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COMPANY PROFILE BYRON CENTER MEATS

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PG 48

Forged by fire

After a devastating blaze, Byron Center Meats regrouped, rebuilt and grew bigger than ever.

By Lisa M. Keefe, editor

Jim Sytsma put the phone back down in its cradle, climbed out of bed and walked outside his house. It was 4 in the morning and he could smell the smoke. A mile away, along the main drag in Byron Center, Mich., the company his grandfather built was burning.

In his brand-new, neatly organized office two years later, Sytsma remembers that Saturday -- not fondly -- but with a sense of import: It was the day, he says, that bigger, better opportunities arrived for Byron Center Meats.

"The building looked like a total loss," he says. "In reality, the fire was a blessing in disguise."

Just the beginning

It certainly provided a springboard for success to the company, which further processes mostly beef

and pork for wholesale accounts and private-label distribution. Byron Center Meats was able to retain existing customers by resuming production just three days after the blaze. In rebuilding BCM's only facility, management designed in options for growth, with a whole additional room for future processing, built with sufficient height in the ceiling to accommodate any equipment needed for extra volume. And the company already is on its way toward big growth, having seen a 6 percent increase in sales in 2007, the year of the fire, and another 5 percent in 2008.

"What we've done here (with the newly rebuilt facility) goes far beyond what was replaced," Sytsma says. "We built this for the future. We have tremendous potential for growth."

Meat processing executives nationwide can find much to appreciate in Sytsma's dogged optimism. Fire is often the second most-feared risk of the business (the first being pathogens). Most facilities have combustible industrial chemicals around. Many companies are decades old and, like Byron Center Meats, still in the same wood-frame buildings in which they were started. Electrical wires, and water, are everywhere.

Anecdotally, at least, it seems that incidences of fire in processing facilities are rising: North Star Foods burned to the ground in St. Charles, Minn., in April, and the owners still haven't decided whether to rebuild. Smithfield Foods' Patrick Cudahy plant near Milwaukee sustained \$50 million in damage from a blaze that wouldn't die for three days. In July, Columbus Foods suffered a four-alarm fire at its deli meat slicing and packaging plant in South San Francisco, Calif.

Three days

Every news report brings back memories of Sytsma's own hectic Saturday in July 2007. The blaze -probably sparked by an electrical problem -- had ripped through BCM's retail sales area. Thick, black, greasy smoke, fueled by insulation, had covered the walls and equipment with soot, and there were 8 inches of standing water everywhere. The fire did \$3 million worth of property damage.

Sytsma, family, friends and employees first took all the equipment out of the plant and left it in the parking lot while the situation was evaluated. ("At least it wasn't raining," Sytsma recalls.)

Mike DeVries, a veteran protein processing executive that BCM retained as a consultant, had been through facility fires before. On Saturday evening, he promised the Sytsma family and the company's employees, "We're going to be in business Tuesday morning," Sytsma says.

"I was watching when [the fire] happened," says Jim Hoekstra, category manager for center of the plate for Sysco Grand Rapids, a unit of the Houston-based distribution giant and BCM's largest single customer. "I didn't think they had a chance [of reopening so quickly]," he notes.

By 8 that Saturday evening, though, the plant was crawling with 50 to 75 volunteers and construction professionals, including electricians, plumbers and a cleaning service. They worked round-the-clock to build a temporary wall in the processing area and devise a tunnel from the cooler to the processing area so that employees could work through the area destroyed by fire. The rail system was rerouted accordingly. By Tuesday morning, Byron Center Meats indeed passed inspection. (The Sytsmas later hired DeVries full-time, and now he's the company's product-development manager.)

"It was incredible what they did," says Hoekstra, who notes that he was looking for another company to pick up the processing that he assumed Byron Center Meats would not be able to finish while they cleaned up the facility. The search proved unnecessary. "They spent 42 straight hours cleaning until the USDA inspector signed off," he says.

Rebuilding was another challenge. Sytsma credits good insurance coverage for helping them get to the next level -- "make sure you have business interruption insurance on your policy" is his advice -but notes also that he was fortunate to be able to continue production in the parts of the building that had been spared. It gave him the luxury of time in negotiating with the insurance company over each claim (and negotiate they did).

"I'm not complaining; we got what we needed," he adds. "But we probably wouldn't have gotten as much" if the company had had to settle quickly in order to stay in business.

In rebuilding, Byron Center Meats added its own investment to the insurance payout to revamp the interior and add on to the facility -- more than doubling its size, to 17,000 square feet. More importantly, BCM tapped DeVries' rebuilding experience to insure the physical plant had options for growth in the future.

"I don't know what this new facility will be diversified into. It could be anything," Sytsma says.

Broad input

Decisions about where to run electricity and plumbing, where to put the coolers and how high to build ceilings and walls all were made with an eye on volume growth of the patties and steaks the company is known for, and diversification into new lines, such as cooked products, Sytsma says. Cardboard cutouts of all the facility's equipment were moved around on a scale model, with teams of employees from executives to line workers adding their input until all agreed on the workflow (and still, most of the equipment is on wheels).

"Efficiency is what it's all about for survival," Sytsma says.

An expanded retail sales area was introduced, with a window at the back to the custom processing room, where customers can watch while carcasses brought in by individuals are carved up according to their orders.

Since the fire, Byron Center Meats has added two distribution companies that supply convenience stores to its customer list. The company also has expanded the business it does with Sysco, adding Certified Angus Beef patties to the account, and Hoekstra says Sysco Grand Rapids is looking at a number of additional products they could take to Byron Center Meats in the next 12 to 14 months.

"We can sell something at 11 in the morning and the customer has it the next afternoon. They're an important part of Sysco Grand Rapids," Hoekstra says.

The account overall has remained flat because of the economy, Sytsma says. Byron Center Meats supplies Grand Rapids' Sysco with about 55,000 steaks each week and 25,000 pounds of ground beef patties.

Its customer mix hasn't changed much; revenues still are about 80 percent wholesale, with the rest evenly divided between its own retail business and fees for custom processing.

Still, there's plenty of empty space. Among other initiatives, Byron Center Meats plans to resurrect its custom deer-processing operations, a sideline the company had discontinued 35 years ago. But because the company now can keep deer processing isolated from its other operations, and avoid cross-contamination, Sytsma's willing to add it back in, situated as Byron Center is in the middle of prime hunting country.

In the end, Sytsma says, he was fortunate that "everything that was destroyed was just stuff. It could be replaced. Nobody got hurt. Nobody lost their jobs."

At a glance

Company: Byron Center Meats Location: Byron Center, Mich. Founded: 1946 Leadership: Jim Sytsma, president; Steve Sytsma, vice president; and Doug Sytsma, office manager Main products: Steaks, ground beef, fresh pork for wholesale distributors, ultimately destined for retail and foodservice

Other business: Processes carcasses for individuals, including beef, pork, lamb and bison. On deck: adding a deer processing line. Employees: 35 2008 sales: \$10 million Customers: Sysco Grand Rapids, custom processing for private-label distribution Social media: Communicates with customers interactively through Facebook (facebook.com/byroncentermeats)

Thumbs up/Thumbs down

Thumbs up: Workforce

The rebuilding experience more closely connected employees to the company. No worker has left Byron Center Meats' employ since the fire.

Thumbs up and down: Family ownership

Two sons already have taken leadership positions in the company, but 17 grandchildren may prove a blessing and a curse; many a successful family-owned company has been dismantled by cousins at odds with one another.

Thumbs up: Certified Angus Beef

The outside auditor hired to inspect Byron Center Meats before it could process Certified Angus Beef products gave the facility the highest score the CAB organization had ever seen.

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Byron Center Meats rises from the ashes

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Byron Center Meats sports a new entryway, part of a rebuilding — and a more-than-doubling of space — at its facility in Byron Center, Mich., near Grand Rapids.

By Lisa M. Keefe on 9/28/2009

Two years ago, Byron Center Meats in Byron Center, Mich., suffered a damaging fire — a potential disaster that seems to be striking more companies in 2009 than in the past.

It could have been the end of the company. But the owners, the Sytsma family, instead elected to rebuild bigger. Two years later, thanks to the strategic thinking of its family ownership and the dedication of employees, for Byron Center Meats the fire was a catalyst for a period of expansion and development of new markets.

The evidence remains



Evidence of the fire is still there, underneath the new siding, walls and ceilings. Here, soot still smudges the cork ceiling and wood beams, which date back to when the facility first was built. Inside, a smoky scent remains — although Byron Center Meats hasn't smoked any product in years.

Tunnel vision



In order to get the facility back up and running in three days, the company put a tunnel through the burn area, from one working part of the facility to another.



Hand-cut steaks and patties

In the processing room of the newly rebuilt facility, employees hand-cut portioned steaks and form and package ground beef patties for foodservice.

Ground beef patties



Byron Center Meats ships some 25,000 pounds of ground beef patties each week. The company recently added Certified Angus Beef to its patty offerings.

Client base



The company packs and ships about 55,000 hand-cut portioned steaks for distribution to foodservice and institutional clients throughout Michigan and much of Indiana.

Hand-fabricated equipment



This citrus antimicrobial sprayer was hand-fabricated for Byron Center Meats' line.



Remote climate-control system

While rebuilding, Byron Center Meats installed a computer-based climate-control system for the entire building that can be accessed and controlled remotely.

Room to roam



The company more than doubled its square footage, and this entire room is marked for future expansion. The extra-high ceilings are designed to accommodate equipment of any height.



A window on BCM's world

The custom fabrication room, where carcasses are cut up to individual customers' specifications, has a window into the retail area. Customers can watch their order being put together.

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The Systma family is an exemplary success story. Their wise business decisions after the fire and genuine

concern for their employees are good investments for the community and the industry. TUESDAY, SEPTEMBER 08, 2009 | DAVID HERWEYER