthusiastically searched for direction during the process.

“We shut down production at one point and went into the warehouse so that everybody could go through training for food safety,” Dorn said. “That was invaluable.”

Through its committed sales staff, Valley Popcorn has been successful in expanding its presence in grocery chains. In addition to its ready-to-eat line, Valley Popcorn produces packs that include a seed compartment, seasoning and oil for consumers who want to make their own popcorn.

“Valley Popcorn management wants to expand the availability of its products throughout the country,” Klegon said. “I can comfortably say that pretty soon we’ll be available in all 50 states. We are easily right now, through our distribution network, in grocery stores in 25 states.”

Klegon declined to specify the company’s customers, but he said the list is growing.

“We continue to refocus and evaluate where our products are and what we want to sell and how we want to sell,” Klegon said. “We used to have a walk-in freezer on site because we sold frozen pretzels and hot dogs. It was a good market for us, but it wasn’t our main focus. We no longer do that.”



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The growth in demand for Valley Popcorn’s popcorn stems from consumer demand for healthier snack foods, according to Valley Popcorn management.

“Popcorn is a healthy snack,” Valley Popcorn President Doug Jarmusz said. “When you look at potato chips, cookies and popcorn, it’s popcorn that is still perceived as, and still is, relatively healthy. We use just three ingredients and it’s a whole-grain snack. We are riding that wave a bit right now.”

Jarmusz, a recent hire at Valley Popcorn, has a strong background in lean manufacturing.

“Since I’ve been here at Valley Popcorn, we’ve had a tremendous growth spurt,” he said. “I came on to help jump us from where we were to the next level. If we get our product in a store, it usually takes off. Our sales team across the board is dedicated to the success of our products.”

Valley Popcorn could turn to exporting its products once it completes its U.S. expansion plan.

“It’s certainly not out of the realm, Jarmusz said. “But there is still a lot of growth out there. Some of these huge chains we are talking about, as they come on board, we’ll become pretty solid nationally. Then we’ll have to start thinking whether we need another market and how we’ll handle that.”

In addition to a more formal focus on food safety, Valley Popcorn also has been implementing lean manufacturing processes.

“We’ve got some production control boards out there so that everybody out in the plant knows what the goals are, where we stand and if there’s an issue, what we need to do to fix it,” said Jarmusz, who previously served as a lean sensei for a consulting company before taking on his role with Valley Popcorn.

“We’ve got a great team. We are very careful when we bring new people on. They have to be a team-oriented person that will work with others and contribute.”

Although scores of Wisconsin manufacturers have struggled to attract and retain qualified employees, Valley Popcorn has been able to fill open positions without much of a challenge, Jarmusz said.

“I don’t know if we are just lucky but everybody I talk to is hiring and nobody can find the skills they need,” he said. “We just put the word out. We all use our key contacts. We usually just put a sign up and place ads and do our screening. I don’t think we’ve ever not gotten applicants.”

Word-of-mouth and hiring family and friends of existing employees have helped fill open jobs, Jarmusz said.

“I’ve always hired more on the character of the person,” he said. “We can train you to succeed here, and that seems to be working.”

Valley Popcorn also brought on Valerie Scully earlier this year to work on continuous improvement projects and to standardize work methods, procedures and policies. “As we grow and get bigger, we need those in place.”

Valley Popcorn’s products and work environment attracted her to the business.

“There’s a really good attitude with the workers here,” Scully said. “One of the big things you notice right off the bat is that if you are working for a large manufacturer everyone has their role. In this environment, working in a small company, everyone overlaps and helps each other. You can’t just focus on one thing. People wear a lot of hats.”

That type of teamwork is important when it comes to ensuring food safety.

Valley Popcorn management found its relationship with the WMEP to be very beneficial in seeking SQF certification.



“What we needed was offered to us by the WMEP,” Klegon said. “Direction. Historical knowledge. Experience. It certainly was a positive relationship.”

The process benefited Valley Popcorn, Dorn said.

“They took the ball and they ran with it,” she said. “They are now at the next level.”

