

Zingerman's Community of Businesses: New Business Development

Introduction

How do businesses grow? One strategy is organic growth, expanding the product line or moving into new markets. Another strategy is merger and acquisition. Other common strategies are formal alliances and joint ventures.

One company that has not followed a traditional route is Zingerman's Community of Businesses. Zingerman's co-founders, Ari Weinzweig and Paul Saginaw, wanted not only to have business growth but also to give their employees new opportunities. They created their own unique vision and philosophy that drive their business development strategy and process, leading them to create a community of eight successful businesses, several more in their pipeline, and annual sales of nearly \$50 million.

Company Background and Visions

Zingerman's Delicatessen was founded in 1982 in Ann Arbor, Michigan, by Weinzweig and Saginaw with the goal to "carry the finest artisanal food products and serve the best sandwiches known to man."¹

The marketplace deemed Zingerman's Delicatessen was successful in meeting that goal, leading Saginaw, one day in 1992, to ask Weinzweig, "Ari, where are we going to be in ten years?" Saginaw felt that the company had grown "smug and complacent, leaving it vulnerable to competitors who could copy Zingerman's merchandising and chip away at its customer base."² Saginaw felt strongly that to protect what they had built, Zingerman's needed to go back to its entrepreneurial days with a new "vision for growth."³ Saginaw wanted to consider everything, including franchising. But Weinzweig was against the franchising idea because, for him, "it was important to be part of something great and unique."⁴ They were also against "acquisitions or moving to another location."⁵ Their journey led them to research and write "Zingerman's 2009: A Food Odyssey," a vision for the company's next 15 years.

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