



Ken Klosterman

Ken Klosterman planned on becoming a career military man, but a family illness brought him back into the family business. He never left, much to the benefit of the American baking industry. How Mr. Klosterman guided Klosterman Baking Co. through decades of investing in plants, expanding geographic reach and adding to the product line earned him a place in the American Society of Baking's 2011 Baking Hall of Fame.

"It was the biggest surprise I've had in my life," he said. "What an honor. My gosh."

The family's baking history dates at least to 1848 when Frau Klosterman began selling baked goods in Germany. Frank Klosterman, Ken's great-uncle, arrived in Cincinnati in 1880 and soon set up the French Baking Co. His brother, Benjamin, joined him in the business.

Bernard Klosterman, Benjamin's son and Ken's father, and Jack Klosterman, Frank's son and Ken's uncle, were running the business when Ken started working there as a teenager. His first job was greasing pans. Ken then attended Bucknell University in Lewisburg, Pa., from 1951-55 and received a bachelor's of arts degree. Active in the Reserve Officers Training Corps (R.O.T.C.), he entered the U.S. Army, serving from 1955-58 and rising to the rank of first lieutenant.

Ken put his military career on hold when his father suffered a heart attack. He came home to Cincinnati to run the family business. While his father recovered, Ken decided to clean up the bakery, which included painting. Unfortunately, for the floor he selected paint with polyurethane in it. The resulting fire burned the bakery down.

Afterward, Fischer Baking Co. in Cincinnati assisted Klosterman Baking Co. in keeping in business. Eventually, Fischer Baking Co., a retail bakery involved in home-service delivery, asked Klosterman if it wanted to buy Fischer, which Klosterman Baking Co. did.

Ken, meanwhile, stayed in the industry and took the advice of his dad — be fair both to your customers and to yourself. The company focused on the prices of its



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2011 Baking Hall of Fame



Chip Klosterman, Ken's son and president of Klosterman Baking Co., accepted the award for his father.

products, prices that were fair to customers but allowed the company to succeed.

Bernard Klosterman also used to say he would rather go out of business because of poor management than because of poor quality. Chip Klosterman, Ken's son and now president of the company, gave an example of tea rings. Klosterman Baking Co. once tried to reduce costs on pecans, butter and sweeteners when producing tea rings. Soon, the company was no longer selling tea rings.

"If quality suffers, then the business suffers," Chip said.

Klosterman Baking Co. got out of home-service delivery in the 1960s but stuck with retail bakeries, which numbered as many as 23 at one time. Ken led the way in the 1970s when Klosterman Baking Co. began selling wholesale to restaurants as the demand for hamburger buns increased. His wife, Judy, coordinated the retail store in the 1970s.

In 1978, Klosterman built a second bakery plant, called KBI, in Morristown, Ind., that supplied buns to McDonald's restaurants in Indiana, Kentucky, Tennessee, Ohio and Illinois. More expansion followed in the 1980s. The company acquired Schafer Baking Co. in Springfield, Ohio, in 1984 and renamed it KBO, Inc. In 1987 Klosterman added West Baking Co. in Indianapolis and named it KBW.

Throughout his career Ken has given of his time to industry and community. He served as president of the Variety Bakers of America and as president of the Ohio Bakers Association. He participated on boards for the American Bakers Association, the Long Co., the Cincinnati Restaurant Association, the Cincinnati Convention

Bureau and the Township of Goshen Improvement Community Operation.

Ken Klosterman's success in the baking industry may have come through hard work, but he knows about magic, too. A charter life member of the Society of American Magicians, he once served as president of the International Brotherhood of Magicians.

In the past 20 years, Klosterman Baking Co. has not performed a disappearing act — far from it. The company in 1996 joined Fresh Start Bakeries, Inc., and Cordia, Inc. (a McDonald's Corp. franchise) to build a bakery in Dickson, Tenn., that produced hamburger buns exclusively for McDonald's restaurants. Klosterman constructed other bakery plants in 1998 in Puerto Rico and in 2006 in Springboro, Ohio.

Klosterman offers about 400 different products now. Flat bread, bagel thins and sandwich thins were scheduled to come on line in April, Chip said.

"We'll make anything the customer wants," Ken said.

The family remains involved in the business. Chip is company president, and his father is pleased with the results.

"I worked for my father," Ken said. "That is probably the toughest thing for any son to do."

Chip accepted the Baking Hall of Fame honor for his father on March 7 in Chicago when his father was not healthy enough to attend the American Society of Baking's Baking Tech 2011. Ken passed his title of chairman and chief executive officer over to his daughter, Kimberly Klosterman, in 2009. All three family members serve on the company's board of directors as well as another sister, Jayme, and Chip's three daughters. MBN



Participating in a ceremony in which KBI, Inc., wholly owned subsidiary of Klosterman Baking Co., was honored by McDonald's Corp., were, from left, Roland Long, McDonald's vice-president and regional manager; Ken Klosterman, president of KBI and Klosterman; Dick McGree, McDonald's owner/operator in Columbus, Ind.; Bill McCracken, KBI plant manager; Jerry Roussell, McDonald's purchasing manager, and Larry Atherton, vice-president and treasurer of Klosterman.