

# After experiencing a setback, Silver Spring Gardens finds room to grow

by Doug Pond, Associated Financial Group

**“The leaders and other employees at Silver Spring Gardens were even more determined to succeed when their backs were against the wall. While nobody at the company thought losing 40 percent of their business was a “blessing in disguise” right away, the setback proved to be the shot in the arm the company needed.”**

market responded with more enthusiasm than they could imagine.

## Welcoming employees back

Many business leaders know about the perils of having a single client (or a few large clients) who account for a significant portion of their revenue. It's like hitching your boat to an ocean liner. You have to know how to navigate in its wake, and you must be ready to spring into action if your connection is severed.

In 2003, Silver Spring Gardens started to diversify in earnest. In addition to horseradish, the company produces many other lines of condiments, and offers them through many different channels. If you have been to a Green Bay Packers football game, you have probably tasted one of the company's products. Silver Spring Beer 'n Brat Mustard is the official mustard of Lambeau Field. The company received the Lambeau Field contract for all concession areas, club

for Silver Spring Gardens (located in Eau Claire, Wisconsin) is perhaps the most remarkable of all. The company, which is the world's largest grower and processor of horseradish, lost a major business partner in 2003—a client that controlled about 40 percent of the company's business, according to Schaefer. As a result, Silver Spring Gardens laid off 51 people in February of that year.

But Schaefer says the leaders and other employees at Silver Spring Gardens were even more determined to succeed when their backs were against the wall. While nobody at the company thought losing the client was a “blessing in disguise” right away, the setback proved to be the shot in the arm the company needed. Among their many tactics, they started attending more trade shows to “show the market our capabilities,” says Schaefer, and the

**S**tories of entrepreneurs who turn apparent setbacks into advantages are frequent and popular. You've heard of the successful business owners who say they would never be where they are if they hadn't been laid off from previous positions. Executives often talk about how government regulations forced their organizations to be more disciplined and, as a result, more competitive in their industries. In a recent cover story in this publication, for example, the president of Garsten/Perennial Management Corporation discussed how the IRS regulated the “affordable housing” market so stringently that few property managers dared to go there, which gave Garsten/Perennial an opportunity to cut a profitable niche in the area.

The incident that President Ed Schaefer called a “blessing in disguise”

President Ed Schaefer holds a bottle of award-winning Silver Spring Beer 'n Brat Mustard.

## Quick stats

### Organization

- Silver Spring Gardens

### Type of business

- Marketer of horseradish and other condiments

### Corporate headquarters

- Eau Claire, Wisconsin

### Employees

- 249

### Years in business

- 75

### Website

- [www.silverspringgardens.com](http://www.silverspringgardens.com)

seats, and suites. Silver Spring Gardens employees also work the parking lots before and after games, handing out sample packets to tailgaters.

The Silver Spring Beer 'n Brat mustard was also named the Official Mustard of the Minnesota Wild and of the Xcel Energy Center in 2003. The Xcel Center is the site of 150 major events throughout the year. Silver Spring Gardens mustard and horseradish products are served in concession areas, suites, and catering events at the center, and the WILD program book sold at all home games features a full-page ad for Silver Spring Gardens.

About five months after losing the large client, seven different clients took its place, which constituted even more business for the company. The employees who the company was obligated to lay off in February were asked to return to work by July.

## Moving to a new location

In 2001, Schaefer started making plans to expand the company to a new location, which involved moving a lot of equipment. The plans were interrupted briefly when the company lost the large client, but then resumed with even greater urgency after production grew beyond its previous level.

The move is complicated, Schaefer says—more than a matter of hauling

equipment from one location to another. Demand is up, and Silver Spring Gardens has its hands full meeting clients' orders; the company had outgrown its production facilities. Hence the need for expanding the facilities.

However, there's never a good time to dismantle the very facilities that are satisfying the increasing demand, yet that's exactly what Schaefer must do. Fortunately, the new location, which contains a gourmet kitchen for research and development, is not far away. Schaefer says he plans to be consolidated into the expanded facility by December 2005.

"Our delay is that our mustard operation is so busy meeting customer orders that we cannot move the machines," he says. "That's a good problem to have!"

Therefore, the trick is to transfer the production facilities quickly and without error, like yanking a tablecloth from beneath an elaborate setting without disturbing anything—except the "setting" is what Schaefer must transfer, intact, to the 11-acre location.

"The facility is almost complete," says Schaefer. "Mustards are moving in July and horseradish this coming fall and winter."

Fortunately, sales are up, so there is enough positive cash flow to help finance a move. "Moving can be very costly," Schaefer says, so he made sure to do his homework and select the best possible location for the company to meet its long-term objectives.

At first, Schaefer was tempted to leave the Eau Claire area when other regions outside Wisconsin offered some attractive incentives, like free land, free infrastructure, training grants, and low-interest financing. However, Schaefer says that he never seriously considered their offers because Silver Spring Gardens has been a part of this community for 75 years.

## Always striving for top quality

The Silver Spring Beer'n Brat Horseradish Mustard (the official



*Ed Schaefer outside the new corporate headquarters in Eau Claire, Wisconsin.*

mustard of Lambeau Field) was named the top horseradish mustard at the recent World-Wide Mustard Competition in Napa Valley, California. Schaefer was presented with a Gold Award for the mustard. Food journalists and food sensory scientists judged 303 mustards from four countries, competing for top honors at the twelfth annual Napa Valley Mustard Festival.

In addition, the company received a silver award for Silver Spring Chipolte Mustard in the "pepper hot" division. The two awards come on the heels of Silver Spring Gardens winning the Grand Champion Award last year for the Silver Spring Gardens Bookbinder's Hot Horseradish Mustard.

The key to Silver Spring Gardens' success is simply offering an outstanding product, but the company does a good job at spreading the word about its product too. When the Silver Spring Cranberry Horseradish made its debut several ago, the company donated hundreds of cases of the product to the Warrens Cranberry Festival, with proceeds going to charity.

While the television Food Network's Iron Chef does not promote Silver Spring Gardens horseradish, it's the company's product on the show, says Schaefer. The company has also found a niche in certain ethnic and religious groups—mostly German, Serbian, and Jewish. Silver Spring Gardens is the

official mustard for German Fest in Milwaukee, and Oktoberfest in La Crosse.

### **Cream-based horseradish: A Silver Spring Gardens specialty**

People who visit the headquarters in Eau Claire don't quickly forget the experience. There's a cold storage area where a two-story-high pile of horseradish roots are waiting to be processed.

The aroma is overwhelming. Horseradish is a spicy food, and being near a large pile of the roots will clear the sinuses. In 1929, Ellis Huntsinger founded the company (originally called Huntsinger Farms) out of a love for fresh-grated horseradish—he liked to eat it on his eggs.

In the early days, Ellis prepared and bottled the horseradish by hand in an old milk shed behind his house and

sold it locally to help augment his income during Wisconsin's long, cold, winter months. Prepared horseradish is traditionally ground and mixed with vinegar as a natural preservative since the fresh root, once washed and grated, would otherwise soon turn dark and lose its characteristic bite. Refrigeration is also necessary in order to keep prepared horseradish white and to retain its sharp flavor.

Ellis Huntsinger discovered that the addition of fresh, sweet dairy cream helped further enhance the flavor, heat, and longevity of prepared horseradish. This discovery helped him expand his horseradish sales to markets throughout the United States. As the parent company of Silver Spring Gardens, Huntsinger Farms grows horseradish along with soybeans, corn, and forage crops on over 9,000 acres of farmland in Wisconsin and Minnesota. Harvested in both spring and fall, horseradish

roots grown on the farm are placed in cold storage until processed, bottled, and sold under the Silver Spring Gardens brand to markets worldwide. Horseradish can be grown in the same ground only once every five years because it is vulnerable to a soil-borne organism. In off-years, alternate crops such as wheat, corn, oats, soybeans and alfalfa are planted.

In addition to horseradish, Silver Spring Gardens processes and sells a variety of mustards, sauces, and other quality food products. Today, Silver Spring Gardens horseradish is the number one retail brand in the United States and has also been distributed as far away as Japan, Europe, and Australia.

Currently owned by Ellis Huntsinger's granddaughter and her two sons, the company has been family owned and operated through four generations.

## **Associated Financial Group helps Silver Spring Gardens maintain a strong employee benefits package and financial security**



*Clyde Stockey,  
business  
insurance  
advisors*

### **Challenge: Retain and attract valuable employees with an affordable benefits package**

"Cost is probably our number one challenge here at Silver Spring Gardens," says Human Resources Manager Carla Mansky. "We want to offer a nice benefit to our employees yet as costs go up so do the premiums. To help combat this situation we are working to educate our

employees on the cost of services and to be trying to get them to be better consumers."

Silver Spring Gardens has been a client of Associated Financial Group and Associated Bank for over seven years. Carla says she chose Associated Financial Group for its expertise in employee benefits and human resource consulting. "Clyde Stockey and Lisa Ellis have been great to work with," she says.

### **Solution: Offer employees a strong employee benefits package and the employer financial security**

Carla relies on her Associated Financial Group Business Insurance Advisor Clyde Stockey to provide a benefits package that will help the organization obtain and keep valuable employees. What role has Clyde and his

team played in putting together the benefits plan for Silver Spring Gardens? "Just last year they helped us to reevaluate our entire healthcare package," Carla said. "With their help, we moved from CBSA to Health Partners and added a health reimbursement arrangement (HRA) to our benefits package."

Associated Financial Group has helped Silver Spring Gardens secure outstanding employee benefits—as well as the financial services of Associated Bank. Associated Financial Group, she says, effectively assists her to come up with the employee benefits that will make valuable employees want to stay. "We are also hoping that our new HRA plan will bring awareness to what insurance costs really are," she says. "We also just held our first Health Potential Assessments and are beginning to work on improving the overall health of our company."

Associated Banker Barbara Conley has also provided Silver Spring Gardens with various lending services, such as financing for the facility expansion mentioned in the article above and refinancing of existing debt. Barbara works closely with the client to learn the company's dynamics, positioning, and goals—and to gain a thorough understanding of the financial factors that drive its business needs. 