

● For most couples, losing both incomes in the space of three days would be their worst nightmare. But for Melbourne couple Katie Bennett-Stenton and Steven Stenton, being retrenched from their corporate jobs in October last year was the catalyst they needed to start baby-food company Annika's Favourites.

Getting over the initial shock of the double blow was traumatic, Bennett-Stenton says. She was enjoying the last three weeks of maternity leave from her communications job at architecture firm Hassell when she received the news that her position had been made redundant.

The couple had barely digested the news when Stenton's position as strategy director of NEC Australia was abolished three days later. "It was an emotional and pretty dreadful time. Obviously these things aren't personal, but it is an extremely difficult thing to go through."

Before losing their jobs, the couple had booked and paid for a holiday to Thailand to celebrate Bennett-Stenton's last weeks of maternity leave. They spent most of their holiday discussing options for their future.

It was during her maternity leave that Bennett-Stenton had first thought about starting a new business. While cooking for baby Annika, she discovered that there was a gap in the market when it came to high-quality, tasty baby food.

Canned foods giant Heinz still dominates the Australian baby-food market with a market share of 39 per cent, data from Euromonitor International shows.

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"Just before my daughter started eating, I started doing a lot of preparation – making and freezing food for when she went onto solids," she says. "During that time I recognised that you couldn't buy good quality baby food that looked and smelled like real, home-made food."

The Annika's Favourites range covers three age groups: four months-plus, seven months-plus and nine months-plus. Meals range from basic carrot with mint and zucchini to the more exotic dahl with rice and fruity chicken korma.

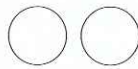
The couple spent three months researching the baby-food market before deciding to invest \$60,000 of their savings and retrenchment payouts in setting up the business. Annika's

Favourites launched in May and sells its products online and through its inner-city St Kilda store.

Finding a manufacturer was difficult, Bennett-Stenton says. Some companies she approached were not interested in small-scale operators and considered baby food to be riskier than making regular food products due to the vulnerability of infants. Eventually, the couple decided to use a family business in the Victorian regional town of Euroa to produce its recipes.

They developed the menu before approaching the small-town manufacturer. Bennett-Stenton, who grew up in Euroa, says it was satisfying to give back to her home town.

"We also use a lot of local produce from the area, which means we know exactly what's going into the food and where it comes from," she says. "It's all made by hand by the one family and it's very different to the kind of production-line set-up that you see with other manufacturers." **BRW.**



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Interview: Jane Lindhe

Katie Bennett-Stenton

Annika's Favourites

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| Position: | Co-founder |
| Milestones: | 2008: Katie Bennett-Stenton and husband Steve retrenched within days of each other in October |
| | 2009: Annika's Favourites baby foods opens in May |

LIFECYCLE: CATALYST

New parents seize on a gap in the baby food market