



John and Elaine Telge, owners of Arrowhead Specialty Meats Inc., say they try to create a one-stop shop for chefs. "If I can't get it to them, it is only because it's not allowed in the country," John Telge says. DAVE KALIP | KCBJ

A cut above

Arrowhead Specialty Meats succeeds with Grade A products, customer service

BY M. STEELE BROWN | CONTRIBUTING WRITER

John Telge sees this economy eating at his profits just as it is everywhere else's, but business is so good he doesn't need to stick his head in the sand to see black. He just looks at his bottom line.

Telge and his wife, Elaine, started North Kansas City-based Arrowhead Specialty Meats Inc. in 1995 with a pair of ostriches on 10 acres in Kearney. Today, the four-employee company is out of the ostrich-raising business and projecting revenue north of \$1.5 million this year. Arrowhead sells 22 varieties of specialty meats, including an "exotic" category that offers everything from frog legs and turtle meat to alligator, bear and lion.

Telge said Arrowhead's main focus is on the food service industry, more specifically high-end white tablecloth clientele, as well as the tier just below.

"We do a lot of business with Justus Drugstore up in Smithville ... Bluestem and Starker's Reserve here in town, for example," he said. "I think we've been a little bit insulated from the downturn in the economy because we don't really get into the commodities of the world. Chefs like to be creative, and so they're always looking for new ideas. And within the meat world, we are the ones that can give it to them."

The bulk of Arrowhead's orders come from four main product types — "Akaushi" Japanese Kobe beef, Piedmontese beef, Berkshire pork and grain-fed veal — but Telge said the company also does a brisk business in game meats — buffalo, venison, elk, ostrich, wild boar, kangaroo, rabbit and other "exotic" selections.

Arrowhead can offer these top-quality varieties because of Telge's ability to recognize the best when he tastes it and his

knack for cultivating relationships with top producers once he's found them.

"This Akaushi beef I get from him is really just amazing beef," said Jonathan Justus, Justus Drugstore's owner and chef. "I used to work for a high-end meat company in San Francisco, and this is probably the best beef I have ever worked with."

Arrowhead also carries other great lines and "odd things like vanilla beans and saffron that I get from them," Justus said.

Colby Garrelts, chef and owner of Bluestem in Westport, said that without Arrowhead, "I'd have to go out of town to get this stuff."

That's what Telge likes to hear. "We've really tried to create a place where chefs can call to get a little bit of everything instead of going to five places," he said. "If they want it, 95 percent of the time, I'll find it. If I can't get it to

them, it is only because it's not allowed in the country."

HUMBLE BEGINNINGS

"When we bought our first pair of birds back in '95, we were still living in (North Kansas City), but we'd decided we wanted to take the kids and move out to the country," Telge said. "What enabled us to do that was working full time and raising ostrich as well."

Telge said that for the first two years, Arrowhead focused solely on ostrich and built a reputation as a high-quality producer. By 1998, it started selling more than just ostrich to local restaurants.

"I was out there calling on customers, and they kept asking what else we had, and my answer was 'Nothing,'" he said. "So one thing led to another, and we started resourcing other meats. So we

MEATS: New clients, offerings fatten profits

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bought some freezers, put them in the basement and started taking orders.”

Working with a local broker and processor out of Chicago to fill out the company's offerings, Telge said he landed high-end Kansas City kitchens Le Fou Frog and the Hyatt Regency as his first clients. From there, Arrowhead took off.

“At that time, monthly sales were in the \$3,000 to \$4,000 range,” he said. “I was selling for Independent Electric, and at lunchtime, I would go out and take meat orders. On my way home, I made deliveries.”

By 2004, the business had grown to the point that the basement chest freezers no longer were large enough to handle the inventory, so Telge built a 30-foot-by-50-foot outbuilding on his property in Kearney to house his meat and office space.

“By that time, business was good enough that I could afford to quit my day job and focus solely on Arrowhead,” he said. “One-third was used for the office, while the other two-thirds was made up of walk-in freezers and coolers. And in March of 2005, Elaine came on board full time to manage the books.”

In 2007, Arrowhead moved into a much larger facility in North Kansas City.

“The whole building now is 3,500 square feet, so we've really opened up and given ourselves some room to breathe now,” he said. “We have an air freight courier housed and based in Chicago and have a broker here that we ship



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Besides exotic meats, Arrowhead Specialty Meats sells high-end mushrooms, and the owners keep some reminders of their days as ostrich farmers on display.

back and forth with. We've been doing that now for 10 years.”

FATTENING THE CALF

Arrowhead always has fed its growth on an organic diet, from the chest freezers in the basement all the way to the new facility. Telge said his experience in other sales jobs gave him a solid grasp on gross margins and inventories and what was needed to make his small but growing business thrive.

Telge said the company showed 2006 revenue of roughly \$750,000, which increased by 75 percent in 2007. He projected a more modest growth figure of 32 percent in 2008.

In short, he said, Telge makes doing business a joy because he makes it easy.

Taking care of existing accounts is “how you grow a business and do it without messing up your cash flow,” Telge said.

“When you see businesses making 200 percent gains, there's a good chance you're going to see a few crashes in there as well,” he said.

No crash seems to be in Arrowhead's future: Despite the economy tanking, Arrowhead is setting sales records.

“Knock on wood, June was our best month ever,” Telge said. “But because of all the new accounts, it's hard to see how the economy is really affecting us right now.”

“Then again, where would we be if the economy wasn't this bad and gas wasn't \$4 a gallon? I suppose that is why I keep getting out there, re-establishing us with these chefs and doing cold calls.”

ARROWHEAD SPECIALTY MEATS INC.

Description: Provider of specialty meats, primarily for the food service industry

Owners: John and Elaine Telge

Founded: 1995

Full-time employees: 4

Revenue: \$1.25 million-plus (2007)

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“When we do projections, we are conservative and have the numbers to back up the forecast,” he said. “While the fact that I've been bringing on a ton of new accounts is good, I'm always aware that we need to be bringing new offerings to our existing accounts.”

That customer service — in addition to Arrowhead's “phenomenal products” — is one of the main reasons Justus said he uses Telge's company.

“He will always find things that I need, but when you go through 50 steaks on a Thursday night and are looking at no more steaks for the weekend on Saturday morning, John brings them up regardless of the fact that he's on a weekend,” Justus said. “In this business, from my point of view, someone getting what I need when I want it is everything, and considering the quality of the product lines he offers, John does it for a very reasonable price.”

M. Steele Brown | Brown is a freelance writer in the Kansas City area.