

# Chicago Tribune

By Mike Hughlett, Tribune reporter

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In the 1970s, Joe Perrino worked the dough, making the foundation for pizzas at Home Run Inn, the restaurant owned by his father, Nick. Back then, Home Run Inn made frozen pizzas, too, but they were a sideline. Nick Perrino's passion was his pizzeria.

But the younger Perrino had bigger dreams, and to him the future was in frozen pies. So when he took charge in 1990, Joe Perrino put his plans into action, taking on the multinational giants of the frozen pizza world.

Today, Home Run Inn is the leading frozen pizza brand in the Chicago area. It's no small feat: Although local food brands often have strong followings, they rarely trump national brands in major categories such as frozen pizza.

Family-owned and family-run Home Run Inn has obtained a foothold in a few other markets, too, notably Denver, and it also has snared a national deal with Costco. In addition, the company is about to launch its first non-pizza products for the grocery aisles: frozen pasta dinners and Home Run Inn-branded wine.

"Joe Perrino has done a great job," said Bob Garrison, editor-in-chief of Refrigerated & Frozen Foods, a trade publication. "It takes a lot of fortitude to invest and grow."

Packaged-foods giant Kraft Foods Inc. of Northfield is the nation's leader in frozen pizza, though it is selling its pizza business for \$3.7 billion to another corporate giant, Nestle SA, to help finance the acquisition of confectionary powerhouse Cadbury PLC.

Kraft's DiGiorno is the leading U.S. frozen pizza, and its Tombstone and Jack's brands are also big sellers. But despite Kraft's muscle, in the Chicago area Home Run Inn had a commanding 22.4 percent market share

for the 52 weeks ending Dec. 26, according to market researcher Nielsen Co. DiGiorno was second, with an 11.6 percent share, and Tombstone had 10.9 percent.

Home Run Inn's pizza plot line began in the 1940s, when Nick Perrino, an Italian immigrant, went to work at his in-laws' West Side bar. There, he and his mother-in-law, Mary Grittani, developed the recipe for Home Run Inn's pizza.

At first, they gave it away to lure customers in for drinks. As it caught on, pizza itself became a draw, and by the 1950s, Home Run Inn was selling pies in local grocery stores.

Joe Perrino, now 56, went to work at Home Run Inn when he was 15. Although he would go to college, first to study dentistry at the behest of his parents and later switching to business, his heart was always in making pizza. So he made it a career.

Joe Perrino was always itching to expand both the restaurant business and the frozen pizza operation. But Nick Perrino was risk-averse, particularly about the latter.

"He never really wanted to expand rapidly, for fear of losing everything," Joe said.

"There'd be these brutal arguments," he said. And they'd devolve to the most rudimentary father-and-son communication. "I'd ask, 'Why can't we?'" The answer: "Because I said so."

But by the late 1980s, Nick agreed to open a second pizzeria and to build a commissary that would make dough and sausage, along with producing frozen pizzas. After Nick died in 1990, Joe continued to add restaurants — there are eight now — and he built a state-of-the-art frozen pizza factory in Woodridge in 1995.

The new plant opened just as a major competitor entered the Chicago frozen pizza market with a big promotional effort, igniting a price war. Perrino had the queasy feeling of watching his sales drop just after making a huge investment. But the decline lasted only a year, and Home Run Inn regained its footing.

The restaurants are an important part of the business, making up 30 percent of Home Run Inn's revenue. They also serve as a marketing tool in Chicago for the Home Run Inn brand, Perrino said.

But growth lies primarily in frozen pizza, and Home Run Inn has done plenty of growing in recent years.

For the 52 weeks ended Dec. 27, its U.S. sales through conventional grocery channels were \$46.1 million, up 16.5 percent over the previous year, according to market researcher Information Resources Inc. That made it the fastest growing of the nation's top 10 frozen pizza makers last year.

Home Run Inn has just a sliver of the national pie, with a market share of 1.45 percent, according to IRI. But sales outside of Chicago and Milwaukee now make up 30 percent of Home Run Inn's frozen pizza revenue.

And in Chicago, Perrino said, he sees more room for growth, even though Home Run Inn's market share has already risen from around 15 percent six years ago, when it was the region's No. 3 frozen pizza brand.

With demand rising to the point where Home Run Inn was having difficulty filling orders, the company two years ago undertook a \$10 million expansion of the Woodridge plant, adding a second production line.

Perrino says Home Run Inn's crusts and sausage help set it apart from its competitors. Garrison, of Refrigerated & Frozen Foods, agrees.

Most pizza-makers use precooked sausage, Garrison said, while Home Run Inn makes its own sausage on site. So, said Perrino, the meat is cooked when the pizza is baked, imparting more flavor to the pie.

Meanwhile, Home Run Inn's dough is fermented, leading to a crust taste described as "buttery" by Garrison.

"They have a very distinctive product in terms of that crust," he said.

A critical ingredient to Home Run Inn's success in Chicago is its distribution strategy. In 2002, a veteran pizza industry executive, Jay Williams, came to Home Run Inn with the idea of creating its own distribution company. The joint venture directly delivers frozen pizzas to Chicago-area grocery stores.

Home Run Inn will soon be hitting the grocery aisles with single-serving frozen pasta offerings that come in four varieties. The products, which are based on Home Run Inn restaurant recipes but made by a contract manufacturer, are due in Jewel stores next month.

They'll face tough competition from the likes of national brands Marie Callender and Stouffer. Perrino didn't seem worried, however, "because we have a distribution network, and that's a key to getting it on the shelves."

