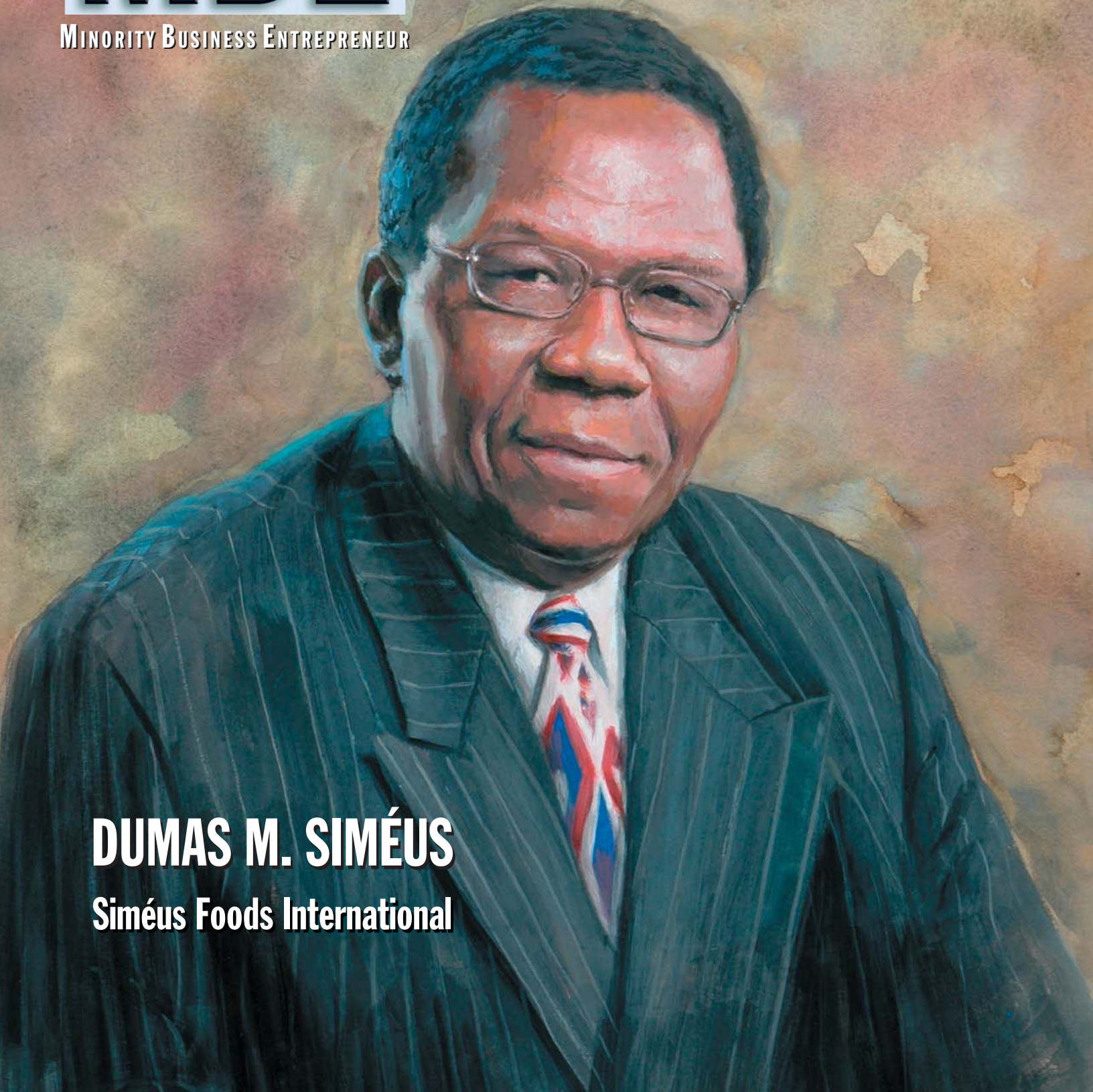


# MBE<sup>®</sup>

MINORITY BUSINESS ENTREPRENEUR



**DUMAS M. SIMÉUS**

**Siméus Foods International**

# SERENDIPITY

THE



EFFECT



*By Christen Liebenberg*

EFFECT



EFFECT

**Dumas M. Siméus**, chairman and founder of **Siméus Foods International**, has a large, comfortable office, decorated with memories. Reminders of where he's come from, images of his life today, and mementos of his accomplishments. A large, framed photograph of the leaning shack his parents moved into in Pont-Sondé, Haiti, right after they were married, where Siméus himself was born, has a prominent place on the wall—reminding him daily of the poverty he left behind and the poverty that still engulfs many struggling families in Haiti today.

Traveling a significant distance from Pont-Sondé, in every sense, Siméus now heads his own foodservice company, which today has two plant locations, one in North Carolina, and the other at its headquarters in Mansfield, Texas. Siméus Foods employs nearly 400 people and has revenues just north of \$100 million.

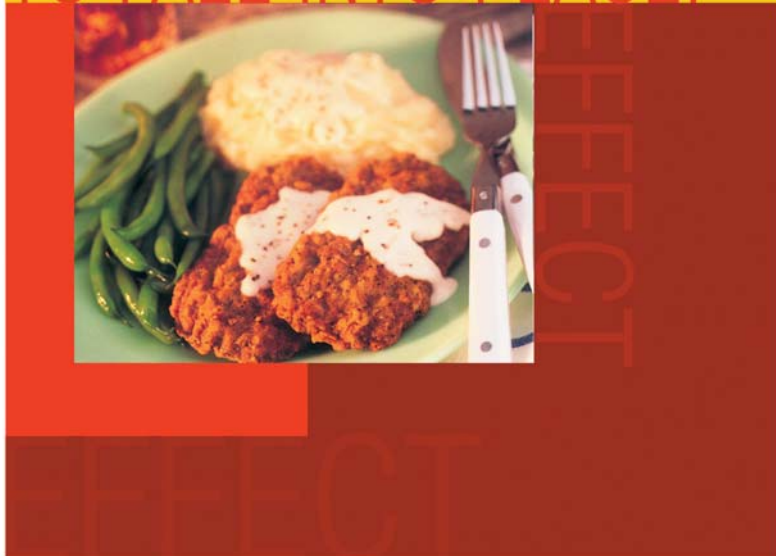
This company and its success are the culmination of years of work to fulfill a desire, a desire that was born when he was just a 10-year-old boy. Siméus believes that something greater than himself infused him with the longing to pursue this life, something he may not have called God, even in his thirties, but that today, at 65, he recognizes as something far greater than himself. Something that instilled him with a longing that was tangible enough to pull him from his native Haiti and the shores of Saint-Marc, where he went to school, to the United States to build a better life, first for himself, then for his family, and now for his people.

In Pont-Sondé, in the 1940s, when Siméus was growing up, illiteracy was the norm. "It was normal that my

parents never knew how to read or write—they never went to school. We were peasants and we did all the things that peasants or village people had to do...work on the farms, plant the corn, harvest it, plant the rice, harvest it, hoe the fields. I got a chance to go to school—by accident."

A man in his village knew how to read and he taught Siméus the skill,

TAKING THE FIRST STEP  
ALLOWS EVERYTHING  
TO FALL INTO PLACE.



subsequently impressing upon Siméus' parents the importance of sending their eldest son to school. "That's how I got started at 6 or 7. I was fortunate. I went to Catholic school in Saint-Marc, about 7 miles away, for elementary, junior high, and high school—a great education. When I came here to go to college I was very surprised that I had gotten the right preparation."

Because Siméus, the oldest of 12 children, 10 of whom are still living, did well in school, his parents thought it best to send all of their children to school. To this end, Siméus' mother moved to Saint-Marc, while his father remained in Pont-Sondé during the week to farm.

Though his parents made sacrifices for education, they remained uneducated themselves, and Siméus was unable to tell them of the plans that excited, yet plagued him from a very early age. "I had a whole vision of coming to the States and owning my own company, although I had no money, and I was only 9 or 10 years old. Can you imagine—you're a kid, you're struggling for food every day, and then you go and tell your parents, who don't even know geography, and have probably never heard of the United States, about this dream? At the time, I did not understand what creative visualization was, but somehow I felt haunted by the desire to leave Haiti, even though I didn't know how to do that."

Though more than 50 years have passed, these events are etched indelibly into his memory. "I would go to the wharf in Saint-Marc and watch the ships bring merchandise from overseas. As far as I was concerned, all of them came from the U.S., because we had already learned that the U.S., even with its imperfections, was the greatest country in the world, so I wanted to go there. I was fascinated when the ships were leaving. I would stand and watch them disappear on the horizon, and it was like I felt myself being transported. I thought, one day I'm going to go to the U.S., I'm going to go to school, and I'm going to get a degree. I'm going to work, and one day, I want to have a business with ships that are going to transport my goods." Siméus believes that this vision was an inspiration. "I'm not worthy of this, I couldn't have done this alone; I believe that a higher-up is guiding me. I know what my limitations are,

and I have a lot of them. At that age, I couldn't have just dreamt of coming to the U.S., of owning a company... somebody planted it in my head. That's how the whole thing started."

But his aspirations took years to realize. Siméus came to the United States in 1961, beginning his academic quest at Florida A&M University, transferring later to Howard University, where he obtained bachelor's degree in electrical engineering and, a few years later, attending the University of Chicago's Graduate School of Business, where he earned his M.B.A. "They told me I was good in math, and that I would be a good engineer, so I got a degree in electrical engineering. But I still had a vision of becoming a businessperson, so after working for a couple of years, I decided it was time to get my M.B.A. and pursue a business career instead."

In business, Siméus found extraordinary success, which has enabled him to bring all of his brothers and sisters, and 30 other family members to the United States. He worked for Beatrice Foods, first as the division president for Europe, Canada, Latin America, and Australia. Later, when the company was broken up and the division he ran was sold to Reginald Lewis, Siméus became president of what was renamed TLC Beatrice Foods, with Europe, Canada, Latin America, and Australia reporting to him. "It's been a long road. I lived in Spain, I lived in Venezuela, I lived in Paris, I traveled as far as Australia, and I've had companies from as far as Australia reporting to me. I was very blessed, and I retired from TLC Beatrice Foods as the president of a \$2 billion-dollar company! A little boy from Pont-Sondé."

He acknowledges that it took a great deal of hard work on his part, but can't ignore the fact that he had a lot

of help. "People put their hands upon my shoulders, so to speak, and helped me, guided me, and coached me. When you're marching toward your objective, sometimes you've got to set yourself up for humiliation, because you are going to be humiliated. But, for every person who tries to stop you because of superficial things, God is going to send you a couple of people who can be your men-



tors and rescue you and show you the way. What we have to do is keep our antennas up and watch for the signals."

One day in 1992, Siméus woke up and knew it was time to start his own business. "But it took me longer than I thought. I resigned in March, stayed on until June, and then it took me 4 years and 3 months to find my own business. Four years without a job, four years living on my savings, four years working basically seven days a week, traveling all across the country, and looking for a deal. Analyzing, paying lawyers, paying CPAs, doing due diligence, coming close, but finding out that the deal didn't work. I looked at more than 100 companies, and I lost about three deals when we were *that* close."

Throughout the process, Siméus was not alone. Don Lawhorne, who is now the president and CEO of Pacesetter

Capital Group, a private equity fund, was a valuable part of the process of finding and purchasing the company that would become Siméus Foods. Lawhorne and Pacesetter Capital provided equity capital and assistance to Siméus during his lengthy search for the right company, including providing Siméus with an office and administrative support. "No man is an island. You cannot accomplish anything by yourself, without being surrounded by good people who really believe in you. Don Lawhorne was one of those people. I was in New York and he told me to come to Texas. He offered me an office and the use of his staff, and in two weeks, I was here." Siméus says he was

fortunate that his children were not small anymore; his youngest daughter had just started college. He was divorced, but his girlfriend, Kimberly, who is now his wife, said she could be flexible. "Somehow she ended up in Tex-

as too, working for Pepsi. It seemed to all fall into place. It's funny how that works. Sometimes, they say, you take the first step and then other things will follow—the *serendipity effect*. I believe in that...big time."

In many ways, the serendipity effect was at work for Siméus all along, who acted on a dream, taking the first step toward his current success long ago. But after his move to Texas, things did begin to fall into place. After a few nearly closed deals, encountering more discrimination than he expected, Siméus became the sole owner of a company, which he purchased for \$55 million, in 1996. "Don was the one who really arranged the financing, and without him, and I cannot emphasize this more, this company would not exist today."

## Serendipity Effect *(continued)*

In addition to Siméus' own funds, Lawhorne and Pacesetter raised 20 percent in equity, which enabled them to finance 70 percent of the final deal. Today, Siméus owns 79 percent of the company, members of Siméus Foods's management team own 21 percent, and Pacesetter has warrants that they have a right to convert. "I'm considered the sole owner, but Siméus Foods management has ownership, and as newer management comes in, we give them a cut."

Along the way, though, Lawhorne and Siméus did not expect to be met with some of the resistance that they found—especially since Siméus had successfully run a \$2 billion company. Siméus acknowledges that his customers all have the diversity trumpet out. "They want diversity, diversity, diversity. Apparently, it's a very fashionable thing to say, but the realities are different. When we put together this company, in terms of all things being equal, we thought the diversity factor would enhance our business. On the contrary, it went the other way." Lawhorne agrees, recalling, "We were in the boardroom of a Fortune 50 company, meeting with their senior counsel and we were pursuing a wonderful opportunity, and the guy looked at us and said, 'Nothing personal, guys, but what in the world makes you think you can raise 80 to 100 million dollars to consummate this transaction?' The implication was that this is a lot of money...can *you guys* do it? This was the late nineties—the subtleties are still there."

The uphill battle didn't end when Siméus finally bought his business—growing the business has come with its own limitations. Companies were already contracting down from 10 suppliers to two suppliers and they were reluctant to look at a new supplier. In spite of this reality, Siméus has been

able to expand his customer base, and he acquired another company in 1998, which became the company's North Carolina location.

Siméus Foods has also undergone a difficult transition over the past three years, resulting in flat revenues that are only now beginning to increase. The food production industry has changed significantly, moving from the production of raw products to cooked products. This change has come with large purchases of sophisticated ovens, unavoidable investments that cost



**Dr. Juanita Day**, a volunteer from Texas, gives a young boy his first eye exam at the **Siméus Foundation Clinic** in Pont-Sondé, Haiti.

roughly \$3 million each, and has resulted in strategic hiring and unfortunate downsizing as the result of higher efficiencies on the production line. "There are two reasons for the industry's going this way. Number one is safety. Several companies went bankrupt because of *E. coli* [*Escherichia coli*], and our customers decided their suppliers should switch from raw to cooked. The second reason is restaurant staffing. Typically, there is a high turnover, especially in fast food restaurants. They can be very cavalier about whether or not they really raised the temperature to 170 degrees. By going to precooked, you take care of the safety and then you deal with the

shortage of qualified staff."

A few of Siméus Foods's major customers are Denny's, Hardee's, Aramark, Quizno's, El Pollo Loco, Sara Lee, Jimmy Dean, Burger King, and TGI Friday's. "We didn't have a lot of these customers when we acquired the company, so we have diversified our customer base quite a bit. We're even working with Wal-Mart. We made some things for them, but the products didn't do well, and Wal-Mart changed their strategy, but that was our first entry into the retail business. Now Wal-Mart thinks they want to go to a private label name and we're in the process of developing that for them."

The research and development team at Siméus Foods is composed of two chefs, food scientists who develop sauces, marinades, and recipes for many of Siméus Foods's customers. Being able to offer high quality products and innovative recipes helps put Siméus Foods ahead of its competitors. "At the end of the day, the real strength of the company lies in the management team, which is experienced, dedicated, and visionary."

Siméus has developed some genuinely strong relationships with his loyal customers. "Sara Lee has turned out to be a very good diversity customer. The president and CEO, Brenda Barnes, has been there about 7 or 8 months, and she is working very hard to make sure that diversity is a reality. And we believe Wal-Mart is a true diversity company."

Siméus is also working hard to develop these positive relationships, establish new ones, and maintain diversity within his own company. In fact, 60 percent of Siméus Foods's nearly 400 employees are minority, and 49 percent are women. "I take it one day at a time. I have become somewhat philosophical

## Serendipity Effect *(continued)*

about things that happen in life and try not to worry about them. I've got this concept that I live by: things happen. If you can't control them, they happen for a reason. Just relax; you'll find out what the reason is later." This philosophy is something he tries to spread to others, especially those people he believes he can help with his experience.

Not a mission to be taken lightly, Siméus' business successes have placed him in a powerful position to help—and possibly change the lives of—the people who still live in abject poverty that is difficult to comprehend from the comfort of our first-world country. Siméus has become involved in organizations like the Haiti Democracy Project and is an active member of Governor Jeb Bush's Haiti Advisory Group. In 1999, he founded the Siméus Foundation, which is a non-profit organization dedicated to providing healthcare, food, clean water, educational opportunities, and clothing to the people of the Artibonite Valley in Haiti, an area that includes his birthplace, Pont-Sondé. The Foundation has established a full-time clinic focusing on primary and preventive care, is working with Gift of Water, Inc. to supply water filtration systems and wells, and offers food, nutritional counseling, and clothing periodically

throughout the year.

In recent months, Siméus' involvement in Haiti has led many to encourage him to become more involved politically, seeing him as a qualified and passionate advocate for a country that



*Dr. Eric Walsh treats a patient at the Siméus Foundation Clinic during a medical mission sponsored by Loma Linda University's Students for International Mission Service.*

needs a political overhaul and a new direction. "I don't know anything about politics, but there are people who want me to kick around the idea. I get the feeling from time to time that I have a major weight upon my shoulders. I'm listening to Haitian radio on the Inter-

net, and when I allow myself to think about it, I'm saying, 'Hey, the people really need help.'"

But, as longtime equity partner and friend Lawhorne says, "Dumas knows that job one is Siméus Foods—and that's where he's focused. But this is a guy who has passion for his roots. He's on an advisory board, providing a vital set of inputs to those interested in revitalizing Haiti, using the best principles of capitalism and democracy, and there certainly have been offers for him to consider serving a broader leadership role in the [country's] transition."

It is easy to see why a man who has come so far would be looked upon as the right role model for those who struggle as he once did. But Siméus is steadfast in his quest to grow Siméus Foods, developing the company he has dreamed of building since he was a boy into a larger, and eventually public, entity. "Our goal, in three years, if we can get this company to \$200 million, is to do a very comfortable IPO. Everybody will make money—without an[other] acquisition. We always had a plan to share the wealth. We don't have the wealth yet, but we're working on it."

Serendipitously, as Siméus' history has shown, everything will undoubtedly fall into place. ♦

*Reprinted with permission from the March/April 2005 issue of  
Minority Business Entrepreneur*

For subscription information, go to: [www.mbemag.com](http://www.mbemag.com) or call (310) 540-9398