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Small Business

## Let Them Buy Cake

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We've all heard the advice for hopeful business founders: Do what you love, and success will follow.

One sweet empire has certainly followed this path. Decorating cakes started off as a hobby for Edda Martinez, founder of Miami-based Edda's Cake Designs.

Almost 30 years later, her company earns just over \$4 million in sales annually -- not bad for a business that was started in a home kitchen.

Martinez, originally from Cuba, considers herself first an artist; she has also had a lifelong love of baking. While taking a cake-decorating class, her pastry-bag prowess prompted the school to offer her a job teaching the craft.

She soon found herself being asked by many of her friends and family to bake cakes for special occasions, and her calendar quickly became filled with orders. There wasn't enough time for everything. "All of a sudden I had to make a decision: to teach or to bake," Martinez says.

Her decision was to leave the classroom for her own kitchen -- and it was a wise one. The demand for her product quickly outgrew the space in her home. "I had cakes everywhere," Martinez recalls.

This prompted her to open her first retail store in South Miami in 1991. A second shop followed in nearby Doral, Fla., in 1998; the third soon followed in 2000 in Coral Gables, Fla., and the fourth opened last summer in Pembroke Pines, Fla. The company employs many family members, and about 80 people total, including 20 cake designers.

Martinez admits her strength is in art: "I'm not a businessperson. I leave that to my son, Carlos." He is in charge of the company's marketing, sales and store expansion. Martinez's daughter, Susy, runs the Coral Gables location and her daughter-in-law, Ana, manages the Doral store. Her husband, Eduardo, even took an early retirement to help out with operations.

Martinez's specialty is creating cakes in unusual shapes -- purses, golf clubs, mermaids, corsets. Her clients name it, and she can create it.

Her business also specializes in creating exact replicas of photographs directly on a cake. They are indeed works of art, in the most delicious form imaginable.

### The Real Sweet Science

I had the opportunity to meet Martinez and her family at the South Beach Wine and Food Festival: She was commissioned to create an exact replica of new residential property Viceroy Resorts & Residences South Beach on a cake for the event.

Sweet Success



The massive cake (containing 300 servings) was sold to the festival for a whopping \$7,000. When I found out the price, my mouth dropped open in shock, but I quickly closed it after putting in a sample slice.

How did Martinez command such a fee?

This cake required more than 50 hours, over a period of three days, to complete, as well as only the most skilled (and suitably compensated) decorators. Further, for such a grand-scale project, the company had to turn away other orders for several days.

It's similar to creating any other piece of art. "There's a lot of planning and process that [go] into it; it doesn't happen immediately," says Martinez. Details such as the building's setting -- right down to the palm trees and cars -- were recreated to scale, she notes.

## **Bake-Off Benefits**

When she started out in the 1970s, Martinez was a trendsetter in the field of designer cakes. "I didn't have any competition back then," she says.

Now "the landscapes of bakeries have changed," Carlos Martinez says. Grocery stores nationwide such as **Whole Foods** (WFMI) , **Kroger** (KR) , **Safeway** (SWY) and **Costco** (COST) now have their own bakeries, often with a wide range of inexpensive, customizable cakes.

According to industry publication *Progressive Grocer*, total in-store bakery sales at U.S. grocery stores increased by \$230 million in 2006, a 2.5% jump from 2005 and the largest gain on a percentage basis since 2002.

Carlos Martinez, who formerly worked as a district manager at **Sam Adams** (SAM) , is well versed with food industry marketing. "People are willing to pay more for better quality. You have to be different to survive against the majority of companies," he says.

Even as a small business, the volume that its stores produce separates it from the competition. "We do about 80 wedding cakes a week out of the four stores," he explains.

Price is determined by the size and decoration scale of the cake. A 9-inch-by-13-inch cake shaped as a Louis Vuitton purse, for instance, would cost about \$150 -- 30 portions at \$5 apiece.

The company is "still a big fish, just now in a bigger pond," Carlos Martinez says. The competition "is helping us create an industry that didn't exist before."

## **It's No Cakewalk**

Martinez keeps a careful watch on the future of her business.

"Right now we want to maintain and improve our standards. You need to be on top of everything," she says.

She attends industry trade fairs to keep abreast of culinary trends, such as those of the International Cake Exploration Society and Retail Bakers of America. "One of the newest trends is using beads, rhinestones and jewelry," Martinez notes.

Expansion is also in the works: The new warehouse, where all the cakes are baked, is 6,000 square feet, double the size of the old location. (The cakes are still all decorated at the individual stores.) And there's a possibility of opening a fifth store in Miami Beach, if it can get kosher certification.

As for the most important question: Does Martinez still enjoy eating her cake? "No, I don't, but my husband still likes it, after all these years, and my grandchildren love it," she says with a smile.