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Distributor marks 75 years and four generations

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DELTA TWP. - For the Shanker family, independence in the beverage distribution business has its benefits.

It allows their company, Canada Dry Bottling Co., and its employees to build business relationships on a personal level - through in-store visits, frequent deliveries and strong local ties.

But it's also a challenging business - particularly when you have the likes of behemoths Coca-Cola Co. and Pepsico Inc. to contend with.

"It's not an easy business," said Randy Shanker, a fourth-generation family member who co-owns Canada Dry. "Coke and Pepsi want to put me out of business. They'll keep buying brands, and we'll lose the brands, and we'll need to go find another one."

As the distributor marks its 75th year in business, taking a chance on new products and a new business model have it poised for further growth.

The family owned business, on Pierson Highway in Delta Township, now distributes 40 brands of nonalcoholic beverages to 1,000 stores in nine Michigan counties, including Ingham, Clinton and Eaton, Shanker said.

Canada Dry Bottling salesmen regularly make in-person rounds and visit each customer, showing them new products and taking orders. Trucks deliver products to stores several times a week.

"For us, it's really about building these relationships and maintaining them," said Shanker, who has owned the business since 2000 with his father, Larry Shanker, 67.

Founded in 1933

Randy Shanker's great-grandfather, Louis Shanker, founded the business on Maple Street in Lansing in 1933.

"They're a family run business, just like our company is a family run business," said Stan Levandowski, president of Lansing-based grocery chain L&L Food Centers, which has been a client of Canada Dry since its founding. "You pull for your neighbors and they are our neighbors. The difference is that they're from here. They're born and raised here, and they employ local people."

"People are what makes the world go 'round, and they're great people. They've always taken care of us exceptionally well."

Getting clients to try new beverages has been one of the keys to Canada Dry's success, said Randy Shanker, 40, an Okemos resident.

"We build a lot of brands. We get them in the early stages," he said. "We have a tremendous reputation of being a great place to launch a new product."

Ten years ago, the company sold fewer than 10 brands. Now, Canada Dry distributes four times that and has increased its sales five times in the past 10 years, Shanker said. He declined to give exact figures.

Among Canada Dry Bottling's core brands are several made by the producer of its namesake beverage line, Dr Pepper Snapple Group Inc. They include Canada Dry, Crush, Dr Pepper and Hawaiian Punch.

But the bottler's stable also includes lines from other beverage makers, such as National Beverage Corp.'s Faygo, Hansen Natural Corp.'s Monster Energy and Ferolito, Vultaggio & Sons' Arizona teas. They also distribute what Shanker called up-and-coming brands, such as Honest Tea and Dr Pepper Snapple's Nantucket Nectars.

Picking up products

About every two weeks, the company picks up a new product, such as Muscle Milk from Cytosport Inc., he said. Canada Dry employees then persuade clients to give the product shelf space, provide signs to attract attention and get the word out about the new drink.

Customers range from Wal-Mart Stores Inc. and Kroger Co. to party stores and mom-and-pop coffee shops.

Goodrich's Shop-Rite in East Lansing benefits from Canada Dry's emphasis on trying new things, store manager Bruce Grambau said. The supermarket has been Canada Dry's customer for more than 50 years.

"Randy's always out there looking for the next new beverage no matter what it is," he said. "They'll pick up a line before it's maybe overly popular and we get in on the ground floor on that kind of thing."

For instance, he said, Goodrich's received shipments of Monster before it became a big hit.

Canada Dry Bottling's crews visit Goodrich's four times a week - twice for deliveries and twice to check in and take orders.

"They're just a hometown company that I think probably most of the people in the area enjoy doing business with, and they've been a good company for us over the years," Grambau said.

Entering snacking

Canada Dry also is trying to break into the snack business. For six months it also has distributed Mike-Sells potato chips, On the Border tortilla chips and Archway cookies. But it hasn't been easy, Shanker said.

"We've gone through the growing pains," he said. "It's very different from selling beverages. I think we're on the verge of it becoming successful."

The company has 45 mostly full-time workers and employs nine part-time Michigan State University supply chain students, Shanker said.

The 40,000-square-foot facility includes offices and a warehouse for products and trucks. Eight trucks deliver 500 to 800 cases each day, he said. A case holds about 24 bottles. Trucks deliver an average of 25 to 30 cases to each store. Cases range in cost from \$6 to \$40 each, depending on the products

and containers, he said.

Grew up in E.L.

Shanker grew up in East Lansing and worked at his family's business through high school. He attended Indiana University and then worked in Chicago advertising for eight years, returning to mid-Michigan in 1997 as director of sales and marketing for Canada Dry.

His great-grandfather founded the business as a bottling company. It bottled beverages - including Canada Dry drinks - until the late 1970s, when bottlers began to struggle because of legislation requiring stores to collect empty bottles returned by customers. Stores that didn't have room for empty bottles cut back on the number of brands they carried, Shanker said.

"That put almost all of the independent guys out of business. I think it was getting tough," he said.

So, Canada Dry switched its business model and became a distributor.

"We continue to have to reinvent ourselves and quickly adapt to the challenges that come our way," Shanker said.
