

Bitter Sweet for Brock Candy



A few weeks back, I wrote a [blog](#) on the experience I had going to the Volkswagen plant in Chattanooga, TN, with my [EO Forum](#). Along the way of doing the tour, my forum mate, BJ Miller, met a gentlemen by the name of [Frank Brock](#). Frank happens to be of the Brock Candy Family of Chattanooga, which was founded in 1909. He was friendly to chat with, and when we told him we were an entrepreneur group and asked to spend a few minutes with him, he was very gracious to do so.

Let's first share a little about the Brock Candy Company. Its founder was [William Brock Sr.](#) who, after traveling a lot, settled in Chattanooga. He invested, with some associates, in the Trigg Candy Company, but bought them out in 1909, and named the company after himself. He focused on making penny candies, and sold to his relationships he made as a traveling salesman to his former clients in small country stores.

The company had an interesting history, and went through quite a few challenges over the years that were turning points of the company. Frank pointed out three of them to us, and

described how they went through them.

The first challenge was during World War I, a time in which sugar rationing occurred. This hampered the business to get enough sugar to make the amount of candy they needed to keep the business running. To substitute for some of the quantity of the sugar, Brock Candy put peanuts in a candy bar and added a light coating of chocolate. This five cent bar soon became a big seller, and is what is known today as the Baby Ruth bar.

Then, after they were hit hard in the Great Depression, Brock Candy needed capital to continue running its operations. At that time, it wasn't like it is now with so much bureaucracy, regulations and paperwork. Things were done at that time based on relationships, and with the great relationships that Brock Sr. had, he was able to get the money he needed to keep his business going with a hand shake.

The last challenge was trying to compete as times were changing and the rise of supermarket chains began eliminating the independent rural stores. The company depended on this network of small outlets to sell its candy. Also, the bigger candy companies, like Hershey and Mars, had more of an "in" with the supermarkets, pushing the company to change to survive. They stopped with focus on the penny candies, and went to a more expensive candy. You know them today for Chocolate Covered Cherries, Old-Fashioned Crème Drops, and Gummy Bears, which was a much more profitable outlet for them, and proved popular in the market place.

Brock Candy went on to become a public company in 1993, and after only a year, was taken over by Chicago's Brach to become a private company again. The new company was named Brach and Brock Confections, Inc., and was headquartered at the facility in Chattanooga. The merger put them just under the big boys, like M&M/Mars, Hershey and Nestle in the American candy business. Then in 2003, with \$340 million in sales, they were bought by Barry Callebaut AG, a Zurich based company, to

become the world's leader in cocoa and chocolate products.

So I guess sometimes you just don't know what lessons you will find in a friendly face. Thank you, Mr. Brock, for sharing your family history and some tough experiences of an entrepreneur to adapt and survive.