

NONUTTIN' FOODS: BUSY DOING NUTTIN'



www.nonuttin.com





Alana Elliott and
Martha Stewart

BUSY DOING NUTTIN'

The growing instances of nut allergies, celiac disease and other food allergies are good business news for Nonuttin Foods, although the idea for the organisation came from family problems, Ruari McCallion learned from Alana Elliott.

Written by Ruari McCallion & Produced by Xan Wynne-Jones

The first question one has to ask of a business that was founded on granola bars with no nuts, gluten-free cereal content and the removal of pretty much all major allergenic ingredients is: How do you improve something that often tastes like damp cardboard after taking out so much? Alana Elliott, president and founder of Nonuttin' Foods, laughed in response – and agreed that finding healthy foods for kids, especially, to eat is not easy – and fats are where a lot of taste and texture come from.

“Our foods are not fat-free; we use high-quality oils in their preparation,” she said. “We get the good taste in our granolas by caramelising sugars, which gives the depth of flavour. We don't add sulphites to our apples or

use any artificial flavourings. All our ingredients are entirely natural.”

Nonuttin' Foods was launched by Elliott and her husband in 2002. The impetus behind it is food allergies within the family; both of their daughters had dairy allergies and the younger one is also allergic to peanuts, kiwifruits, almonds and chick peas. Allergic responses are to do with proteins in foods – anyone can find themselves allergic to anything. Tomato sensitivity in childhood is not uncommon, for example, but the number of reported cases of food abreactions seems to be on an upward trend. That fact has helped Nonuttin' Foods to achieve a growth rate little short of sensational – around 150 per cent, year-on-year, since it was founded. While high

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rates of growth are relatively easy to achieve in the initial launch period, when revenues are low, sustaining them over the longer term is more of a challenge. But Elliott doesn't think the company is going to run out of steam just yet – it has a lot of space into which to expand.

“We will probably have another good couple of years,” she said. “We may then reach saturation in our local market – in which case, we will move more towards grocery and wider geographical markets.” Nonuttin' is based on Vancouver Island and its principal marketplace is the US, but it has a growing customer base in the Canada as well.

“When we started, we approached shop owners and distributors and worked to convince them of the market and need for nut-free granola,” Elliott continued. “Today, gluten-free foods are a growing market, although hypoallergenic foods are our



Megan, the inspiration for the company

strongest segment. The US is potentially our largest market, with a big share in the West Coast, which has that 'health halo.' But the reality is – the medical needs market is all over the country, so we are seeing sales growing in the Eastern Seaboard, also.” The news about Nonuttin' spreads by word of mouth, through self-help groups, health food shops and through the Internet. “Viral marketing is very important for us; it brings in customers with concerns other than health – vegans, kosher and people who wish to avoid trans fats, for example.” Initially, the Website was a 'shopfront' – orders and purchases were done over the phone. It wasn't long before things had to be moved up a gear.

“Customers found us on the Internet and called from places we had not developed a distribution network for,” she said. The site became a larger entity, with e-commerce

functionality.

The Internet itself served as a useful vehicle for market research, enabling the company to focus its efforts where they would reap the optimum rewards. “Initially, we distributed ourselves, with our own vehicles – we outgrew that, very quickly!” Nonuttin' has developed structured distribution, depending on the particular market. It partners with FedEx for direct deliveries to households and uses larger carriers for its pallet loads of deliveries to stores and grocery distributors. A market that was characterised by fragmentation is now becoming more consolidated.

One of the challenges Nonuttin' Foods faces is that its ingredients are premium priced. In order to be accredited as gluten-free, its oat supplies have to be grown in fields that have had no wheat,



Rob and Alana Elliott, Founders

barley or rye for a period of three years – and that requires investment by farmers in a small market.

“Sourcing is one of the most difficult aspects, as everything has to be free of additives, chemicals and artificial ingredients,” she said. “Once we find a supplier, we are very loyal to them. As we grow, we are able to leverage the relationship – which we see as mutual support, rather than driving prices down. We work together on marketing; we may support each other at, for example, celiac fairs or other specialty exhibitions.” While the hypoallergenic food market is growing, it remains small and Nonuttin’ reflects that. Everyone gets involved, they are all often ‘elbow-deep in flour’, they are flexible and the advantages of IT and automation are being incorporated as they grow.

“IT is integral to sales and production,” Elliott said. “The Canadian government has been helpful, too, in providing funding



Only natural ingredients are used

for assistance in developing our Lean manufacturing strategy and for traceability and food safety tools and technology. Our production plant is on Vancouver Island; many companies our size operate co-packing – we don't, because of our allergy needs and quality requirements." Nonuttin' operates to HACCP (Hazard Analysis Critical Control Point) equivalent standards and is moving to third-party certification of its processes and controls. It is developing its IT system, from AccPac, into the manufacturing process.

"I was asked: to what extent I felt that special circumstances are a sound foundation for business," Elliott said. "I believe that, to be in business, you need focus and perseverance. Businesses succeed and grow by knowing what they are best at and focusing on it. My family's personal situation creates the motivation to do it." ■

FACTS AT A GLANCE



COMPANY NAME: Nonuttin' Foods Inc.

FOUNDERS: Rob and Alana Elliott

ESTABLISHED: 2002

EMPLOYEES: 7

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nonuttin'
granola bars

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