

Student Research

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House of Bread Case Study

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House of Bread

Walking into House of Bread, delicious aromas of fresh baked breads, scones, and muffins fill the air, inviting you to discover why this is a San Luis Obispo staple for people in the know. Sheila McCann, founder of House of Bread, is a hands-on boss often found working side-by-side with her employees, making sure her breads are held to the highest standards of quality and freshness. This isn't Sheila's first experience with homemade bread, however. Raised in Montana, she "grew up on fresh bread. On top of my Grandma making fresh bread, there was a bakery that opened in town that my mom shopped at. We always had really good bread [at home]".¹ This luxury of having fresh, homemade bread made a lasting impact on Sheila. Years later in the midst of a much needed career change, Sheila ultimately decided to start a bakery where they "make bread the way Grandma made it- fresh and naturally".²

Sheila has other passions outside of bread making, largely consisting of physically demanding outdoor activities. Being raised in the mountainous, four season region of Montana³ where wheat grows best, likely had an impact on her love of outdoor sports. Sheila is an avid cyclist and participator of marathons, triathlons, and Iron Man competitions. So much so that she signed up for an around the world bike trip around the year 2000, when business was running smoothly and she needed a new challenge. Sheila is up for anything, almost restless for a new adventure, and motivated to reach new achievements and growth both in her personal and professional life.

To push her achievements even farther Sheila has taken on a new project; opening another House of Bread location. House of Bread is considered "an upscale bakery with high-

¹ Sheila McCann, Interview by authors, May 18, 2015.

² "Homepage," House of Bread, accessed May 4, 2015.

³ "About Us", House of Bread, accessed May 4, 2015.

quality products including a line of gourmet sandwiches”.⁴ Sheila owns House of Bread, San Luis Obispo, but is also involved with franchising. Her current project involves opening a House of Bread in Truckee, CA, but with an innovative twist on her former business plan.

Industry Overview

Bakery Product Manufacturing

Throughout history bread has always been a staple product with increased marketability and technologies. Changing regulations and prices have forced bakers to increase quality and availability with an ever increasing demand.

The baking industry is an important part of our economy in the U.S., and contributes about \$311 billion in economic output, or 2.1% of GDP, with California producing the most. The direct economic impact of this industry is over \$102 billion.⁵ Exactly 1.76 million people were employed in the industry in 2010, and those numbers continue to rise each year as more bakeries open. These employees earned \$90.2 billion in wages and benefits. The baking industry and its members contributed \$38.5 billion in federal, state and local taxes, not including the required state and local taxes for the baked goods.⁶

In 2011 there were 2,800 commercial bakeries and about 6,000 retail bakeries. While the baking industry consists of fewer commercial bakeries than retail operations, the commercial bakeries draw 91% of profits. The commercial bakeries had an annual revenue of \$36 billion, while the retail bakeries followed with about \$3.8 billion in revenues.⁷ While the large divide in revenues is apparent, the competitive structure within the sectors is driven by consumer preferences and the choice of grocery stores to buy from commercial bakers or bake their own

⁴ “House of Bread Sandwich Analysis”, Sheila McCann, 2006.

⁵ See Appendix, Exhibit 1.

⁶ “Bakery Product Manufacturing”, First Research, May 4, 2015.

⁷ Ibid.

goods. The commercial baking industry is quite concentrated, whereas the retail baking industry is very fragmented amongst competitors. The largest commercial bakeries make 75% of revenues, while the largest retail bakeries make only 15% of revenues. Additionally, while most commercial producers operate more than one baking facility, retail bakeries usually operate only one. Bakeries in this industry typically make fresh and frozen breads, pies, cakes, and doughnuts. About 40% of products made at bakeries are assorted fresh and frozen breads, 25% rolls and buns, and about 10% cakes. The remaining 25% of products come from pies and other miscellaneous bakery items, with the variety of the different goods available growing during the past decade.⁸ There is a forecasted average increase of 3% each year from 2015-2019 for the bakery product manufacturing industry.⁹

Industry Trends

The top trends in the baking industry are convenience, healthier breads, natural and organic products, “going local”, and innovative and artisanal breads/baked goods. Additionally in the deli market, offering beverages is a trend that is on the rise and helps to increase sales.¹⁰ Consumers are looking for products that offer new tastes and experiences, and are more indulgent without necessarily sacrificing their nutrition. They want new flavors and sensory experiences, and most of this innovation takes place in artisanal, independent bakeries.¹¹ The healthiness of bread is a major concern of potential consumers, which is why many bakeries are now offering all-natural low-carb, gluten free, and whole grain options.¹² Cutting back on wheat flour and gluten is how many bakeries address the health and natural bread trend. According to

⁸ “Bakery Product Manufacturing”, First Research, May 4, 2015.

⁹ See Appendix, Exhibit 2.

¹⁰ See Appendix, Exhibit 3.

¹¹ Shannon Brown, Marigny Research Group In., “Fresh Baked Goods in the U.S.”, Packaged Facts, August 1, 2010.

¹² Ibid.

Packaged Facts, 23% of respondents strongly agree that they are cutting back on eating baked goods because of gluten.

While consumers do want to eat healthier, they also want to indulge, and many bakeries are offering special breads with new flavor combinations that are not available every day. Thus making the purchase of these breads feel like a special indulgence and a chance to try out new innovations. “Going local” is another important trend in the baking industry, as many people have a desire for the freshest ingredients with minimal additives. It is a trend amongst both consumers and bakers, as many bakeries are now sourcing products locally; which in turn supports neighboring businesses and the local economy.¹³

House of bread currently operates on a few of these industry trends. When asked how House of Bread sets themselves apart from competitors, Sheila said it is through taste and nutrition. “In the bakery industry there is taste, nutrition, price, and convenience. Those are the four factors and we compete on the top two.”¹⁴ She says that while grocery stores are very convenient, “what we have to do is set ourselves apart, make it better for you, better tasting, fresher...because you’re asking people to not buy that bread at the store. So that’s how we get them in.”¹⁵ House of Bread also caters to these industry trends by offering gluten free and low carb breads in addition to sourcing local, fresh products. Sheila offers a variety of more indulgent bread for those who enjoy tasting new flavor combinations, like apple cinnamon or pesto artichoke.

¹³ Shannon Brown, Marigny Research Group In., “Fresh Baked Goods in the U.S.”, Packaged Facts, August 1, 2010.

¹⁴ Sheila McCann, Interview by authors, May 18, 2015.

¹⁵ Ibid.

History

In 1996, Sheila was living an active lifestyle in San Luis Obispo, growing tired of her job in the Public Defender's office. She wanted a different career; eventually deciding upon opening a business rather than going back to school, because of existing student loans. Sheila began thinking of her own needs that were not being met, and researching business opportunities related to those needs. As she put it, "I wanted to do something different. I wrote down on a piece of paper what I wanted from a business: one, it had to support me, two, it had to be positive. I wanted a positive experience, and it couldn't be that much to start it up because I didn't have that much money. [So] low entry cost; something with opportunity for growth."¹⁶ The idea that stuck out the most was a bakery, which also happened to be a passion that was instilled in her from a young age, growing up with access to a local bakery. Fresh bread was hard to come by at the time she was developing her business, and the only local bakery making bread was San Luis Sourdough. Additionally, supermarket breads was not of good quality at the time, offering a limited selection of only sliced white or wheat. Sheila would often stock up on fresh bread from local bakeries when she was out of town in Santa Barbara or San Diego, but was unable to do so in San Luis Obispo as she disliked sourdough bread.¹⁷ Thus, House of Bread was born. Over the next few years business began to take off, and she gained a loyal following of customers who were willing to go out of their way for natural, fresh bread.

¹⁶ Sheila McCann, Interview by authors, May 18, 2015.

¹⁷ Ibid.

Ingredients

Part of the success of House of Bread is due to the high caliber ingredients Sheila sources. In the original downtown San Luis Obispo store she milled her own flour with wheat delivered from Montana, which she admits was more of an attraction than practical. At the current location, which she moved to in 2009, off the intersection of South Higuera St. and Marsh St., she no longer mills because the machine is too expensive, takes up too much room, and is very loud. Instead, she orders wheat from Montana that is milled on order using a low heat process to maintain the utmost freshness.¹⁸

Menu Offerings

House of Bread originally offered breads and other baked goods like scones and cinnamon rolls up until 10 years ago, when sandwiches were added to attract the lunch crowd. Sheila now offers some beverages and other retail items such as bread knives and jams, as well as gluten free and low carb bread options for people with special diets. Currently, the majority of sales are derived from bread, but newer House of Bread franchises are reporting about 50 % of sales from lunch and sandwiches. Product offerings include Cinnamon Swirl, Basil Parmesan, Sourdough Artichoke Pesto, as well as classics like Honey Whole Wheat and 9-Grain bread. As for sandwiches, Sheila sources high-quality meat from Boar's Head Meats, and offers create-your-own options, or pre-designed combinations like Tuscan Chicken or Veggie Delight, among others.¹⁹ House of Bread also offers catering for office lunches or parties, and a discount with 24 hour advance orders of 6 sandwiches or more.²⁰

¹⁸ Sheila McCann, Interview by authors, May 18, 2015.

¹⁹ See Appendix Exhibit 3.

²⁰ "Lunch Menu & Catering", House of Bread, Accessed May 28, 2015.

Structure

House of Bread is an S-Corporation, which is privately held by Sheila and protects her personal assets. According to the IRS, Sheila is able to pass the income to the owner (herself) and report the income and losses on her personal tax return to be taxed at an individual income tax rate. This corporation structure is also used to limit taxation, allowing her to avoid double taxation on her corporate income.²¹

Locations & Franchising

House of Bread has 8 locations in 6 different states, including the location Sheila owns in San Luis Obispo.²² The other 7 locations are franchises, of which Sheila gets a percentage of their monthly sales. She is currently looking to expand into other cities, but has to determine that they are the right environment for a House of Bread before allowing someone to open a franchise. Before Sheila was involved with Franchise Sales Solutions, the location of new stores was a decision made by her and the franchisee involved, but with more experience she has realized that she needs to have the most say in choosing the location.

Around 1999 business was growing and thriving, and Sheila became eligible for franchising. During this time she also began receiving inquiries about franchising from interested parties, therefore her next logical step became the branding of her company. Sheila was aware she wasn't apt at franchising and decided to hire a franchise consultant. She ended up getting taken advantage of by a persuasive salesman, Dan, who increased her franchise locations; all the while neglecting to find the best areas to open them, as well as the right people to run them. He ended up getting paid \$4,000 per month and received 30% for each franchise sold, so of course

²¹ "S Corporations", Internal Revenue Service, Accessed May 28, 2015.

²² See Appendix: Exhibit 4.

selling as many franchises as he could was his priority.²³ She fired him 3 years later when multiple franchises had failed and she realized that the foundation of her company was on the verge of collapse. Sheila decided to hire another consultant, Mark, to help her rebuild her company structure and form processes for franchisee applicants. But before she had fired Dan, Sheila was persuaded to invest in a second company-owned store, located in Santa Cruz, California.

Sheila enjoyed Santa Cruz for its great mountain biking, surfing, and other activities, but it wasn't the best fit for House of Bread. The market in Santa Cruz was already saturated and her target market stayed away from the downtown area she was located in. In other words, the Santa Cruz location was quick on its way to failure. Sheila was losing money fast and at this time decided to fire Dan, along with traveling to Santa Cruz to try and fix her second company-owned store herself. Sheila had a continual problem with managers quitting just as the store would seem to be turning around, but eventually she cut her losses and closed down the Santa Cruz location.²⁴ Sheila reflects on her experience, "You're motivated by inspiration and desperation. When you're losing money you're desperate and you're pretty motivated".²⁵ At this point she hired Mark, her current consultant, and focused on paying back her debt and establishing solid franchises.

Currently, Sheila uses Franchise Sales Solutions, which helps to establish a structured and organized franchisee application process, all online. Through their program a House of Bread franchise costs \$35,000 for the franchise kit with an additional 6% of sales per month, that all goes to Sheila. Sheila compensates Franchise Sales Solutions by covering hard costs (around

²³ Sheila McCann, Interview by authors, May 18, 2015.

²⁴ Sheila McCann, Interview by authors, May 18, 2015.

²⁵ Ibid.

\$500 per month), and then 40% of any franchises sold once they are up and running effectively.²⁶ Unlike before with Dan, Franchise Sales Solutions will only be paid if Sheila endorses each new franchise as successful.

Advertising

Franchise Sales Solutions does more than expedite the application process, they help with online marketing as well as social media self-promotion and posting. Her marketing is almost always digital, and she believes that the most effective ways to reach people are through online promotions. An example would be purchasing a Facebook advertisement for \$40 compared to running an ad in a newspaper for \$1,200. Sheila generally utilizes advertisements around seasonal holidays, or during a special event or anniversary. The most common ways she reaches her consumers is by e-mail newsletters or word of mouth, and she has recently been looking into a frequent buyer app for smartphones. She recognizes that “the better your bakeries are doing, the more opportunities there are to grow”.²⁷

When Sheila is advertising towards possible franchisee’s she uses a Google app that has a rate of \$600 per month, and focuses on click advertising. When people search words that relate to specific terms such as bakery or franchise, House of Bread comes up, and if they use her link she pays \$2.70 per click. Through this feature she is able to see who is interested in franchising and who has actually downloaded her franchise kit, once a possible franchisee has done this, John (Sheila’s representative from Franchise Sales Solutions) and his team will approach each potential franchisee to try and connect with them to see if they are serious about the opportunity.²⁸ Once they find a serious candidate Sheila looks for an appropriate location for the

²⁶ Sheila McCann, Interview by authors, May 18, 2015.

²⁷ Ibid.

²⁸ Ibid.

new House of Bread, and works on helping the franchisees build-up the location with a modern and updated concept of the original House of Bread.

House of Bread's New Location

Truckee, CA

Sheila became aware that she was putting too much energy into her personal life when in September 2014 she went to compete in the Tahoe Ironman Triathlon and the race was cancelled 20 minutes before the start. All of her time spent training resulted in nothing, and her emotions started to rise. She felt defeated, and had begun the 20-mile ride back to Truckee when she discovered her life was out of balance. Sheila believes that “in business you are either growing or shrinking”, and she knew she wasn't growing. Some attributions to her shrinking were the failure of multiple stores, and her fear of adding to her debt with the risk of failing again. Enough was enough; it was time to put focus back into growing the business. That week she sat down and created a business plan, called her bakers, and got her finances in order.²⁹ She chose to put the new store in Truckee, the very place that had helped her to see the imbalance in her life. Truckee just felt right.

The town of Truckee is located in Nevada County, California in the Sierra Nevada Mountains, with a population of 16,180.³⁰ The entire county surrounding the area has a population of 98,764, making Truckee's population only about 6% of the entire county; in comparison San Luis Obispo, where her current successful company-owned store is located, has a population of 46,377 and is surrounded by a county with a population of 276,443.³¹ Although Truckee has a small population, it has similar demographics to the San Luis Obispo area. The

²⁹ Sheila McCann, Interview by authors, May 18, 2015.

³⁰ “About Us”, Town of Truckee, Accessed May 13, 2015.

³¹ “Quick Facts Beta”, United States Census Bureau, Accessed June 7, 2015.

average age in Truckee is around 38 whereas in San Luis Obispo it is 25 to 55. There is a high education level; over 90% have at least a high school diploma and 24% of adults, over 25, have a Bachelor's degree. There is 8% unemployment. Of the 6,301 households in Truckee 4,011 households make over \$50,000 and the average household income is \$93,029.³² It is not a very big town but it gets plenty of traffic.

The area is known for being able to experience all four seasons of the year, which is rare for the rest of California.³³ Even though Truckee is growing, they continue to keep their “small town” ideals,³⁴ which creates a tight-knit community where customer loyalty to local stores is important. They have started a *Keep Truckee Green* campaign, going along with their neighboring town Lake Tahoe, and their *Keep Tahoe Blue* campaign. Truckee is the kind of place that young-active-adventurous people want to live. They have many lakes (including Lake Tahoe) nearby, the Truckee River, hiking, camping, and of course ski resorts just a short drive up the road. With these many options it is no surprise that Truckee is becoming a tourist and vacation home destination.³⁵ Interstate-80, a major highway used to go from Sacramento to Reno, runs right through Truckee and forces traffic towards the town. Truckee receives “approximately 16,500 vehicles a day” during an average summer weekday according to the engineering manager of Truckee, Becky Bucar.³⁶ Within San Luis Obispo her existing location receives a similar amount of traffic per day, about 17,400 vehicles, from the cross street she is located at.³⁷ Sheila also discovered that the #2 Safeway in the nation is located here, because of the intense traffic from people heading up to Incline Mountain, Squaw Valley, and other ski

³² “American Fact Finder”, USCB, Accessed May 13, 2015.

³³ “About Us”, Town of Truckee, Accessed May 13, 2015.

³⁴ Ibid.

³⁵ Ibid.

³⁶ “Business Plan: House of Bread”, Sheila McCann, San Luis Obispo, CA, May 18, 2015.

³⁷ Ibid.

resorts. She was hoping to put her new store in the Safeway center, but Safeway sold to another company and the new owners claimed it would be a violation of their contract, and that they alone had the right to sell bread in that location.

Difficulties

Although her first pick for the new store location didn't pan out she has another potential store location in the works, and is currently speaking with the owner. Her goal is to lease with the intention to buy, so that she can sell the franchise and continue to be the landlord. This would allow her to not only receive a percentage of sales, but also royalty fees on the property. There are a few problems with the property that would need to be addressed, one is that there is no sprinkler system and installing it would cost around \$50,000, a major fix. The other problem is the width of the back door, and with an old building like this more upgrades are surely needed. The current landlord is unwilling to pay for any upgrades, which will undoubtedly increase Sheila's initial costs, which are already predicted to be around \$250,000. If she cannot buy the building these sunk costs will be a loss if she ever decides to move locations.³⁸ Even though Sheila has had setbacks she continues to pursue her dream of a Truckee location and overall growth of her company.

Possibilities

Close by, in Reno, there is another House of Bread location, which is currently Sheila's #2 grossing franchise and many vacationers that drive through Truckee already are familiar with House of Bread because of this Reno location. This brand recognition will help in future seasons with people coming to vacation who know and want great tasting fresh bread. In Truckee there is a need for a bakery that offers more than sourdough, cakes, or traditional bakery items, as well as

³⁸ Sheila McCann, Interview by authors, May 18, 2015.

a high-end deli; House of Bread can supply all of this. Truckee has a deli, but it has low quality meats and breads with limited seating. This being the only option, people eat there, but House of Bread would produce higher-quality products and have a bigger location with more seating available.³⁹

Future

Sheila's expansion into Truckee has been a work in progress since October, 2014. Finding a location within Truckee has been her biggest obstacle so far. John, the Franchise Sales Solutions consultant, will be approaching this new store in a much more organic fashion in relation to advertising than House of Bread, San Luis Obispo typically uses. They will start by advertising in the Reno House of Bread's newsletter, as well as using the local newspaper and local radio stations to establish a presence within the Truckee community. It is important that the community feels a connection with House of Bread, and at the grand opening Sheila is planning on making a 90-pound cinnamon roll to give away slices to promote the new location.⁴⁰ In addition to bringing in her high-quality flour from Montana, she plans to source her dairy and other ingredients locally. Her existing menu will be brought in, but she plans to expand into a larger variety of beverages. The current items she sells are bread, cookies, scones, sandwiches, drinks, and retail items such as knives and jams. A few healthy quick grab items will be offered under \$10 for breakfast and lunch choices as well as sandwiches made with high-quality ingredients, soups made from scratch, and ready to heat pizzas.⁴¹ However, there is room for growth in the beverage selection of the store, which is where Sheila plans on expanding. She would like to serve fresh made orange juice, flavored teas, espresso drinks, craft beers, and

³⁹ Sheila McCann, Interview by authors, May 18, 2015.

⁴⁰ "Business Plan: House of Bread", Sheila McCann, San Luis Obispo, CA, May 18, 2015.

⁴¹ Ibid.

possibly wine. Sheila is especially excited about including alcoholic beverages as part of her menu and is adamant that as many products as possible are sourced locally. She has a vision to utilize her seating not only during the breakfast crowd and lunch rush, but to extend her hours and use the location as a bar during the evening. The same kitchen, bathrooms, and tables will be in use without adding new costs, but the full use of the seating area throughout various times will boost sales. The same person that wants to come in the morning to enjoy coffee and a fresh bagel can come by later in the day for a sandwich, or after lunch for a beer. With the inclusion of alcoholic beverages comes the opportunity for House of Bread to grow; not just into new locations but also as a sellable concept to franchisees. Sheila's vision is to see how the Truckee location performs, and then use it as a template for future House of Bread franchises. This craft brew concept will be an additional \$5,000 on top of the existing franchise fee of \$35,000. In 5 years she hopes her store will be up and running, and sold to a franchisee, but before this happens she must find a suitable location within Truckee and build up the new store herself.

Appendix

Exhibit 1. Economic Impact of Baking in the U.S.



Exhibit 2. Bakery Product Manufacturing Industry Forecast

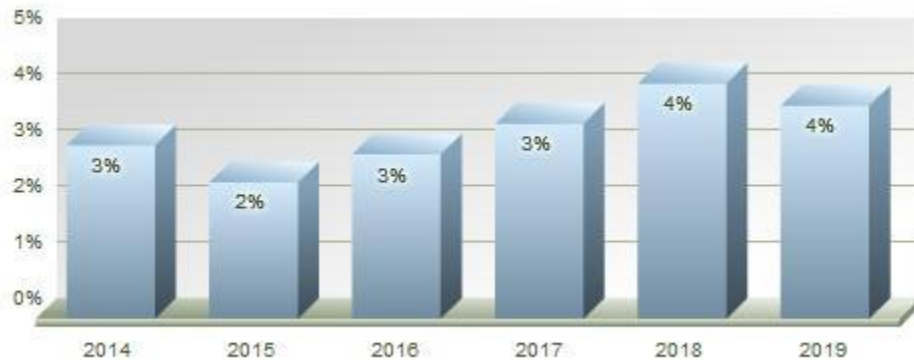



Exhibit 3. The top trends in 2013 according to *Dairy, Deli, Bakery Digest*, are the following:⁴²

1. Health and Wellness, Consumers are adopting more “good for you” foods and are looking to manufacturers and government to offer solutions.
2. Calorie burning beverages. Sodas that offer negative calories, Green Teas that promote weight loss by offering metabolism-boosting ingredients.
3. Mobile Eating.
4. Snacking.
5. Single serving products aimed at the single consumers or smaller households.
6. Avoidance of trans fat.
7. Food and Beverage with an ethical positioning-these products are linked to Fair Trade, charitable organizations, sustainability or ecological claims.
8. Natural and Organic foods, consumers want to know where their food comes from-they are seeking fresher and locally grown products.
9. Convenience, from reservations to parking, to menu selection to ordering to taste.

⁴² Dairy, Deli, Bakery Digest, “Top trends in 2013,” quoted in Sheila McCann, “Business Plan: House of Bread”

Exhibit 4. House of Bread Menus



House of Bread caters for office lunches, parties and more. Receive a 10% discount with 24hr advance orders of 6 or more.

<p>All House of Bread sandwiches are made using high-quality Boar's Head Meats, which have no fillers, artificial flavors or colors, or trans fats. Just like our breads, using the best quality ingredients produces a better tasting bread, or sandwich, in this case.</p> <p>Half: \$5.95 Full: \$7.95</p> <p>Cranky Turkey • Turkey • Dried Cranberries • Cream Cheese • Mayo • Red Onions • Lettuce • Tomatoes</p> <p>HOB Club • Turkey • Ham • Cheddar Cheese • Lettuce • Tomatoes • Red Onions • Mayo • Mustard</p> <p>California Fusion Panini • Turkey • House-made Pesto (contains Nuts) • Artichoke Hearts • Provolone Cheese • Toasted to Perfection</p> <p>The Western • Roast Beef • Provolone Cheese • Lettuce • Tomatoes • Horseradish • Red Onions • Mayo</p>	<p>Ham & Cheese • Ham • Cheddar Cheese • Lettuce • Mayo • Tomatoes • Red Onions • Mustard</p> <p>Veggie Delight • Avocado Slices • Cream Cheese • Lettuce • Artichoke Hearts • Tomatoes • Red Onions • Olive Oil • Balsamic</p> <p>Italian Grinder • Turkey • Salami • Cream Cheese • Red Onions • Pepperoncinis • Black Olives • Tomatoes • Lettuce • Olive Oil</p> <p>Salad Sandwich Rotating Options: • Tuna Salad Sandwich • Turkey Curry Salad Sandwich • Chicken Avocado Salad Sandwich</p> <p>Tuscan Chicken • Chicken Breast • Homemade Pesto • Provolone Cheese • Tomatoes • Red Onions • Lettuce • Olive Oil • Balsamic</p>	<p>Create Your Own & Add-Ons Meats: • Turkey • Roast Beef • Salami • Ham • Chicken Breast • Bacon Cheese: • Provolone • Cheddar • Swiss • Feta • Cream Cheese Other: • Lettuce • Tomatoes • Red Onions • Artichoke Hearts • Cranberries • Pesto • Pepperoncinis • Walnuts • Pickles • Mayo • Avocado • Olives • Olive Oil • Balsamic Vinegar • Horseradish • Mustard</p> <p>Extra meat, add avocado, bread upgrade: +\$1.50</p> <p>Soup or Salad • Garden Salad sm \$3.95 lg \$5.95 • Garden Salad with Chicken sm \$4.95 lg \$7.95 • Various Soup Options cup \$3.95 bowl \$5.95</p> <p>Specials Ask about our Daily Lunch Specials Boxed Lunch: Includes chips & drink add \$2.50 Half Sandwich with Your Choice of Cup of Soup or Small Salad \$8.95</p>
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Bread Schedule

<p>Honey Whole Wheat Daily 100% whole grain wheat flour, honey, yeast, and salt. The tastiest and richest source of dietary fiber.</p> <p>9-Grain Mon - Wed - Fri Whole wheat flour blended with cracked hard wheat, soft wheat, oats, barley, triticale, rye, millet, honey, yeast, and salt. Here's to your health.</p> <p>Dakota Sun 100% whole grain wheat flour, honey, yeast, and salt. The sunflower, poppy, and sesame seeds give this whole wheat bread a crunchy and delicious sweetness.</p> <p>Squaw Daily A whole wheat and light rye flour blend with honey, yeast, salt, caramel color, and sesame seeds. Always a favorite!</p> <p>Darwin (Cracked Grain) Tue - Sat White flour and whole wheat flour, blended with cracked hard wheat, soft wheat, oats, barley, triticale, rye, millet, honey, yeast, and salt.</p> <p>Cinnamon Raisin Walnut Sat 100% whole wheat flour, molasses, raisins, walnuts, yeast, and salt. Makes the perfect peanut butter sandwiches.</p> <p>Harvest Grain Tue - Thurs - Sat Whole wheat flour blended with cracked hard wheat, soft wheat, oats, barley, triticale, rye, millet, honey, yeast, and salt. We also add pumpkin, poppy, sesame, flax, and sunflower seeds for extra flavor and health.</p> <p>Apricot Walnut Tue - Sun 100% whole wheat flour, honey, dried apricots, walnuts, yeast, and salt. Any mother's favorite.</p> <p>Spelt Sun 100% Spelt flour, honey, yeast, and salt. Low in gluten but high in nutrients and taste.</p>	<p>Grandma's White Daily A nice, chewy, white bread made from unbleached white flour, honey, yeast, and salt. The best "old standard." Your kids will love it & so will you.</p> <p>Swirls Daily Cinnamon Swirl & Raspberry Swirls. Our Grandma's White bread with generous swirls of either cinnamon or raspberry. The ideal bread for french toast.</p> <p>Apple Cinnamon Swirl Daily Sliced and dried apples with cinnamon and honey make this bread one of our best sellers. It's like a slice of pie.</p> <p>Oatmeal Applesauce Tue Made with white flour, oatmeal, molasses, applesauce, brown sugar, yeast, and salt. Topped with even more oatmeal. Good looks and taste.</p> <p>Basil Parmesan Daily Our Grandma's White bread with basil, garlic, and generous handfuls of parmesan cheese. Really great as a stand alone appetizer.</p> <p>Garlic Cheddar Daily Fresh garlic and generous amounts of cheddar cheese hand-kneaded into our Grandma's White bread. The perfect accompaniment to every dinner.</p> <p>Jalapeno Jack Daily Our Grandma's White bread with a kick of jalapenos and Monterey Jack cheese.</p> <p>Garden Herb Tue - Fri - Sun Unbleached white flour, honey, sunflower seeds, carrots, sun-dried tomatoes, onions, garlic, chives, basil, thyme, rosemary, yeast, and salt. Try it for your next burger.</p> <p>Challah Thurs - Fri A blend of white and whole wheat flour with honey, eggs, butter, yeast, and salt. A melt in your mouth experience.</p> <p>Jalapeno Corn Cheddar Wed Honey sweetened white bread with corn and jalapeno peppers. Mix that with oozing N.Y. Sharp Cheddar and you have the perfect accompaniment to chili.</p> <p>Light Rye Wed A blend of white, whole wheat and rye flours with honey, mashed potatoes, sourdough starter, yeast, salt, and caraway seeds to increase the rye flavors.</p> <p>Ciabatta Sat This delicious Italian bread has a crunchy outside and airy interior. Perfect fresh & warm!</p>	<p>Sourdough Tue - Thurs - Sat A natural sourdough with a tangy flavor made from a blend of whole wheat and white flour, sourdough starter, honey, yeast, and salt. Try it with your next bowl of soup.</p> <p>Sourdough Artichoke Pesto Tue - Thurs - Sat Our Sourdough bread with fresh pesto and artichokes. A gourmet meal in and of itself (contains walnuts).</p> <p>Pesto Feta Focaccia Wed - Sat Our focaccia bread is made with white flour, olive oil, garlic, sugar, yeast, and salt. We then smear fresh pesto on top and crumble feta cheese all over. Delicious.</p>
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Lunch Offerings

We use Boar's Head gourmet meats for our sandwiches.

Cranky Turkey - Turkey, cranberries, and cream cheese
Tuscan Chicken - Chicken, pesto, and provolone cheese
The Western - Roast Beef, provolone cheese, horseradish
HOB Club - Turkey, ham, and cheddar cheese
CA Fusion Panini - Turkey, pesto, & artichoke hearts
Veggie Delight - Avocado, cream cheese, & artichoke
Italian Grinder - Salami, Turkey, Olives, & all the fixins!
Ham & Cheese - Just how it sounds! Ham & Cheese.
Salad Sandwich - Tuna, Chicken Avocado, Turkey Curry
 -Also Available: rotating soup & salad specials

Other Baked Goods

Cinnamon Rolls
Jumbo, low-fat, melt-in-your-mouth cinnamon rolls baked fresh daily. Available in whole wheat, plain, plain with nuts and/or raisins, caramel roll, and raspberry.

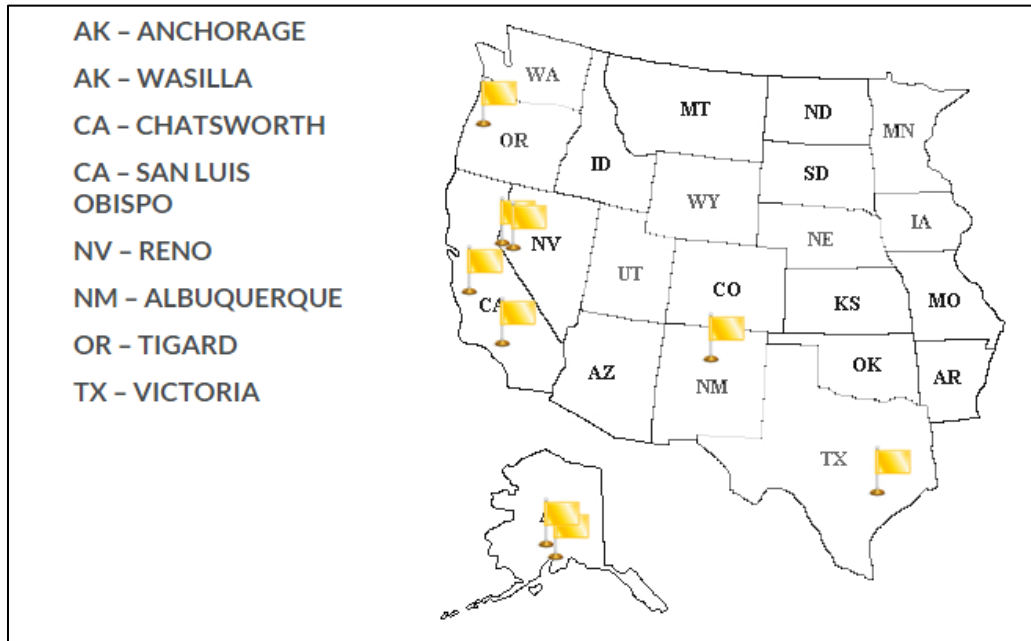
Breakfast Baguettes
Ham and Cheddar - Turkey and Jack - Bacon, Egg and Cheddar. The perfect grab and go breakfast.

Dinner Rolls
Made to order using any bread of your choice. Available upon request. Please give us at least 24 hours notice.

Seasonal Specialties:
Pumpkin Swirl - Holiday Loaf - Ghirardelli Chocolate Bread - Irish Soda Bread - Ciabatta - Hot Cross Buns - Cranberry Orange - French Bread - Cinnamon Chip - Monterey Herb - Panetonne - Stollen - Others

Also Available Daily: Muffins - Scones - Cookies - Quick Breads - Energy Bars - Brownies - Other

Exhibit 5. House of Bread Locations



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