

## Richard and Michael Gordon

Chocolate Potpourri Ltd, a multi-faceted confectionery manufacturer based in Glenview, Ill., started nearly 25 years ago in the suburban Chicago kitchen of Marsha Gordon. Marsha made delicious toffee confections for weddings and holiday gifts. From those simple beginnings, the company has grown into a respected provider to the high-end hospitality and specialty foods markets on the strength of two robust brands, How Sweet It Is and Veritas Chocolatier, and a thriving private label business. Chocolate Potpourri is now led by brothers Richard Gordon, president, and Michael Gordon, vice president of sales and marketing. (Marsha heads the catalog and mail order business.) They began working with Jacquard in 2004 with the goal of moving up to the next level of management.

### *How did your relationship with Jacquard Associates begin?*

We are growing rapidly and we were ready to work with a consultant with real manufacturing expertise. Our attorney recommended Jacquard highly. We'd been running as a "seat-of-the-pants" entrepreneurship type of company, and we saw that, as a larger business, we needed to move toward a more professional style of management.

### *What marked your "seat-of-the-pants" management style?*

We were reacting a lot rather than sitting down, thinking challenges through, and planning for what was coming next. We would leap at opportunities that often, in the long run, were not as positive as they seemed. For example, our retail store sold a non-stock corporate gift product. It was a good sale for them, but downstream it created a lot of problems. We lacked discipline: There was the assumption that the next guy down the line would fix the issues.

### *How has working with Jacquard helped?*

We have addressed many small things that were adding up to big issues, and we are developing a more systematic approach to running our business.

### *Can you give us some examples?*

We are putting more formal processes in place in our accounting function. A new cash flow and accounts payable process helped us validate the case we made to our bank for more money. We were successful in getting the loan we needed.

We've addressed manufacturing extensively as well and have changed our production scheduling method. We had a couple of major sales victories this year, and the improvements helped us get these large orders fulfilled. We had planned our production week to week, and as we approached the holidays, we'd plan a few weeks or months ahead.

With Jacquard's help, we've improved the coordination between sales and operations. We always set up for three weeks as far as specifically what we'll be producing. On a higher level, we regularly track our production demand to determine where shortfalls are likely to be and how we'll need to adjust production.

We now have a much better understanding of our capacity, and we can adapt our staffing structure to adjust capacity.

### *How would you assess the value that Jacquard has delivered?*

After a year, we do have a stronger framework to move forward. We have seen some profitability improvement as well. We have a new perspective, more of a sense of accountability and discipline from the top down. In the long term, we'll need to sustain what Jacquard has put in place and make sure we don't drift back into our old habits. In the end, we expect to realize additional measurable improvement in profitability.

*Would you advise other businesses to take advantage of consulting expertise like Jacquard's?*

A few years ago Richard wrote an article for the retail confectioners' newsletter called 10 Lessons in Business from the Tour de France. One of the key points in that article was that Lance Armstrong works with a coach, and similarly, there are times when you and your business need to work with a coach. You can spend a lot of time reinventing the wheel, and if it's your wheel, it's your baby, and you may not see that it doesn't work. In other words, there are times when an outside perspective is invaluable.