



FOOD WARMING
EQUIPMENT COMPANY, INC.

FOR 50 YEARS,
A COMMITMENT TO EXCELLENCE

FIVE

For 50 years, A Commitment To Excellence

It was more than 50 years ago that Oren E. Klemm —described by his son Richard Klemm as a “risk taker” — tinkered his way to changing the face of foodservice.

In 1946, the elder Klemm founded a water filtration business in modest beginnings, a garage in suburban Chicago. In the late 1940s he pioneered the “HOT-SERVE” line of Food Warming and Conveying Cabinets that are known throughout the food service industry today as Heated Banquet Cabinets. Food Warming Equipment Company, now also known as FWE, marks its 50th anniversary of incorporation in 1953.

“He helped change the whole concept of mass feeding, but did it in an elegant manner,” Richard Klemm recalls. “Before Dad, when you went to a banquet, the head table would be finished eating before everyone else had been served their food.”

Like father, like son. Since 1972, Richard Klemm has run FWE as chief executive officer and chairman of the board, receiving four patents for his innovations, overseeing a manufacturing plant move as well as several expansions of the manufacturing facility and positioning the company for the next half century.

FWE, based in Crystal Lake, Ill., is an innovator in equipment for rethermalizing, cook-hold and transporting food either hot or cold, as well as portable bars. The company makes close to 500 models, including 68 different types of banquet carts with five unique heat systems, a much larger selection than the nearest competitor. Customers range from fine dining and hotel resorts to casual dining, QSR chain restaurants, schools and universities to the very demanding prison/penitentiary segments — and all operations in between.

Early Breakthroughs

While holding hot food and cold food outside of a kitchen's four walls hardly seems like breakthrough science today, the novelty of FWE's early products cannot be overstated.

In 1954, Clyde Jennings, president of the Hotel Elton in Waterbury, Conn., wrote to FWE, “When I purchased one of your Hot-Serve Food Warming Cabinets last year, it was certainly an experiment from my point of view . . . The idea of getting 50 to 100



Up Close On: Management

FWE was founded by Oren E. Klemm. His son, Richard Klemm, has run the company as chief executive officer and chairman of the board since 1972.

The company's executive team is made up of (clockwise, from center): Deron Lichte, vice president and chief operating officer; Chris Huffman, chief financial officer; Curt Benson, vice president of sales and marketing; Frank Vito, director of engineering and manufacturing; Bruce Grau, controller and director of purchasing; Megan McCarthy, customer service manager; Tom Orgo, national accounts manager.



Up Close On: Technology

A tour of FWE's plant floor reveals the factory's centerpiece, a high-speed, shutterless laser, which on this day is searing through stainless steel cutting an intricate design for a custom-made warming cabinet. The laser replaces the “thunk” of a stamping machine, and soon will be programmed to run by itself with robotics, lights out. Watching the equipment go about its duties, Geoff Buhrow, FWE's production supervisor, observes, “it has increased production three fold.”

This plant is geared up to do what the company does best: meet customers' needs. The laser's handiwork accommodates a last-minute order placed that morning that will be shipped to the customer the very next day.

Oren E. Klemm founds Peerless Water Filter in a garage in Chicago, Ill. The company produces water filtering equipment and water tanks.



Oren E. Klemm develops FWE's welded tubular base-frame design.

1950s

1950s



As a result of a Peerless Water Filter's relationship with PepsiCo., FWE unveils portable bars, known as “The Toughest Bar in Town.”

Early orders come in from Hotel Elton in Waterbury, Conn., The Deshler Hilton Hotel, The Ritz-Carlton chain, Las Vegas' The Sands Hotel, Sheraton Hotels, Albert Pick Hotels, The Savoy Plaza, Chicago's Edgewater Beach Hotel, Gardner Hotels, IBM Corp., Illinois Bell Telephone, L.A. Country Club, Kansas State University and the Harvard Club of Boston.

FWE THROUGH THE YEARS

Peerless Water expands into Food Warming Equipment Co. in the late 1940s as an offshoot of the company's workmanship in stainless steel within hotels, restaurants and hospitals.



FWE's first “Hot-Serve” cabinet hits the streets, with room for 96 pre-plated meals and a list price of \$960.



Food Warming Equipment Company (FWE) is incorporated on Aug. 1, 1953.





party dishes out of the way before regular luncheon or dinner service began would lessen the work at peak times.” He added that the chef was so delighted with the new addition to his kitchen that he actually “caressed” the stainless steel polish on the equipment and would highly recommend the concept. Richard Klemm remembers less emotional responses to early sales calls. “When we introduced refrigerators or freezers on wheels, customers would ask, ‘Why wheels?’ It took some time for the concept of portable food cabinets to catch on.”

However, soon enough it did. Catering clients, such as North Shore Hotel — now a retirement hotel in Evanston, Ill. — purchased FWE hot holding cabinets for serving banquets in 1954 and 1955. The same equipment is still in use today, 49 years later! Few weddings, banquets, dinners or business lunches are served nationwide — or worldwide, for that matter, without mobile carts that keep food fresh and safe until the plates hit the table. Guests who get their food hot and at the same time as those at the host table have FWE to thank.



Introduction of “Bulk Food” cabinets and “Hospital Tray Delivery” cabinets.

Up Close On: Customer Service

When a call comes in to FWE, the rule is simple: No one gets voice mail. FWE’s philosophy holds that the hospitality industry deserves — and expects — the same kind of courtesy it serves up to its customers every day.

“Every person who answers the phone is thoroughly trained in getting you the right answers or the right person the first time,” says Megan McCarthy, FWE’s company-wide customer service manager. “The entire factory participates in a monthly meeting, keeping the staff updated to relevant questions, concerns and projects, including all warranty issues. And factory department heads are brought in to help resolve customer issues and to be part of an overall team addressing those issues. It is a large investment by the company but it repays large dividends in participation, fostering problem solving solutions and addressing possible concerns before they arise.”

Teamwork and Technology

Even businesses that break ground need to continue to evolve, and FWE has done that, while sticking to its five-decade history of teamwork, customer service and value. As the economy has faltered and competition has increased in recent years, FWE has only become more nimble, says Jeff Brown, a foodservice consultant with Miami-based Inman Associates LLC.

“In the last decade, they have become something very special. I recommend their products to clients because other factories are asking, ‘How cheap can we make this?’ and FWE asks, ‘How can we make this better? How can we make the project better?’” Brown says FWE’s Crystal Lake, Ill., plant is among the most sophisticated he’s seen in recent years, with a focus on automation for manufacturing parts, leaving human



FWE moves to Elk Grove Village, Ill.

1960s

1960s



hands — and brains — for assembly, customization and customer service. It is a paperless factory, without the standard blueprints affixed to equipment, typical of many factories. Instead, computers keep the company’s 95 employees connected and up to date. “They have taken profits and put them into state-of-the-art equipment. You just do not see that level of commitment anymore,” Brown says.

Deron Lichte, vice president and chief operating officer of FWE, says the investment has been in people as well as technology. Employees — from factory workers to salespeople to management — are treated as part of the same team. Inside sales reps are paid salaries, not commissions, so that there is no incentive to compete internally with one another. “There is a great deal of motivation in our culture to lend a hand and take ownership of opportunities or concerns at many different levels,” says Lichte. The company’s low turnover (FWE has many employees who are celebrating 20- or 30-year anniversaries with the company.) suggests the approach will work as FWE excels in the 21st century.

“It is truly is a team of ownership and quality, from top down and bottom up,” says Lichte. “People in fabrication, on the assembly line or the shipping department can stop production or products from proceeding if they feel there is a question or concern



FWE portable bars were one of the few items not destroyed in the 1967 McCormick Place Exposition Center fire in Chicago. They were pushed out of the facility during the fire to give way to the crowd and fire department.

The White House, Johnson Space Center, Queen Mary II and the original McCormick Place order FWE products.

After almost a decade of keeping food warm, FWE launches mobile refrigerators and freezers. Customers — from hotels to schools — like the added convenience and food-safety advantages of cold food conveyor cabinets.



that needs to be addressed, regardless if the concern arises in their department or in some other area of the operation. We have truly fostered a “commitment to excellence” to assure a pleasant and quality experience for the end user when in receipt of their purchase as well as after.”

Up Close On: Employees

A favorite legend around FWE speaks volumes about how the company’s employees can switch directions in an instant. A large QSR was in a jam: A long-term equipment supplier had gone out of business and several stores were slated to open within weeks. FWE committed to help, even though the equipment was not the type it typically produces. FWE’s development team worked through the weekend and delivered a working prototype to the QSR within a week. Within six weeks, the equipment was in place in the restaurants, saving the day for the chain and earning FWE another loyal customer.



The Marriott Marquis Times Square has the highest food and beverage volume of any U.S. hotel, with the exception of casinos.

them, we signed for them and it was our problem. Instead, they were out here in jiffy. All I had to say was that they were damaged, and they came by and picked them up. They could have made me negotiate with the shipper. It was great service and showed a lot of integrity on their part," McNeill says.

"EVERYTHING IS WELL THOUGHT OUT IN THEIR PRODUCTS. FWE has a great entrepreneurial attitude."

— Martin Cowley, senior manager, restaurant design and construction, Disneyland Resort

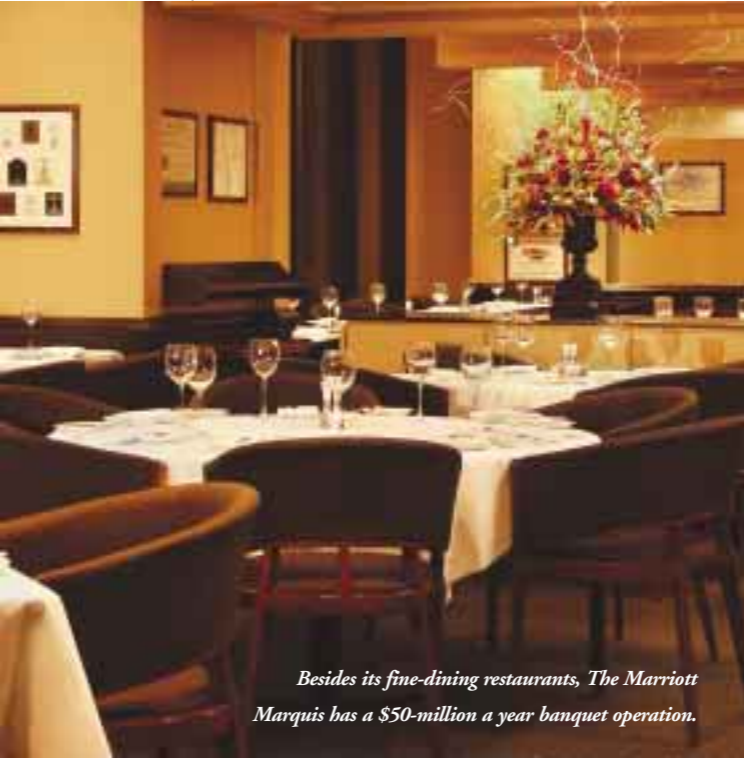
Disneyland Resort

Martin Cowley has been senior manager, restaurant design and construction, for Disneyland Resort in Anaheim, Calif., for more than 15 years. During that time he's worked with a lot of equipment vendors. He's also endured equipment breakdowns and burnouts, overbooked banquets and guestrooms and the back-of-the-house scurrying that takes place as a result.

At Christmas, the pressures only increase at the popular resort. So two years ago, when Cowley's California equipment representative started promoting the FWE product line and recommended them for the purchase of a few extra banquet carts and warming units, Cowley was willing to give them a try. "I think we only gave them four or five days, and they kept the factory open over the weekend to get us what we needed."

While one might think lots of firms would be willing to bend over backwards like that for a name like Disney, Cowley says that level of service is rare: "You just don't get that. Nowadays there are so many big megacompanies, they stumble over themselves to get things done."

Cowley is impressed with FWE's product durability, strength and design. "Their engineering is different from what I have seen," he says. "Like the way they mount their controls, they really take into account the best place to put a knob. Casters are not



Besides its fine-dining restaurants, The Marriott Marquis has a \$50-million a year banquet operation.

Up Close On: FWE Customers

Marriot Marquis Times Square

There is rarely a quiet moment in the day for George McNeill, C.M.C., as the executive chef at New York City's Marriott Marquis Time Square, the highest volume Marriott in the world. Chef McNeill oversees dining, room service, catering as well as banquets, which alone is a \$50-million operation for the 2,000-room hotel. With the exception of casinos, The Marriott Marquis has the highest food and beverage volume of any hotel in the U.S. and McNeill and his staff also serve 1,200 Marriott workers a day.

All this cooking is done in a consolidated kitchen center; dishes then make the 40-flight (or more) trek to guest rooms and banquet halls. McNeill relies on FWE for warming cabinets that deliver reliability and performance.

McNeill first got an inkling that something was different at FWE when the company offered to send two different models of its banquet carts — free of charge — for the hotel to test against competitors.

McNeill's staff put the carts through their paces for three months, rolling them into elevators and rushing down corridors, serving halls and banquet rooms. That left an impression, but that was only the beginning of FWE's commitment to customer satisfaction.

In the end, McNeill placed an order to FWE for his heated cabinets needs, each with modifications explicitly for his operation that he knew could handle the 24/7/365 task at the Marquis. When the cabinets arrived at the loading dock at the large hotel, they were signed in as received, but it was days before anyone in the kitchen got to see them. When they did, they were in for a shock.

"They were all bashed, damaged by the shipper," McNeill remembers of the delivery. "They were not manufacturer dented." Clearly not FWE's fault.

But it didn't matter to FWE. They took the cabinets back, at their expense, repaired them and returned them to New York.

"They could have made the case that we received



Richard Klemm invents the Rarity Oven, one of the first low-temperature roast and hold ovens in the market place. First sold — in a quantity of 650 ovens to Bonanza International Inc. Restaurants — they soon became a fixture in the foodservice landscape.

Richard Klemm purchases FWE from his father and his investors.

1970s

1980s



Introduction of "Hot-Cold" Dual-Temp cabinet, which switches from a heated cabinet to a refrigerated cabinet with a flip of a switch.



Deron Lichte, vice president and COO, joins as an administrator and salesperson in August 1984. "I came from a different industry and fell in love with the product, the people and culture of the company. I felt the hospitality of the hospitality industry and there was clearly an attraction to what the foodservice industry had to offer," says Lichte.

First "Universal Cabinet" offered to hold trays and pans.



Richard Klemm files and receives patents for a heated cabinet, a banquet cabinet and a food warming cabinet humidifier.

"Cold-Freeze" Dual-Temp Cabinet introduced, which conveniently switch refrigerated product temperatures at a flip of a switch.



"Dual Heat" Banquet cabinets first introduced, they are specifically designed for canned-heat and electric use.

Product line expands as "Top-Mounted" heat system cabinets are launched.



subject to water damage from washing down floors. Everything is well thought out in their products. FWE has a great entrepreneurial attitude.”

That attitude has paid off. Cowley is now overseeing equipment purchasing for Disney’s newest theme park in Hong Kong, set to open in 2005. The new Asian Magic Kingdom will have two hotels: a 400-room luxury palace and a 600-room moderate hotel, both on an island Disney has built for the park. For the overseas venture, Cowley turned to companies — and owners — he knew and trusted stateside. “I personally want to deal with the decision-makers,” he says.

Some of those firms have never done business abroad, and Cowley appreciates FWE’s background in foreign sales. FWE has been selling its wares overseas since at least 1955; and since 1993 Ft. Lauderdale, Fla.-based Greenfield World Trade/J. Cobo, has exported the product line.

more than he does about overseas customs and tariffs, as well as power supplies and parts suppliers, is a huge relief. “I’ve never done this before, so I am relying on them.”

Asbury has heard this kind of comment before. FWE maintains its commitment to customization and customer service overseas. In fact, Asbury says, “It is even more true internationally. Deron Lichte really responds to delivery times to make sure that it gets out the door. If we are going to lose a [prospective] customer because of a delivery time, FWE understands it takes longer to get equipment overseas, and will find a way to get it made and shipped quicker.”

Ryan’s Family Steakhouses

Over the last 12 years, Joel Bledsoe estimates that he’s placed an order with FWE on average once a week. In 2002 alone, the buffet dining chain spent \$90,000 on just one model of equipment.

It’s not that Bledsoe is replacing faulty goods. Many of his FWE machines last 10 to 15 years or more. But as the Greer, S.C.-based

Ryan’s Family Steak Houses has expanded, Bledsoe, the company’s equipment purchasing manager, has been buying new equipment, upgrading old models with new designs and replacing the rare machine that is past its prime. And Bledsoe prefers to do as much of that as possible with FWE.

With 344 stores, Bledsoe is always looking for ways for Ryan’s to work more efficiently, and FWE’s “very generous” policy of allowing customers (and prospective customers) to test equipment beforehand

“FWE UNDERSTANDS IT TAKES LONGER TO GET EQUIPMENT OVERSEAS, and will find a way to get it shipped quicker.”

— Neil Asbury, Greenfield World Trade/J. Cobo

“FWE has the most complete line in their segment of holding and transportation equipment. In the international market, that is very important,” explains Neal Asbury, Greenfield’s president. “FWE has good products, from those for businesses with very limited budgets to high-tech, latest-and-greatest, cutting-edge products. They cover the widest spectrum and in international settings that is very important.”

For Disney’s Cowley, the fact that FWE knows



Introduction of “Moisture-Temp” series of units, which instantly became second-largest selling model in product line-up.

Quick Ship Program introduced to speed delivery of popular items.

FWE installs a state-of-the-art computer system and converts to a paperless factory.



1990s

2000s

Gasketless door design first introduced.

International sales account for 15% of company sales in more than 45 different countries.



The X-factor product series is launched to meet the needs of “extreme-use” applications.

Company market share approaches the 30-percent bracket. “We’ve been averaging double-digit sales growth since 1994,” notes Christopher Huffman, chief financial officer and operations manager for FWE.



“Rethermalization Ovens” introduced.

Advanced forming technology streamlines fabrication of product, as well as allows introduction of “seamless” 1pc. inside body construction and 1pc. die stamped racking systems.

To help meet food safety and HACCP requirements, “low-temp alarm” controls introduced.



All new refrigeration design unveiled. Energy efficient, “environmentally-friendly” and highly accurate controls are just some of the many features.

A Lasting Legacy: FWE equipment discovered in the North Shore Hotel in Evanston, Ill., (now a retirement hotel) is still in operation in 2003. The equipment was ordered on Nov. 17, 1954.



Ryan’s Family Steakhouses have 344 stores.

makes that possible. “They assume all liability and charges for testing,” he says.

To keep costs in line, Bledsoe would prefer not to make many modifications to equipment, but recently was able to have two FWE warming cabinets combined into one. A cabinet without casters or bumpers was affixed to the top of a unit with those features, creating a larger cook-and-hold cabinet. A modified half-size cabinet now has access on both sides, enabling pass through and service from either side of the buffet.

The efficiencies continue through the customer service side, where Bledsoe has had the same sales representative for the last 12 years. “There has been no turnover, and it could be that the rep was here for the 15 years before I got here. We always know who to call when we need them,” Bledsoe says.

Colorado Department of Corrections

Since 1999, Captain Richard Dansdill has managed the foodservice operations for the Colorado Department of Corrections at Fremont in Canon City, which includes several satellite locations throughout the state. Dansdill oversees prisons with dining halls as well as higher-security facilities where inmates are fed in their cells. In both cases, food is prepared at a central commissary and sent — either hot or cold — to each prison, which feed 350 to 780 inmates three times a day.

Dansdill says this environment is tough on food warming equipment. “Inmates do not care for

Bledsoe is always looking for ways to make Ryan’s work more efficiently, and FWE’S “VERY GENEROUS” POLICY OF ALLOWING CUSTOMERS TO TEST EQUIPMENT beforehand makes that possible. “They assume all liability and charges for testing.”

— Joel Bledsoe, equipment purchasing manager, Ryan’s Family Steakhouse



Centerplate provides catering and concessions to sports venues around the world.

anything, they do not take care of anything. If they can twist it, poke it, mess with it in anyway, just to cause you trouble, they will,” he says.

As a result, Dansdill needs equipment to meet the special demands of a correctional environment. In addition, Dansdill has safety and logistics issues unique to his organization. FWE has been providing equipment to correctional facilities since the 1950s and to the Colorado Department of Corrections since 1984, giving them a strong foundation to draw

eight. Those carts, which hold 100 trays, are lighter, thus only requiring one prison employee to push them. Since Dansdill placed the order two years ago, none of his staff has been injured by the carts, a claim he could not make in the past. Maintenance costs have dropped, but food is staying hotter or colder (depending on the cart), exceeding health-code regulations.

In June of 2003, when mess hall food lines needed custom carts, Dansdill turned to FWE to meet his needs, budget and timeline. Dansdill appreciates the FWE company-wide attitude to put their best into each piece of equipment, even if that means customers won't replace their machines very often.

“Complicated equipment will not hold up in a correctional environment. FWE is willing to work with us to get equipment for our needs,” he says. “They are attuned to our environment. We operate with a limited budget. If you buy cheap equipment, it simply will not last. This is an extremely harsh environment.”

But the real benefit for Dansdill comes from the fact that he hasn't had to patch or replace equipment and exceed his budget as a result. “I tell my peers that

“FOOD WARMING EQUIPMENT DOESN'T SAY, 'THIS IS WHAT WE HAVE.' They say, 'What do you need?'”

— Richard Dansdill, captain, Colorado Department of Corrections at Fremont

upon. When Dansdill came on board, he had specific requirements, so FWE upgraded, modified and customized their designs for the correctional department's unique needs.

“Food Warming Equipment doesn't say, ‘This is what we have.’ They say, ‘What do you need?’” Dansdill says.

His newest addition of transport cabinets are modified to fit a smaller footprint; 16 fit in the same space on the truck that used to accommodate only

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FWE is one of the premiere companies to work with. They make me look good,” he says.

Centerplate, a Volume Services America Company

When the Denver Broncos or the Washington Redskins take the field in 20-degree weather and fans are shivering in their stadium seats, they expect hot food when they duck inside the arena for a meal or a snack.

That responsibility often falls to Spartanburg, S.C.-based Centerplate, one of the country's largest providers of catering, concessions, management

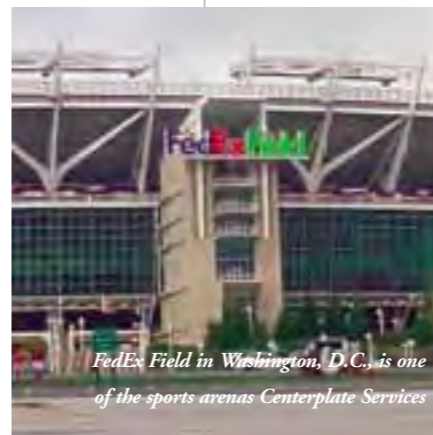
“FWE'S QUALITY IS EXCEPTIONAL. And they are always where they need to be on the pricing, and turn the delivery around when you need it.”

— Jon Muscalo, vice president of facilities design and capital purchasing, Centerplate, a Volume Services America Company

and merchandise services for worldwide sports, convention, entertainment and recreation venues. Sports fans no doubt have experienced their handiwork; the company provides food to major stadiums for the NFL, NHL and MLB including the Redskins' FedExField in Washington, D.C., and Yankee Stadium in New York City. It also serves 40 civic and convention centers in markets of all sizes.

Like many of the niche markets that FWE services, these venues have their own set of demands. “FWE's competitors have aluminum and non-insulated units that cannot perform the job that is required in these facilities, especially in cold-weather climates,” says Jon Muscalo, vice president of facilities design and capital purchasing for Centerplate.

The company has replaced competitive equipment with FWE models at several venues—including at the Denver Broncos' Invesco Field at Mile High, Trans World Dome in St. Louis and San Francisco's Pacific Bell Park, home of the Giants.



FedEx Field in Washington, D.C., is one of the sports arenas Centerplate Services



San Francisco's Pacific Bell Field, home of the Giants.

Besides heated holding equipment, Centerplate also buys portable bars and banquet carts from FWE—exceeding a quarter of a million dollars in business each year. “FWE's quality is exceptional,” says Muscalo. “And they are always where they need to be on pricing, and turn the delivery around when you need it.”

Muscalo recalls a four-day conference that took his team by surprise. He turned to FWE to get the equipment in a hurry. “There were several thousand people at the conference. We needed heated holding cabinets. FWE was able to turn around the order in one week. No other manufacturer would meet that. It would normally take four to six weeks,” he says. “When we need something special, it is not difficult at all. FWE tells us, ‘No problem.’”

Muscalo is also impressed with the personalized service he receives. He has worked with the same sales representative for the last 10 years, and Deron Lichte, FWE's vice president and chief operating officer, is always available as well. “I can pick the phone up any time and call Deron and he'll respond, no matter where his is ... in Asia or anywhere else.”

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FWE

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