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## HOUSTON BUSINESS JOURNAL

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### Tasting success at Tres Market

Julie Rhyne and Jeannine Holland turned a shared interest in cooking into a thriving business

Houston Business Journal - by [Susan Powell](#)

How did two moms who liked to swap recipes build a half-million-dollar catering and pantry food business?

Robin Collins, a marketing representative with Houston-based food supplier Sysco Corp., says it's because Jeannine Holland and Julie Rhyne, owners of Tres Market Pantry, Bakery and Catering, are "two smart businesswomen."

"They know their customers by name," Collins says. "They only accept premium ingredients even if they are offered discounted goods. And they choose to work on cash on delivery even though they could get credit if they want it."

The duo's unwavering insistence on using the finest, freshest ingredients is echoed by supplier Clint Weber, district sales manager with Fort Worth-based food service products distributor Ben E. Keith Co., but he also points to hard work and dedication as a reason for Holland and Rhyne's success.

Tres Market, which makes and sells entrées, salads, side dishes and desserts to people who have too little time to prepare meals for themselves, had its origins in a trio of women living in the Memorial area of Houston who loved to cook.

After swapping recipes, they graduated to sharing favorite dishes at after-school swim practices and other events and that, in turn, evolved into a successful word-of-mouth catering business operating from their own home kitchens and growing to sales of more than \$100,000.

By 1997, however, it had become clear that the business was outgrowing the capacities of their own kitchens and they would need a storefront, Holland says. It was at this point that the third member of the trio decided to bow out.

Holland and Rhyne meanwhile continued to work from their homes, saving money to help them open their store. And in 2001 they found just the space they were looking for at 12699 Memorial, close to their homes.

Then they ran into an unexpected problem.

To start up the store they needed financing — something they expected to be simple and straightforward given the proven success and revenue of their home-based operation. But when they approached banks they found themselves being passed up the chain of command, always having to produce more paperwork at each level.

Rhyne says the bankers wouldn't say why they were reluctant to lend them money, but she believes they were viewed as "high-risk."

"It was so difficult," she says, "If I didn't have a business partner, I would not have pursued it."

Their perseverance finally paid off when, after a six-month search for capital, Amegy Bank approved a \$50,000 start-up loan.

"People come into the shop all the time to talk about starting a business like ours," Rhyne says. "I tell them they need to persevere."

With the loan provided by Amegy the partners got their store up and running just how they wanted.

Keen for their business to grow, but not wanting their families to suffer, the women for years prepared and packaged lunches for their corporate and legal clients in the mornings and, at 2 p.m. each day, locked up the shop and devoted themselves to their families — driving their children from school to home and after-school activities.

After supervising homework and getting their children off to bed, Rhyne planned the next day's activities at the shop while Holland, who had previous business experience, worked on the books.

In the 1980s, Holland and her husband, Jay, owned a number of Knot Shops tie boutiques in Houston until the advent of "casual Fridays" ushered in a less formal style and they decided to close the stores. But the experience she gained — from bookkeeping to dealing with vendors — was invaluable in getting Tres Market off to a sound start.

Three years after establishing the Memorial storefront, the company's customer base was mushrooming as people discovered Tres Market was a great place to pick up dinner and, to meet the growing demand, Holland and Rhyne hired an afternoon manager who kept the shop open until 6 p.m.

An increasing customer base also meant they were fast outgrowing their space and needed an expansion loan to build out a cooler-refrigerator that was the size of their entire original store. To finance this, Amegy Bank came up with another \$50,000 loan that is already



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Julie Rhyne, left, and Jeannine Holland of Tres Market: Initially had difficulty raising financing.

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nearly paid off.

Today, both women are enjoying the sweet taste of their success, says Rhyne, noting that lenders that once were reluctant to offer start-up credit and suppliers who said they were too small to service in the early days now seek out their business.

#### EXCEEDING EXPECTATIONS

This year, sales through the summer are up 12 percent.

“Tres Market has far outpaced any of the insiders’ expectations,” says Weber of Ben E. Keith.

And the company’s success has not gone unnoticed. A major food retailer, which Holland and Rhyne declined to name, is encouraging them to franchise the business, though they are not considering going forward with that at present.

However, that doesn’t mean expansion isn’t in the cards.

When afternoon store manager Ricki Schwartz, graduates from the University of Houston’s College of Hotel and Restaurant Management in May, Holland and Rhyne believe they will have the flexibility they need to open a second location.

Schwartz will manage staff and they will hire more people to operate the new location, they say.

Although they haven’t yet identified that location, they intend for it to be more convenient for their customers from the River Oaks, West University and Tanglewood areas.

Meanwhile, Holland and Rhyne, who always intended that their business would not dominate their lives, continue to leave the store around 2 p.m. every day, leaving Schwartz in charge until closing time.

Their recipe for success is one that resonates with employees, customers and suppliers alike.

“I’d like to have more customers like Tres Market,” says Sysco’s Collins. “They are great women to work with. Their food is terrific — and their cookies are scrumptious.”

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