

THE MAKING OF SMARTCAKES

HOW THIS GUY CREATED HEALTHY, YET INDULGENT,
BAKED GOODS



Harvey Heuvel, CEO of Smart Baking Company LLC, holds a tray of Smartcakes: the gluten-free, high-protein treats his company produces and distributes out of a Sanford facility.

When [Harvey Heuvel](#) and his family moved from Amsterdam to the U.S. in 2002, he sought to make a major shift in his career path.

The Dutch businessman's background included leadership roles in information technology for airline companies — including KLM, the world's oldest airline still operating under its original name — as well as handling a print-to-digital transition for the largest newspaper in Amsterdam, including heading up the purchase of digital and TV media companies.

After the family decided to leave Holland and move near Walt Disney World, Heuvel knew he wanted a job change, as well. His wife and two sons, meanwhile, wanted to do something fun. And when the family talked about what they enjoyed, they kept coming back to eating. So the Heuvels started a restaurant.

"My son said, 'Let's buy some real estate, put a windmill on it, call it a restaurant and do some totally Dutch things,' " Heuvel said.

The family opened three restaurants near what's now the Legoland Florida theme park: Cafe Dough Mond, I Am Pasta Cafe and Iamsterdam. But they still weren't quite satisfied.

"Looking back, it wasn't that much fun," Heuvel said of being in the business of running multiple restaurants for about five years or so. "But while doing that, we were getting so much attention on our products."

It was just about that time that people were becoming more conscious of how specialty diets — like gluten-free — could help them overcome health issues. Customers would come in to the restaurants and ask the Heuvels if they could make their products a little more healthy. That inspired the family to begin exploring sugar-free, starch-free, zero-carb and gluten-free recipes. Several recipes later, they developed and created a product, pitched to investors and were ready to get started on manufacturing and selling their products: Smartcakes and Smartbuns.

In 2015, Heuvel founded Smart Baking Co. LLC using money raised from the sale of the family restaurants and initial investors, adding more than \$800,000 for a dedicated, gluten-free production facility in Sanford.

Commercial sales launched in early 2016, and the company saw its first profit a year later, breaking even on the investments just a few months later. The company last year raised an additional \$1.3 million to expand its production center and add a larger automated production line, as well as more batch production capability.



Today, Smart Baking Co. creates multiple flavors of Smartcakes and Smartbuns that are described as "beyond gluten-free." It has grown to nearly 75 employees, a 32,000-square-foot production center and an 18,600-square-foot building that houses marketing, customer service, order fulfillment and distribution.

And Heuvel already is anticipating a need for more space, eyeing another roughly 50,000 square feet to accommodate its growth.

Smart Baking is on track to hit \$11 million in revenue this year.

The company has seen immense revenue growth, reaching \$5.95 million in 2018. That accounted for 1,334% revenue growth in the last three years — putting it at the No. 1 spot on *Orlando Business Journal's* 2019 Fast 50 list. The list recognizes 50 of the region's fastest-growing privately held companies headquartered in Orange, Seminole, Lake and Osceola counties.

Here, Heuvel shares more on his recipe for success:

How did you get your idea off the ground? We started with developing the product in our living room. One day, my son [[Valentino Heuvel](#)] came and said, "I think I've got a great recipe to make this happen." My wife said it didn't taste good and then she went to the kitchen to see if she could make it better. We challenged each other. Eventually, we came up with a pre-baked loaf that looked like something great. We went to see if investors would be interested in this thing ... but it was not good enough. We went back to the drawing board and the taste became better, so we did another pitch, and they said it was better than the first time. After pitching our product for two years — changing it and creating a cake product that was delicious, and creating packaging for it — it was delicious and our investors said, "Guys, you've got a winner." That was around 2014.

What were some of your early challenges with creating your product? Every time we asked people if they were familiar with baking products that were gluten-free and sugar-free, they would say, "No, you can't. It won't taste anything like you want it to." But we're stubborn Dutch people, so we were insistent we would do something to try to make it happen.

You're in a pretty crowded market. What sets your company apart? First, the properties of the product itself. Yes, there's a lot of competition, but it's more around gluten-free. They're trying to get the carbs out, but when you do that, the taste is gone. Our product got rid of carbs without affecting its good taste. We don't use preservatives, the nutritional value is amazing, and we use top-quality ingredients. We envisioned this from the start that it would allow family and friends to sit together at the table and eat the same product, whether people are diabetic, have high blood pressure, want to lose weight or built their lifestyle around healthy ingredients.



Why do you think you were successful at creating these specialty diet-friendly products? To be fair, it was about seeing things differently. For example, I can ask someone in IT about something very complicated, and they will say it can't be done, until someone who comes in with a totally different attitude who's not IT — like Steve Jobs. That's like us; we were not bakers, so we could make something really different because we looked at it from a different angle.

What's your greatest memory about starting the company? The excitement I had. I still remember when we hired one person to help us, and when we went to the post office to do our first delivery to a customer. That was the greatest moment: One customer buying one product. That's when we started becoming a bigger company, with more staff. We had six to eight people at that time. It was a great time, and everybody was involved in everything.

What did your background in IT provide for you in running your business today? It gave me a lot of business perspective on how you can manage a staff with different types of people from different backgrounds. Also, everything I did was based on how you can make your life a little more effective by using software.

Describe your leadership style: I'm very loose in managing people. Once I give them guidelines and put them on the right track, I just need to make sure together we manage our stakes in the ground. They know what needs to be done. If they want to go from Point A to Point B, we'll be there for them to train them. I just tell them to be sure that what you did yesterday, you improve today.

Where do you see the company in five years? I think we'll be one of the best players in the marketplace that provides gluten-free products for a really good price. We'll be a market leader at that point.

What's your next big challenge? Big-box stores — that's going to put us in the next phase of growth. We look at every angle when we go into a new marketplace. And we're not so afraid of doing that.

Smart Baking Co. LLC

- Rank: No. 1
- 2016-2018 revenue growth: 1,333.73%
- Top executives: [Harvey Heuvel](#), CEO; older son, Valentino (Val) Heuvel, CFO/chief innovation officer; younger son, [Dave Heuvel](#), head of sales department; wife, [Joan Heuvel](#), quality controller
- Products: Smartcakes and Smartbuns
- C. Fla. employees: 75
- Founded: 2015
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