

# Big ideas on baking bread

The times of just buying bread and rolls at the local baker's store are long gone. The past decade has seen the rise of in-store bakery counters which offer freshly baked bread, savoury pastries and snacks, bread, Danish pastries, buns and other specialities.

Fornetti Kft. in Hungary is the leading name in in-store baking. With more than 5,000 sales points throughout Europe, the company has established a successful retail and franchise network that has gone from strength to strength. Managing Director Attila Bánhidi knows all about the world of baking the Fornetti way.



**EB:** Fornetti's story has been quite astonishing, with humble roots dating back to 1997.

**Attila Bánhidi:** We have indeed become one of the most prominent producers of frozen bakery products today, playing a key role in the retail and wholesale sector in Eastern Europe, and expanding our network continuously.

**EB:** Could you tell us about the rise of Fornetti in the Hungarian baking market?

**Attila Bánhidi:** It was the master baker József Palásti who, in 1997, set up Fornetti as a family business, focusing on frozen bakery products which were sold by the kilo and not by the piece through a unique franchise system. Both aspects were quite new at that time. The concept became a success and it wasn't long before sales points and franchisees were selling Fornetti's baking products throughout Hungary and beyond.

**EB:** Has the trend towards convenience food fuelled the strong upsurge in sales?

**Attila Bánhidi:** Not just in Hungary, but everywhere in Europe, the trend towards quicker, easier and more flexible food has been gaining momentum. This is a development which we have particularly experienced in baking, where the rise of on-the-go meals and snacks has helped drive the strong increase in sales.

**EB:** Have changing consumer habits influenced your growth?

**Attila Bánhidi:** Today, we generate a turnover of more than 100 million EUR, while in 1997 we started with virtually nothing. Apart from our headquarters in Kecskemét, we operate two production sites in Hungary and Bulgaria as well as in Romania. Despite a small dip during the years of the financial crisis in 2008/2009, we have regained our strength and have experienced growth, in particular over the past two years after we were acquired by the Swiss-Irish Arysza group. As a leading name in Hungary and Eastern Europe, with Arysza we can now take the next step towards becoming an international company with a global reputation.



Freshly baked savoury and sweet snacks are sold at Fornetti's 5,000 sales points

**EB:** How have you realized this strong upsurge in development?

**Attila Bánhidi:** After the financial crisis, we built up a retail segment to complement the franchise idea, and established a large network with retail partners, horeca and bakery corners in supermarkets. The basis was a mobile baking unit that could be set up most flexibly. Development of products, retail concepts and franchise opportunities have always been key.

**EB:** Can you hold your market position in the years to come?

**Attila Bánhidi:** Growth can slow down a bit as otherwise it will grow over our heads, as we always say jokingly. No, seriously, we aim at continued growth.

**EB:** What role have you played in this scenario?



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**Attila Bánhidi:** I joined Fornetti in 2010 and have supported the build-up in the retail and franchise segments. I personally focus on market development. Where are appropriate sales areas and locations? How can we present our know-how in baking on new sales floors? I want to give fresh impetus to our European expansion. On the one hand, we have to keep in mind special features within each national market. On the other hand, looking at the sales floor, you always have to look at consumer habits and the new generation of shoppers. After all, Fornetti is a real shop where personal contact is of great importance.

**EB:** Is it still the customer who counts?

**Attila Bánhidi:** Yes, indeed. Retailing is all about the customer and his characteristics but he has to be approached by means of modern

communication. For us it is often difficult to define the one and only customer, as we serve different customer groups, from the frequent shopper to the one who just stops and pops in on his journey. However, it is the quality of our products and our loyalty towards the customer which make us a go-to-address for all customers.

**EB:** What makes your company unique?

**Attila Bánhidi:** It is our business model that makes us stand out and the opportunity to implement products that meet the exact requirements of any customer.

**EB:** What is the secret of success?

**Attila Bánhidi:** Market orientation is key. We have never waited for the market to tell us which way to go. We have always introduced products and concepts in line with



An inviting presentation and tasty products are key at Fornetti's sales points in retailing

modern trends. An excellent franchise and retail concept and our broad portfolio are key to success.

**EB:** Which products stand out?

**Attila Bánhidi:** We offer a lot of products which do not require proofing, as well as ready-baked products, food products and snacks. A new introduction is the Csevap-dog and the Bakefitt range which boasts 35% less energy.

**EB:** What about the future?

**Attila Bánhidi:** We will remain a Hungarian company with an international background. In the baking market, we see ourselves as a grown-up street food player which focuses on selling bread and baking products and enabling its employees to make a living out of baking bread.

Managing Director Attila Bánhidi stresses Fornetti's competence in retailing and franchising



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