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Bakery to Market State
Cake Nationwide

Bakery seeks to market Smith Island cakes nationwide

By RICHARD McNEY
Editor

EWELL, SMITH ISLAND — Last year Brian Murphy worked as a commodity trader for Constellation Energy. This year he is running a bakery making Smith Island cakes on an island only accessible by boat.

This past December, due to the struggling economy, Constellation Energy eliminated the division in which Murphy worked. Instead of staying on and switching to another division he decided to accept a severance package.

While working for Constellation Energy Murphy had enrolled at the University of Pennsylvania's Wharton School with the intention of furthering his career. He graduated with a MBA in spring 2008.

In business school Murphy was introduced to the idea of building and growing companies — something he thought he would enjoy. After losing his job he decided to test the notion by launching the Plimhimmon Group, a principal investment firm located where he lives in Chevy Chase. The goal of the group: make and manage investments in closely held companies using its own capital and the capital of a small group of investors. The first investment is the Smith Island Baking Company.

Murphy has strong ties to the Eastern Shore. He moved around a lot with his family until they moved to Easton when he was in second grade. He lived in Easton through his high school years and his mother still lives there today.

He had heard about Smith Island cakes before, but the first experience he can remember tasting one was when he and his wife, Joy, purchased a cake for his mother's birthday last February. After Murphy left his job in December he took about a month off and traveled to Smith Island to visit with some of the women who make the cakes.

Smith Island, 12 miles west of Crisfield (or about a 45 minute ferry ride), is Maryland's only inhabited offshore island, with about 250 full-time residents. The island once thrived as a community of watermen. The men still work the water today and the women pick the crabs and are known for making Smith Island cakes.

The history of the Smith Island cake is unclear, but the women of the island have been baking the cakes as long as anyone can remember. The traditional cake is eight to 10 layers of yellow cake with chocolate frosting between each layer and covering the entire cake. In October 2008, the cake received a boost in notoriety when it was named Maryland's state dessert.

When Murphy presented his idea to start a bakery making Smith Island cakes on the island he found a group of women living on the island who were interested and a "great manager" named Kristen Manzo. She is not originally from the island, but while working with the Chesapeake Bay Foundation she fell in love with the island



PHOTO BY RICHARD McNEY

The Smith Island Baking Company made its first cake on June 24 and is attempting to market its cakes nationwide. Pictured from the left are President Brian Murphy, Joan Corbin, Louise Clayton, Donna Smith and Manager Kristen Manzo.

and her husband who lives on the island. "I always loved to bake so it was perfect for me," said Manzo, who made her first cake in 2005.

Murphy found a building on the island that was previously a bakery and entered into a long-term lease. He also hired nine women to make the cakes and run the bakery. The Smith Island Baking Company baked its first cake on June 24. A confluence of a lot of things led Murphy to move on the idea of opening a bakery on Smith Island, including the idea of building a brand, creating jobs and promoting local economic vitality.

"As our first transaction, this captures the spirit of what we are trying to do with Plimhimmon," he said. "Smith Island is a special place, filled with truly amazing people. But it's also a poor island, where the median GDP per capita is roughly half that of the rest of the state. Most residents are living on the brink of poverty."

Murphy intends to employ 20 people by the end of the year — something he believes would provide a "meaningful

improvement to the local economy and quality of life on the island."

Murphy wants to grow the business slowly and is working out some kinks: toying with the recipe, addressing shipping problems and working on the design of a gift tin in which to ship the cakes. The bakery currently offers two cakes: a 10-layer yellow cake with chocolate fudge frosting and a cake with chocolate fudge and peanut butter frosting. The cakes are available in nine- and six-inch sizes. A nine-inch cake sells for \$39.50 plus shipping. A price point has not been set on the six-inch variety. Each cake comes with a card that tells the history of the island and cake, and is signed by the ladies who baked that cake. Unlike many recipes that are made using cake mix, the Smith Island Baking Company's recipe is made from scratch, Murphy said. The layers are baked individually and then stacked and frosted.

The bakery has a storefront that is open to the public where visitors to the island can come in to purchase a slice or whole cake to take home. The staff continues to

work to fix up the building — Murphy painted the signs himself.

While many people make and sell the Smith Island cakes, the Smith Island Baking Company is the only bakery focusing on distributing the cakes nationwide as gifts over the Internet, Murphy said.

"Our goal is to have the Smith Island cake occupy a significant portion of Maryland online and seasonal gift markets," Murphy said. "Several high profile companies have committed to sending our cakes this holiday season, as well as throughout the year. We also expect our cakes and related merchandise to have a substantial draw on the retail level. People love the product, the people, and the story of the island. This company represents a great opportunity for its stakeholders, its employees, and the island itself. We're thrilled to be a part of it."

"It has been wonderful," Manzo said. "The ladies are all very excited and so am I. It is a wonderful opportunity to bring more

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Satchell said that all of the team members have close ties to the community. He said his dad, who was a CPA in Easton for 38 years, taught him to give back.

"We all have a tremendous sense of pride in being involved with the community," he said. "We all have that engrained in our heads."

In the past 18 months the economy has devastated people's investments, he said.

"It has just been a very difficult environment to function with," he said. "You want

to make sure that you always do the right thing for a client. You want to make sure you always have your client's interest first. That is one of Baird's mantras. It is going to take a while for the industry to gain the confidence back."

Baird uses a comprehensive approach to financial planning and wealth management, supported by research and technology. Baird financial advisors serve as personal wealth managers, developing customized financial strategies that address key concerns such as financial planning, asset alloca-

tion, tax management and wealth transfer. They are supported by nearly 60 in-house specialists in areas including estate planning, tax planning, investment research, and specialized services for business owners and corporate executives.

The Easton office has room for expansion — in terms of financial advisors or another team of financial advisors, Satchell said. Baird has expressed a desire to grow in a responsible and conservative matter, he said.

"I hope we will continue to see Baird's

presence grow in the Mid-Atlantic region and we are going to do our very best to make their name grow in Easton," Satchell said. "Knowing the firm and the town of Easton, it is a great fit. Having a company like this that very much values the sense of community and the importance of giving back, I think Baird will be a tremendous asset to the town."

For more information, visit www.rwbaird.com or call 410-822-2140. Baird's Easton office is located in Talbottown at 218 N. Washington St.

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economic opportunities to the island.”
 When asked about challenges he has faced starting the business, Murphy responded: “I run a bakery in the middle of the Chesapeake Bay.”
 Understanding the logistics of running a business on an island has taken a little time, he said. Everything has to be brought in by ferry. Murphy visits the bakery once every week or two from his home in Chevy Chase. He purchases ingredients from a commercial bakery in Baltimore and then delivers them to the island by driving them down to Crisfield in his wife’s minivan and loading them onto the ferry. On a recent trip he transported more than 1,000 pounds of ingredients and drove the entire trip with oversized signs he painted for the building poking him in the back of the head.
 “It is really fun to build this from the ground up,” he said. “It doesn’t feel like work.”
 For the most part, Manzo and the ladies run the daily operations of the bakery. Murphy said that the ladies are unbelievably hard workers and he is more useful off the island trying to run the business side instead of getting in the way on the island.
 Murphy has taken steps to give each employee an equity stake in the business when it starts turning a profit. He also plans to donate a portion of all profits to several charities.



PHOTO BY RICHARD MCNEY

Donna Smith of the Smith Island Baking Company assembles the layers of a Smith Island Cake at the company’s bakery on the island.

The bakery is ramping up production now and sometimes makes as many as 20 cakes a day, Murphy said. The goal is to get to 250 cakes a week just before the holiday season, he said. He expects the holiday gift market to be the cake’s ultimate

market and he also should have gift tins available for the season.
 A map of the U.S. with pushpins in locations they have shipped cakes decorates the wall of the bakery. Murphy has hopes

to fill the map with pushpins.
 “This is kind of the dream, running your own company and doing your own thing,” he said. “I love it. If you can run a bakery in the middle of the Chesapeake Bay I

think you are very well equipped for running any business.”
 For information on the Smith Island Baking Company, visit the Web site www.smithislandbakingco.com.

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