

Mills discovered a niche in food

BY JOE IANNARELLI
BUSINESS FIRST

In the food distribution business, you are always out of something. Just ask John Mills.

As president of J. Mills Distributing Co. in Orchard Park for the last 25 years, Mills knows a thing or two about being short a case of this or a container of that.

"We carry more than 4,000 items," he said. "When you deal with that much product, customers are bound to be missing something. Product shortages are part of the business and the headaches that follow."

Those headaches will be less frequent, as Mills plans to step aside and leave the day-to-day operations of the business to his sister, two sons, daughter and brothers-in-law.

"I am always going to work," he said. "There are other opportunities out there that I can pursue. I am running for Orchard Park supervisor this year," said the 20-year-veteran of the town council.

"My first choice is to stay in government but if that doesn't happen, I have other things to keep me busy."

For now Mills is content with reviewing the day's invoices, spending time with his grandson and remaining active in the community.

"Being in business for 25 years is a milestone," he said. "It's time. I've enjoyed success but getting there, like anything else in life, was not easy."

Early on

Mills worked in sales for U.S. Gypsum before starting the business in 1976. He was offered a transfer to Chicago but after talking it over with his wife Barbara he decided to go into business for himself.

"My father worked for the railroad for 42 years and always talked about going into business for himself," he said. "I wanted to stay in the area and was tired of working for other people."

Mills started as a franchise distributor for the Orval Kent Salad Co., covering Western and Central New York and Erie, Pa., with a small office on Fillmore and Delevan avenues.

"I drove the truck and my wife did all the bookkeeping," he said. "When I wasn't delivering, I was out selling. It's fun when you're 29 but not when you're 54. It was tough because you need a certain amount of business experience in sales, inventory and accounting. My wife, thankfully, kept very good books and is controller of the company now."

The Blizzard of '77 was a true test of whether Mills would stay afloat. He was a year into the business and highly undercapitalized when Western New York's most memorable weather event occurred.



John Mills is stepping aside after 25 years in the food distribution business. Day-to-day operations will be run by his extended family. From top right are Scott Hoover, Todd Barniak and Mills.

"We couldn't get our product out of the city because of the weather," he said. "We had people calling us from all over wondering where their food was. People had cabin fever and everything went crazy. That gave us the initiative to stay in business."

First year sales figures totaled \$520,000. Mills hired another driver and bought a second truck. He later took on other food lines like Russer Meats and Jimmy Dean and started to heavily service the supermarket industry.

Growth and expansion

An office and warehouse addition in 1984 coincided with the move to Benzing Road. Two years later the company was servicing the convenience store industry before it was popular.

"We helped develop the market and got our suppliers in the business to offer their deli products at these stores when the idea of a real deli in a convenience store was unheard of," Mills said.

By 1998, Mills was servicing up to 300 convenience stores. A year later, he took over distribution for 240 Wilson Farms and Sugar Creek stores.

"We can carry highly perishable items with a short shelf life because we move the

product out just as fast as we get it in," he said. "That helps in the convenience store industry when you are serving customers that expect freshness and quality when they want a deli sandwich or salad."

Mills now serves more than 1,000 customers, including convenience stores, independent delis, grocery stores, restaurants and pizzerias. He expects to exceed \$18 million in sales this year.

A \$250,000 dry warehouse and freezer expansion is planned for the fall. The company has a sales office in Rochester along with a sales and distribution center in Syracuse.

"To further business, we partner with suppliers and customers so there is no smoke and mirrors," Mills said. "This entails putting together promotional opportunities to keep the flow of information and promotion dollars constantly moving through the system."

Mills said along with a changing identity in the marketplace, there are greater consumer demands to deal with.

"There are a lot of changes in the industry as far as who the big players will be," he said. "Look at the number of supermarkets that were in this area 10 years ago compared to now. Consumers want the product faster and easier with greater access to variety. There's no room in the middle. It's either the top or bottom for me."

Deli market niche

Mary Lou Fiordalice, Buffalo sales manager for Russer Foods, said Mills has filled a unique niche in the deli food industry.

"We dealt with major warehouses but John truly brought deli products to the independent market," she said. "In those days, there weren't a lot of materials. John handled deli and his people became an extended sales force."

Mills has been distributing Russer products since 1981.

Fiordalice said most delis were used to dealing with fresh product but Mills brought total purchasing power and one-stop shopping experience.

"The deli market was growing then and in the last 20 years there has been a boom in the business," she said. "It has come a long way and his people are responsible for it. He will take a delivery on a Saturday and is very devoted to providing a high level of service to his customers. He is unique to people that started their own businesses at that time."

Fiordalice said Mills has been flexible enough to provide what is truly needed in the industry: Fast and fresh delivery of high quality products.

"He is very valuable to the convenience store trade and that has made him very successful," she said. "In the Buffalo market he has been our friend at the store level and has a special place here at Russer. He has left a wonderful tradition for his family."

Similar experiences

Joe Sahlen, president of Sahlen Packing Company Inc., said it's always a case of too much or too little in the food industry.

"When your customers want it, you have to deliver," he said. "We go through similar economic pressures with regard to delivery and couldn't service the smaller stores that effectively."

Sahlen carries mostly ham and turkey with a full line of hot dogs and has been with Mills for more than a decade.

"We filled a niche for some of his anchor products," Sahlen said. "He's one of the top distributors in the area as far as quality, service and reputation. He takes care of his customers and they appreciate it."

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