

Baking up business

Cheesecake sales are on the rise

BY JANET MILLER
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Tim Edinger wants to put Ann Arbor on the cheesecake map.

He's taken carefully measured amounts of cream cheese, sour cream, heavy whipping cream, eggs, sugar and vanilla and crafted what he's calling "Ann Arbor-style cheesecake." It's creamier and lighter than the better-known New York-style cheesecake, he said.

Last June, Edinger started Old World Bakery, sharing quarters with the Croissant Shop at 3660 Plaza Dr. And while he began the venture also making breads, cookies and pies, it's the cheesecakes that have taken off.

In less than nine months, Edinger has seen the number of wholesale accounts increase from eight to 19, added 16 new flavors and has seen cheesecake sales rise each month. He's gone from selling an average 20 large size cheesecakes a week to more than 50 and climbing. He even turned a profit for the first time in February and expects monthly revenue to reach \$10,000 within a few months.

Old World Bakery sells mostly wholesale – less than 10 percent of business is special order retail – to restaurants, cafes and gourmet stores along with catering. He claims such heavy weight custom-

Made to order

While the 9-inch, five-pound cheesecakes are at the forefront, Edinger still makes cookies and pies (bread proved too competitive in the Ann Arbor market) along with mini-cheesecakes. He sells retail by special order. He usually needs a 48-hour notice. His phone number is (734) 417-2121.

ers as the University of Michigan catering and the new Quarter Bistro restaurant. He also sells to Amer's Delicatessen, Fresh Seasons Market, Café Felix, Busch's Valu Land and others.

"I enjoy baking," Edinger said. "It's a passion. I like the creative side." He spent a year in his kitchen at home testing recipes, perfecting the process and asking friends and business owners for feedback.

Next he went to the Ann Arbor chapter of SCORE (Service Corps of Retired Executives) and the Michigan Small Business and Technology Development Center for advice, taking along more samples of his cheesecake for more feedback.

Edinger pounded the pavement, making test cheesecakes and asking local restaurant owners and chefs to sample them. "I asked



Tim Edinger sells 'Ann Arbor-style' cheesecakes.

ROBERT RAMEY

them if once I got them to the level that they were happy with it, if they would buy them," Edinger said. When he opened in June, he had eight accounts.

It's a small operation. He took out a loan against his life insurance policy to cover start-up costs, from ovens to walk-in coolers to the ingredients. And other than help from three part-time employees on baking days, Edinger runs the show, from baking to delivery to sales. But he's hoping to grow. Edinger wants to move into the

Detroit-area market and sell his cheesecakes to a small food distributor, a move that could see sales skyrocket. And he'd like to develop an Internet site to sell the cheesecakes. And he's adding flavors by the day, with a chocolate-orange cheesecake ready for debut. "When I started, I wanted to be able to offer 25 flavors by the end of the first year. I'm at 24," Edinger said.

■ Janet Miller is a freelance writer.

Innovation

High-tech pharmacy sends pills remotely

BY TRACEY BIRKENHAUER
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What Todd Raetz refers to as a rookie mistake led him to transform a failing video conferencing business into a \$1.5 million-a-year staffing company.

With his latest initiative, telepharmacy, the licensed pharmacist has found a way to meld his competencies into a sustainable business model.

When he launched IVC Communications in 1998, Raetz thought he was getting out of the health care business. He left a six-figure job as pharmacy manager at Jackson's Foote Hospital to become an entrepreneur.

"I always thought, 'If I'm going to work this hard, why not make it work for me?'" he said. "I made the rookie entrepreneurial mistake of not understanding the market."

His tiny Ann Arbor startup couldn't compete with the likes of AT&T and Sprint. He started moonlighting as a relief pharmacist for hospitals and community pharmacies to pay the bills. Soon there was more need than he could manage alone.

So he launched IVC Healthcare Staffing, where clients include home care companies, hospitals and pharmacies. With 70 employees, the business is growing about 50 percent a year. The staffing arm shares office space with the conferencing division at 2900 S. State St.

"This whole business started with me trying to fill these niches, these voids," he said.

In September IVC Healthcare started providing off-site telepharmacy service to Chelsea Community Hospital during overnights and weekends, when the small community hospital doesn't have a pharmacist on-site. CCH is the first telepharmacy client, but Raetz sees great growth potential, especially if the Joint Commission on Hospital Accreditation (known as Jayco) makes around-the-clock pharmacy reviews mandatory – something it has considered.

From a remote location, Raetz can log into the hospital's pharmacy system and dispense medications from its wired drug cabinet. He has full access to patient profiles to determine possible allergies or interactions.

"Because of my experience in the

Ex-Pfizer talent helps genetics firm advance

BY BRIAN HAMILTON
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A public company on the forefront of using genetic information to develop drugs has recruited talent from drug giant Pfizer to set up its clinical development group in a small office in Brighton.

Dr. Dan Hartman, a former scientist at both Pfizer and Esperion Therapeutics in Ann Arbor, has opened an office for the Icelandic pharmaceutical firm Decode Genetics Inc. [Nasdaq: DCGN].

Why Brighton?
"I was going to work out of my home," said Hartman, who lives in Brighton, and was appointed senior vice president of drug development last July.

"When we set up this whole development group, we needed something bigger than my house." The company, formed in 1996,

is taking the unusual approach of analyzing extensive genetic data from Iceland as a starting point to develop therapies aimed at specific populations of patients who would be the most likely to benefit.

It's one aspect of what has been called "personalized medicine," an idea that gained traction after the Human Genome Project was finished in 2003.

Iceland has a homogenous population that hasn't been influenced much by immigration. In addition, the country has meticulous genealogical records, which makes it easier to track how diseases have spread through its population.

The company has combined this information with genetic and medical data it has gathered from more than 100,000 adult volunteers – more than half of Iceland's adult population.

Decode uses proprietary tech-

nology to mine the data for information, looking, for example, for mutations that are shared by victims of disease. The population information also becomes part of its clinical-trial development.

The company's only drug in phase III clinical trials, to prevent second heart attacks, could be huge for African Americans, Hartman said, who are far more likely to have the genetic variants targeted by the compound.

"This is where everyone thought we could take (personalized medicine)," Hartman said.

Decode has 450 employees worldwide with offices outside Boston, Seattle and Chicago.

Hartman is joined by six other former Pfizer scientists in a 3,200-square-foot office a few blocks off Main Street. The office could eventually hold 25 scientists and be expanded to 5,500 feet.

The company has no sales revenues and just one compound in phase III trials. However, it has other compounds for treatment of atherosclerosis and asthma in phase II trials.

The first significant revenues are at least three years away. In the meantime, according to filings with the U. S. Securities and Exchange Commission, the company has enough money from the sale of \$150 million in convertible debt instruments in 2004 to fund operations for several years.

The Brighton office is essentially a computer lab that models data and simulates clinical trials. The company contracts the actual trials out.

"Decode has the best information and statistics people in the world," Hartman said of his

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