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An Artisanal Bread Baker Diversifies her Product Line: The Case of Devrim Mumcuogullari

Devrim Mumcuogullari sat in her atelier enjoying the aroma of the pistachio and cranberry black einkorn bread fresh from the oven. She would soon package the loaves into her branded display bags and prepare them for distribution to customers across Istanbul. She took one loaf aside and sliced a piece for herself. It took three days to make this loaf, she thought as she spread on her homemade onion marmalade. It felt good to take a moment to relax in her new atelier, a room in her home that she recently converted into a workspace to accommodate her growing business.

Mumcuogullari had been baking and selling her bread for nearly two years. Her customer base grew, as word spread about her five varieties of nutritious loaves. There was also a growing preference in Istanbul for nutritious and natural food, with increased public awareness of the link between diet and health. Mumcuogullari knew that much of the health food market in Istanbul was untapped and wanted to grow her business, but baking bread was labor-intensive and Mumcuogullari was running the business on her own, as a “solopreneur.”

Mumcuogullari thought about other healthy foods that she had been preparing for herself to accommodate her gluten-free diet, and wondered if her customers would be interested in those, too. In contrast to the bread, the onion marmalade took just a few hours to produce. Her homemade bone stock paired well with the bread for a healthy and quick lunch. She also prepared her own sauce, using fresh, pesticide-free tomatoes she bought from local farmers. “Perhaps I could add some of these made-from-scratch items to my product line,” she thought.

There were so many possibilities that Mumcuogullari was unsure what to do next. She grabbed a pad of paper and a pen and began writing down ideas for new products. She took a sip of her homemade kombucha to refresh herself. Then she added kombucha to her list.

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Background

Devrim means “revolution” in Turkish, and Mumcuogullari named her business “Mutfakta Devrim,” which translates to “revolution in the kitchen.” The name represents the transformation Mumcuogullari made to her diet after she discovered she had a gluten allergy. Doctors advised her to forgo all packaged foods to avoid additives, which were potential allergens. So, she started eating fresh and homemade foods. After leaving her demanding job at a technology company, she had more time to focus on cooking. She started baking bread using a sourdough starter and heritage grains. As she became more skilled in breadmaking, Mumcuogullari realized she could turn this artisanal bread into a business that would give her an income and allow her to work a flexible schedule.

Mumcuogullari had a bachelor of arts degree in marketing, as well as an executive chef certification. She had also recently participated in a four-month entrepreneurship incubation program that included training, space in a shared commercial kitchen, access to coaching, and legal and financial advice.

The Challenges of Bread

It took Mumcuogullari three days to make one loaf of bread. The bread contained no preservatives, so she needed to bake daily to ensure the loaves were fresh upon delivery. Baking bread at her current level of production generated a small profit. However, as Mumcuogullari said, “If you factor in all the working time and the logistics, you lose everything.” She wanted to be able to generate a profit after accounting for all of her costs, including labor.

In order to scale up, Mumcuogullari would need a larger production facility and some special equipment. She considered renting space in a commercial kitchen. To make the investment in the kitchen and equipment pay for itself, Mumcuogullari would need to produce and sell the bread in large quantities. To do so, she estimated she would need at least three assistants. All of this expansion seemed risky to Mumcuogullari, since she was financing this business herself and plowing back all the current profits into operations.

Mumcuogullari had about 50 regular customers for her bread, 90% percent of them located in Istanbul. She targeted health-conscious professional women ages 30-45. She priced her bread at 30-35 TRY (Turkish lira)ⁱ per loaf, a price comparable to that of other healthy bread on the market. Her cost to produce each loaf—including all ingredients and her labor—was 25 TRY.

Customers ordered from her on a weekly basis using a Turkish mobile app company, BiTarif, which guaranteed same-day delivery at a reasonable cost. Mumcuogullari provided packaged orders to BiTarif, which then made the deliveries across Istanbul. Partnering with BiTarif had a significant benefit as it would be too expensive for Mumcuogullari to employ her own delivery team. However, as Mumcuogullari considered expansion, she envisioned her own delivery service, perhaps by hiring university students and even purchasing a fleet of pink motorcycles.

Marketing

With her degree in marketing and additional training in social media from the entrepreneurship incubation program she had attended, Mumcuogullari successfully spread the word about her offerings on Instagram and Facebook. She also built an e-commerce website that included a blog on healthy living, and

ⁱ As of the writing of this case, 7.5 TRY equaled approximately 1 US dollar.

wrote all the blog posts herself. Her business grew mainly through word-of-mouth and social media. She enjoyed the marketing aspects of the job and felt like they drew on her strengths, but they took a great deal of time.

Other Healthy Food Options

Thinking beyond bread, Mumcuogullari considered adding these items to her product line:

1. *Onion marmalade.* Mumcuogullari had started making this for herself, using onions from local organic farmers. For a recent food expo, she had prepared canapés with her breads topped with her marmalade (see **Exhibit 1**). She wanted to show that her breads were not just healthy; they were also delicious and could be a good option for brunch or dinner parties. Participants at the expo asked her if they could buy the marmalade, which sparked her idea to introduce this product.
2. *Bone stock.* The demand for bone stock was growing in Turkey, as more consumers became aware of its benefits for the immune system. Mumcuogullari estimated she could produce batches of 100 jars at a time in a commercial kitchen. It took two days to prepare each batch and the process started with cooking the beef bone for 30 minutes in the oven, simmering the bone in water for 18 hours, then adding sautéed vegetables and simmering two more hours. Finally, Mumcuogullari would jar the broth while still hot and then refrigerate it.
3. *Tomato sauce.* Mumcuogullari believed she could differentiate her tomato sauce from the many others on the market by touting its purity. She could buy tomatoes from local farmers who grew produce without chemicals. Lately, Mumcuogullari had been combining her homemade bone stock with her tomato sauce to produce a filling and nutritious soup for herself. She thought her customers might like to do the same. Like the bone stock, the margins on tomato sauce were very good.
4. *Kombucha.* Mumcuogullari had been brewing two types of kombucha for her own consumption: a black tea kombucha with cloves and other spices, and a green tea kombucha with ginger and cinnamon. Kombucha was gaining popularity in Turkey, so perhaps she would find strong demand for this product offering.

As part of her considerations about which product(s) to launch, Mumcuogullari mapped out the costs to produce each (including the cost of the ingredients but not her labor cost) and estimated sales price per unit, based on some competitive market analysis she had performed (see **Table 1**).

Table 1
Products Under Consideration, Cost to Produce and Estimated Sales Prices

Product	Cost to Produce (Excludes labor)	Sales Price per Unit
Onion marmalade	18	50
Bone stock	12	35
Tomato sauce	14	40
Kombucha	12	35

All costs/prices expressed in Turkish lira (TRY). At the time of the writing of this case, 1 US dollar equaled approximately 7.5 TRY.

Source: Devrim Mumcuogullari.

Exhibit 1

Devrim Mumcuogullari Displaying Breads and Spreads at a Food Expo



Source: Devrim Mumcuogullari.

Notes



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