

Abe's moves on from cafe scene

FOOD: New product development is on the agenda for the pair who became the country's largest bagel bakers

by Ellen Read

The Auckland retail face of Abe's Real Bagels closes today, leaving its owners to concentrate on the wholesale side of their business.

The bakery/cafe was set up seven years ago, when bagels were relatively new to the local scene, with the idea of showing people how to use them.

Mission accomplished, owners Megan Sargent and Brent Milburn have shifted their attention to supplying supermarket chains and want to redirect capital tied up in the cafe towards developing and supporting new products.

"It's strange for it to be going but we're excited too," Sargent said.

Abe's was one of the last to enter the local bagel market, but it's now New Zealand's biggest bagel baker, despite having just 25 staff.

Set up in 1996, it was number 29 on the Deloitte/Unlimited Fast 50 last year and the only food manufacturer on the list.

The idea for the business came after Sargent holidayed in the US and saw how popular bagels were.

A phone call home to then-fiance Milburn prompted a trip to an auction in Omaha, Nebraska, where the couple won the bidding for a set of bagel equipment — massive mixers and a bagel former were among the haul.

The Auckland CBD cafe in Swanston St was intended to be the first of a chain of retail outlets. But plans changed when Foodtown asked Abe's to supply bagels for its supermarkets.

Initially this was done from the inner-city bagel bakery. But demand meant a bigger production facility was needed.

Five years on, Abe's supplies all major supermarket chains from its

bakery in Panmure. In January, a Christchurch bagel bakery/cafe opened to service South Island supermarkets.

So, seven years from its inception Abe's dream of becoming a national brand has been achieved, albeit via two large wholesale bakeries rather than a chain of retail outlets, Sargent says.

Private plans for the couple also changed. Their relationship ended but the business partnership continued.

Abe's was the first in New Zealand to steam-bake bagels, producing a slightly softer, longer-keeping bagel than the traditional boiled-then-baked product. The product still has a short shelf life at just four days.

To find a longer-lasting product and tap into the trend towards healthy eating, the company developed low-fat bagel crisps.

Closing the Auckland cafe is the one downside to the company's expansion, but Sargent says the capital tied up in it can be better put to use expanding the bagel crisps production line to meet demand.

The Christchurch cafe will continue — Sargent says that as bagels are relatively new to the South Island market it will be important as the public face of Abe's.

The future is exciting, although tinged with sadness, she says.

"Selling the Auckland cafe was a tough decision, because it's where it all began, but it's no longer part of our core business and we have to be pragmatic."

The new owners will continue to operate a cafe on the site under a different name, and will definitely have bagels on the menu.

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REAL PEOPLE: Abe's directors Brent Milburn and Megan Sargent say selling their cafe was a tough decision.