

EPISODE 1177

“RW: The businesses who were able to turn on a dime and support their community. I'm not going to say doing well, because no one's doing well. Like we said, we've lost a ton of our revenue streams, but maintain and keep a staff on are the businesses where there is an owner/operator that's not afraid to get their hands dirty and work beside their team.”

[INTRODUCTION]

ANNOUNCER: You're listening to Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to Money.

[00:00:58]

FT: Welcome to So Money, everybody. I'm your host, Farnoosh Torabi. Today we're giving a voice to one local business owner in my town, Montclair, New Jersey, who's managed to keep her bakery open during the pandemic. It has not been easy and she'll discuss. I think it's important to take a moment to spotlight the entrepreneurs in this country, who might appear to be doing okay, but behind the scenes, it is anything but.

To remember that these business owners are mothers and fathers, they have families, they're just like you and me. Their devotion to their business is not just for themselves. It's for their communities. Here in New Jersey, by the end of last year, roughly three out of every 10 small businesses had closed. It mirrors what we're seeing across the country, where 163,735 US businesses have closed since the beginning of the pandemic. Many of them will not return. Montclair Bread Company is still standing.

Rachel will talk about the first months of the stay-at-home orders in 2020 and the depths of despair that she experienced, having to furlough a majority of her staff, how she worked her way out of that, the importance of having multiple revenue streams as a business owner and what she hopes she's modeling for her three children, some of whom have already started to roll up their sleeves and help mom out.

A little bit more about Rachel; she grew up in Maryland and as a child, watched her grandmother make wedding cakes. After graduating from the University of Florida with a French degree, she studied baking and pastry at the Culinary Institute of America. There, she discovered a passion for baking bread. She has worked for Bread Alone Bakery, Amy's Bread and the Ritz Carlton and has developed bread recipes for Whole Foods, Target, Starbucks. She has been featured in The New York Times, CNN, and now on So Money. I'm so excited to introduce to you, Rachel Wyman.

[INTERVIEW]

[00:02:57]

FT: Rachel Wyman, Welcome to So Money.

[00:03:00]

RW: Thanks. Thanks for having me.

[00:03:02]

FT: I was scrolling on your Instagram. The bread that you have made this Friday is just – I need to end this interview as quickly as possible, so I can get in line for that bread.

[00:03:13]

RW: Yeah, it's pretty yummy. I've eaten a lot of bread this week.

[00:03:17]

FT: Well, so I wanted to have you on the show, because one, you are an incredible member of our community in Montclair. You run this phenomenal business called Montclair Bread Company. As we are now hopefully, on the emerging side of this pandemic, I wanted to learn from you about how you've navigated this past year as a business owner. It's no doubt, been a roller coaster. We'd love to have you share some of the ways that you've kept your bakery afloat in the pandemic. I mean, what were those first few months of lockdown like at least? Take us there.

[00:03:51]

RW: Whew! It was crazy. Yeah, we're exactly a year from where we started. It was scary. I think what's really important for people to understand is that I didn't have any notice of anything that was happening before you did, or anyone else did. If there was a press release going out from the governor's office, that was the same time I was being notified, as the rest of the general public. When we were being told only essential businesses could open and then what's essential, it was like –

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FT: What is essential? I'm sorry. Yeah, exactly.

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RW: Yes. I've read through so much fine print in the last year trying to figure out what we're supposed to do. Because not just that, but then there's no support from our local municipalities to let us know like, "Hey, this is what you're supposed to be doing. Or this is what you're not supposed to be doing." I definitely feel like, food service had an advantage in

that, we didn't have to learn how to be clean and sanitary, because it's what we do already. It's not like, somebody that's working in a retail clothing store suddenly has to learn about sanitizing surfaces and wearing gloves and all of that. That's part of who we are.

We found out we were an essential business. I'm a single mom. I have three kids. I needed things too, like milk and bread and eggs. I started listening to my friends and I knew what my family needed. Since food was scarce at grocery stores, and I didn't have any problem sourcing anything from my vendors for the bakery. I just started offering it to the customers here. One of the things that we did really early on, we had a leadership huddle with my five core full-time employees and decided that we were going to have to furlough. I don't know if that's the word, but we put all of the part-time employees on hold, because we wanted to have as few people as possible on a day-to-day basis inside the bakery, to keep the team safe. That was devastating.

That was exactly, I think it was March 11th last year that I had to make all of those phone calls. I went from 35 people in my staff down to eight people, plus myself and my business partner, Jessica, in a day. That was really [inaudible 00:06:34].

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FT: I'm sure you were frustrated, because we're hearing from, I don't know, who was really saying it, but it was the sentiment that was out there that like, how didn't you have cash flow? How didn't you have savings? I mean, individuals were getting that heat. Like, "What do you mean? You can't cover yourself for a week?" No, most Americans live paycheck-to-paycheck and often forget that that includes business owners.

[00:06:58]

RW: Totally. I mean, it's not just paycheck-to-paycheck. Sometimes you're like, "Oh, I'm not going to pay this vendor this week, and I'm going to pay this other vendor." It's just always

shifting money around, because the margins on baked goods just aren't that great, especially we skilled labor that you pay adequately in the equation.

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FT: The community really rallied, though. I think that says a lot about you, as somebody who's such a great storyteller and connector. Food, of course, always brings people together. There's something about you and the business and Montclair Bread being the at the center of the community in a really wonderful way, when times are great and more importantly, when times are not great. You leverage that very well and very, almost strategically from where I stood. Tell us about how you played that role.

[00:07:55]

RW: It's interesting, because even when I first opened the bakery, I saw my role as a bakery owner and as an employer and as a member of my community, as a way to write all of the wrongs that I'd experienced earlier in life. My team's largely female. I was told in my last job, that the company was a sales organization and not a marketing organization, so things don't need to look nice. I've always put a few extra dollars into marketing, or making things look nice, because I was never allowed to before.

Flash forward to communicating with the public, during the quarantine, I kept getting all of these letters from businesses. Anything from Verizon to the restaurant down the street. It was so sterile. It looked it came from the CDC. It's just like, that doesn't calm my nerves. That doesn't tell me what I really want to hear. I started sharing my personal stories as a business owner, as a mom, as a runner, and how I was going through pandemic, just to let them know that there's a real human being on the other side. Especially as things were really tense, it's like, hey I have eight humans in my bakery that I'm responsible for and they need to be treated like somebody that lives under your roof. They're not servants. They're not here to work for you. We're all scared we're all going through the same thing. If somebody masks slipped below their nose, it's not –

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FT: It wasn't intentional.

[00:09:39]

RW: Yeah. We're all trying to do the right thing.

[00:09:42]

FT: Yeah, I want to get into just also, the many revenue streams that pre-COVID, you had implemented and installed as part of your business strategy and how you have now, how that has changed. Let's go back. Let's go back and first, talk about how and why you arrived at this profession, because I understand as I was reading about you, you were a teacher. What changed?

[00:10:07]

RW: I thought from the time that – This is another thing. I had a terrible fifth grade math teacher. Then in there that I decided I was going to be a teacher, so I could do a better job. French was my thing. I spent a year in France in high school and I studied French in college, all with the intention of becoming a French teacher. The only thing that was constant in my life from the time I was really little was baking.

My grandmother was a cake baker. She made special occasion cakes. She pretty much raised me. I had a single mom growing up. While she was decorating cakes, she would give me a paper plate to decorate with butter cream. I could write my name in butter cream before I could hold a pencil. That was always part of what I knew and who I was, but I didn't think about it being a profession at the time. We didn't have the Food Network when I was a kid.

I went to college. The whole time I was in college, I baked cookies and brownies and sold them at coffee shops to pay my rent. Then I graduated and I started teaching at the high school that I graduated from in Chestertown, Maryland. It's actually in Morton, Maryland. About eight months into it, I was offered a five-year contract to stay on. I decided that in lieu of that, I wanted to go to culinary school and learn more about baking and make that my career.

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FT: Your grandmother was a big influence, right?

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RW: She was. She was.

[00:11:37]

FT: Tell us about what she taught you. What was her inspiration?

[00:11:41]

RW: She made most things from scratch. She kept a garden. She made food from the vegetables that she grew in the garden. Then she would preserve them. They were canned. We would continue to eat them into the winter. It was just really basic. It was all about family and traditions and simple meat and potatoes kind of meals.

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FT: You were interviewed in the New York Times more than once. The one I read was about your comeuppance in Montclair and your backstory. Apparently, there was one Father's Day in the beginnings of your business. There was a line down the block and you were really worried

about having supply for everybody. You talked out in the story that you went and called your grandmother. You hid in the bathroom and called your grandmother.

[00:12:34]

RW: Yes, I did.

[00:12:35]

FT: You just had this feeling that you weren't going to be able to feed everybody. You were running out of donuts.

[00:12:40]

RW: 9 a.m.

[00:12:41]

FT: What did your grandmother tell you on the phone that day?

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RW: She told me to pull up my big girl panties and make more next week.

[00:12:48]

FT: Oh. Did people walk away without doughnuts that day?

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RW: I call it the apology shift. It's the shift that the retail workers have to work after we're sold out of donuts. We still have an apology shift now. We had one today, because we sold out of donuts before closing. They just have to say, "I'm sorry, you'll have to come back tomorrow," over and over again.

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FT: Are you hopeful for your industry, the food industry post-COVID? It's been so devastating for restaurants and bakers. In some ways, there has been work. They've been busy, because there's a food crisis and people are starving. I've seen a rise in food kitchens and not-for-profits and restaurants turning their kitchens into non-profit centers. As a business, what do you see changing in your market?

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RW: I think, when I started the bakery, I didn't have two pennies to rub together. I had to make it work, or I wouldn't be able to pay my rent. Not my rent at the bakery, like my rent at home to keep my family fed and safe. I've always been an owner/operator, and that I get my hands dirty and work side by side with my team.

I think, from what I've seen over the last year, the businesses who were able to turn on a dime and support their community. I'm not going to say doing well, because no one's doing well. Like we've said, we've lost a ton of our revenue streams, but maintain and keep a staff on. Are the businesses where there is an owner/operator that's not afraid to get their hands dirty and work beside their team. I think where you have the absentee owners that were just opening restaurants, because they wanted to see their name on the menu, or they thought they could make a quick buck by turning out crappy doughnuts, or whatever it is.

It's not an industry that you're going to get rich in. Food, bakery, you're never going to be rich. You have to do it because you love it. I think that the pandemic weeded out the people that were in it for the wrong reason. The people who are here for the right reasons are still here.

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FT: You had many revenue streams previous to the pandemic. What will endure post-pandemic, or are there new business models, new business streams that you're pursuing because of everything you've learned?

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RW: Our retail business and like you said, our community has supported us so well during this whole thing. Our retail business is intact, but it's we lost – we host several races, 5K events in town each year. We can't do that. Normally, we would have a big catering revenue from weddings and bar mitzvahs, and graduations and all of those celebrations that just aren't happening now. We've continued to offer groceries, basic pantry needs; milk, eggs, butter, flour, and people take advantage of that, so they don't have to go to the grocery store to get everything if they just need milk and bread. We can supply that.

Then we've done some other things that came out of pandemic that are still going really strong. We do a DIY donut kit. It's naked doughnuts that you can throw in the freezer, and then all the toppings and glazes, so you can pull them out and have fun with them. A lot of people found it as something fun to do with the kids that are home forever and ever.

The other thing that we started doing was frozen raw cinnamon buns. You can take them home and bake them in the morning. Those still sell really well. I don't know why it never occurred to me to make them before, but that was something that came from the quarantine that has endured.

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FT: The amount of crafts and DIY projects that we have experienced in the last 12 months is it's in it for a lifetime.

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RW: Yeah. I have a couple partial macrame rainbows going on and a lot of dead plants.

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FT: You talked earlier about being a single mom of three. Tell us about how that drives you as a business owner and how has that responsibility added more fuel to your fire?

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RW: I don't know. I feel like I'm failing as a mom most of the time during pandemic, because my kids just don't jive with the virtual school thing. That being –

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FT: That's not your failure that – you know that, right? That's not your failure.

[00:17:46]

RW: Yeah. I just grin and bear it.

[00:17:48]

FT: I could name a couple of other people that are guilty of why that is.

[00:17:52]

RW: Yeah.

[00:17:53]

FT: Institutions.

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RW: Right. The kids are bored. They've been really involved in bakery operations. I have been able to continue hosting my pizza night at the bakery. I have a woodfired oven on the patio and I sell pizzas every Friday from 5 to 7. Since it's off hours for the baking team, I have to rely on my family pretty heavily to snap it. My 12-year-old daughter, she tops and finishes and expedites every single pizza. We're doing a 120 pizzas every Friday. She's responsible for getting everybody their food. Then her little brother does all of the dishes. Stays in the back and does all the dishes. He's nine. Their brother who's in the middle, he's 11, he stays at home and plays video games.

[00:18:50]

FT: Yeah. What do you think they're learning from observing you and also now, rolling up their sleeves and helping out?

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RW: Yeah. I mean, they've always been fully integrated into the bakery. I think that they've really been able to understand what the bakery means for the community. In the very beginning, like I mentioned, my partner, Jessica and I, we went from being able to spend some time in our offices to being feet on the floor 80 hours a week to get everything done. All of the emails, like hundreds and hundreds of emails weren't getting answered. My son and my daughter started responding. They took on the customer service role, and they sat in the office all day and just responded to emails and made notes for the team that was packing everyone's orders and went through everything.

They just really wanted to help and do something that they felt was making a difference. That's continued. Because we don't have in-person school in Montclair, I started teaching baking

classes, which is something that I've always done. I opened up several more sections of baking classes for kids that are in elementary and middle school. My daughter helps teach those for the younger kids. She makes fun of me, because she's heard every story I tell 80 million times. I can count on her to mock me as soon as we're done.

[00:20:21]

FT: Well, I thought it was really touching and relatable, when I read about in the New York Times when you said at the end of the interview that, and talking about your children, you can't make all of their activities. That's, I think, something a lot of hard-working parents can relate to. You said that your son, you sent him to school with a cake for a Thanksgiving party. When you asked him what everyone thought of the cake, he said, "Mommy, it was delicious. It smelled just like you." I don't know. It gave me real goosebumps. I mean, that's really touching, that you were you were still there sort of.

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RW: I know. I know. That same teacher. When I showed up to pick them up from school one day, she said, "Well, I haven't seen you here before." It was a month before school ended.

[00:21:11]

FT: Yeah. You could say like, "I've been feeding the whole town doughnuts. I've been a little busy." You mentioned earlier that working in food service, it's not going to make you rich. I think that you are positioned very well to make a lot of money as you pursue this work. I think it's because from what I can tell, you're not just approaching this as a one-shot service. You are the entrepreneur thinking about revenue streams, thinking about platform. You're a community builder. There's so much to you. Now you have a book coming out in the fall. Where do you see this going?

[00:21:49]

RW: Yeah. I was really lucky to have a couple incredible mentors along the way. One of them was Amy Scherber from Amy's Bread, where I worked for five years in Chelsea Market. Amy used to say that we wouldn't even consider moving into a new facility, until we've maximized every hour of the day. I think about that all the time, as I'm thinking about how we're going to pay the rent, or how we're going to afford payroll. It is maximizing our space to its potential every hour of the day.

We've added back birthday parties and baking classes and things like that during the hours that we're not baking, and the pizza Fridays. During pandemic, I was sharing – or during the early part of the quarantine, I was sharing recipes on my Instagram, so that people could bake at home. My first intention was with their kids, but then I quickly found they just wanted to bake at home. I shared a recipe every day. I independent of that, had a book proposal out for a collection of essays with recipes.

My agent had pitched it to a bunch of different publishers and they all turned it down. It wasn't the right time. When one of the publishers saw the community that I was able to build through this recipe share at the beginning of our quarantine, they reached back out and said that they really wanted to publish my book. The book is coming out this fall, September 7th. I'm really excited about that.

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FT: That is really exciting. Tell us about the book. What's the point of view?

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RW: It is called *Will Run for Doughnuts*. It's the Montclair Bread Company cookbook. Yeah, there's 65 essential recipes from Montclair Bread Company. Actually, I love the book so much and this project has just come so far from where I saw it in the very beginning. Each chapter represents a part of my life leading up to today. It starts out with my childhood and it's got a ton of recipes that I learned with my grandmother and recipes that got me through the

beginning years of baking with her. Then, I go into a bread chapter, which I really focused just on bread. When I went to culinary school, I really fell in love with bread, because when you're baking bread, you can be a part of the community every day, instead of just one special occasion that's represented by a cake. That was when I decided it was all about bread for me. I have a whole chapter about bread.

Then, I go into the donut chapter, which is the thick of it, because there's a lot of donuts. Then through the community, which is where the pizza comes in and a lot of those things that really bring people together. Then, I got to include a chapter on the quarantine with all of the most popular recipes from that time that I was sharing them, which is really exciting, that went in there.

It even includes highlights from a lot of the emails that I was sending out to the customers with updates. It's really crazy to look back in time at how that transpired. The book in general has an underlying theme of resilience and overcoming obstacles, which I've had my share of.

[00:25:28]

FT: Yes. Tell us about how you come up with your culinary ideas, because I feel like, first, it was cupcakes. There was a cupcake craze, then it was a donut craze, then it was the crona. Are you responding to the market? Are you creating the market as a baker?

[00:25:47]

RW: I wouldn't say that I'm responding to the market. I really like food. I love to eat. I have a bakery with every ingredient that you could possibly need right at my fingertips. I make a lot of food. The donut started, because I wanted to – somebody on my team asked if I could make donuts. I made doughnuts for the staff and there were extras, so we put them out to sell. It took off. Then we just kept making them. That's really how everything lands on the menu. It's something that we made, because we want to eat it. Not just me, but the team, or somebody asked for it, or one of my friends asked for something, or asked if I knew how to make it.

Then it'll hit the special menu. If hits the special menu and people respond really well, we'll make it again. I also rely really heavily on seasonal ingredients from my local farmers. You'll get a case of something that you have to use in two days. It's like, figure out what to do with 25 pounds of rhubarb. Yeah, it's always a team effort too. We'll have something like that, like a 25 pounds of rhubarb and it's like, well, what can we put this in? How can we use it? Or we'll have a certain pan that we need to use for something. It's like solving a problem, scratching an itch at the same time. That's how things develop.

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FT: Was there a point in the last year where you really thought, "I don't know if this is going to work out anymore"? So many businesses shuttered. A lot of them in the foodservice industry. What has always been your fallback plan? Is there a plan B, or a plan F?

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RW: Besides running away and hiding in a cabin in the woods, that's –

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FT: You've got three kids, right? They're going to follow you.

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RW: Yeah. Yeah.

[00:27:52]

FT: You will be found. You cannot hide.

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RW: I know. I know. I know. Especially if you have to use the bathroom.

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FT: Yeah. I guess, another way to ask is, do you feel like this was meant to be for you that you have really found your calling? Or are you flexible and that well, if this doesn't work out, there's always, I can do other – I'm good with my hands. I'm creative. I'm a community builder. I'm an entrepreneur. I can do almost anything.

[00:28:17]

RW: Yeah. This is the only thing I've ever been really good at, baking bread. Honestly, a lot of the community stuff – I work really crazy hours, early mornings. A lot of the things that I built with the community were just to bring people to me, because I couldn't go anywhere. I have a bakery. It's like, well, if I bring them to me, then I get to see my friends. Hence, the running club that has over 2,000 members that meet at the bakery on Saturday mornings.

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FT: I got to get my exercise in.

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RW: Yeah. No. If I weren't running Montclair Bread Company in Montclair, New Jersey, it would be something similar somewhere else. I talked to my partner, Brad, about this a lot, too. It's like, sometimes, especially in the beginning of pandemic, it was so crazy. I actually looked at inpatient mental institutions to see where I could check myself into, because I was like, just so rock bottom. Not financially. Just the work and the intensity and the emotions. It was so, so

hard. I never want to go back there. I worked harder in the first three months than I ever have in my life and I've opened businesses and I got kids.

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FT: Yeah. You've given birth.

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RW: Yeah, exactly. This was just insanity. No one should have to live through that.

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FT: What was your therapy? How did you get yourself through that sanely?

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RW: I just got up the next day and did it again. One of the things that I did, and this is something that came out of pandemic that's been really positive for me, that I would have never done otherwise. We were always closed on Mondays. I started closing on Tuesday. I have two days at the bakery's club. It requires a full 24 hours of prep to open the bakery on any given day. Only closing one day, I still had to come in that one day, because I had to prep for the next day. Closing two days, we actually have a full – one full down day. That was tremendous. I think that came about six weeks into it, that we started closing that second day. Then I truly got a day to rest.

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FT: Good.

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RW: That was when things started getting better.

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FT: Well, let me tell you, I'm probably too late to get your pizzas. It's Friday –

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RW: Oh, my gosh. They sold out last night around –

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FT: Yeah. They sell so fast. As a new member of the Montclair community, it's so cool to know that I can walk in at some point soon, one day and really be –

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RW: Next Friday.

[00:31:00]

FT: Next Friday.

[00:31:02]

RW: I'm supposed to be keeping it quiet, but the 19th. Governor [inaudible 00:31:06] said that we can open up 50% capacity. I said that I wasn't going to open my dining room, which is brand-new to me. Our neighbors moved out during the quarantine and we were able to take over the space. Montclair Bread doubled in size. I now have indoor seating, which I never had before. I said that I wasn't going to open it until I could have somebody sitting in every chair,

because I don't want to stand at the door and count people. 50% capacity. I can put somebody in every chair and I don't have to manage people in and out. We're going to officially open our indoor seating area next Friday.

[00:31:48]

FT: Rachel Wyman, thanks so much for sharing part of your day with us. I know you're beyond busy. This is such a treat and we really appreciate you. Congrats on everything.

[00:31:58]

RW: Thank you. Thank you so much for having me.

[END OF INTERVIEW]

[00:32:03]

FT: Thanks to Rachel for joining us. You can learn more about her and the business at montclairbread.com. Thanks for tuning in, everybody. See you back here on Friday. It's not too late to send in your questions for Ask Farnoosh. Head over to the So Money Podcast website, click on Ask Farnoosh. Send me your question there, or direct message me on Instagram @FarnooshTorabi. Thanks everybody and I hope your day is so money.

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