

Rita Magalde with Sheer Ambrosia

David Crabill: Welcome to the Forrager Podcast, where I talk with cottage food entrepreneurs about their strategies for running a food business from home. I'm David Crabill, and today I'm talking with Rita Magalde.

But before we begin, I wanted to thank the sponsor of this episode, [The Cottage Foodie](#). The founder, Matt Rosen, was recently on the show and shared that he was inspired to start the cottage foodie to help other bakers fulfill their dreams. The Cottage Foodie is an online directory that will expand your customer base and connect you with food enthusiasts, not only across your own state, but around the country as well.

It's the go-to resource for consumers everywhere seeking unique locally made treats. By joining The Cottage Foodie, you'll also get to connect and network with an exclusive community of cottage food producers who are passionate about running their food businesses from the comfort of home.

Don't miss out on this incredible opportunity to showcase your talents and grow your cottage food business. To join the cottage foodie and learn more, go to forrager.com/cottagefoodie.

All right, so I have Rita on the show today. She sells baklava and other baked goods with her bakery, Sheer Ambrosia in Salt Lake City, Utah.

Rita started her bakery from home back in 2008 and still retains a wholesale account that she acquired in her first year in business.

But while some things have been consistent, most haven't. Her roller coaster business journey includes big risks, life changes, and many surprises. Rita calls Sheer Ambrosia her third child. And although it hasn't been easy, she has now built it into a national brand and is confident it will become a multimillion dollar business.

And with that, let's jump right into this episode.

Welcome to the show, Rita. Nice to have you here.

[00:01:49] **Rita Magalde:** Nice to be here with you. I'm excited.

[00:01:53] **David Crabill:** Well, Rita, can you take me back? You've been doing this for a very long time. How did this all get started?

[00:02:01] **Rita Magalde:** I am a serial entrepreneur. My very first business was a mortgage brokerage, and I had that for a couple of years before I started a travel agency with my then husband back in 1999. We ran that business together for almost 10 years. It's interesting because in the last four years of that business endeavor, we were actually divorced.

without having to get into details, it was hard. So, he ended up buying me out of the travel agency in July of 2008. And I started Sheer Ambrosia in October of the same year. So I have always done things that move my heart and that I'm passionate about.

I love to travel and I love baking. And so, you know, remember 2008 was the financial crisis And so I was nervous about starting a bakery, you know, something I'd never done before. Even though I'm passionate about it, I never had a business doing it.

And because of the financial situation I decided that if I could do it from home, that would probably be the best option. So I did some checking around and found out that through the Department of Agriculture. There was a cottage food program that would allow me to work from home and start the business from home. And so that's what I did.

[00:03:31] **David Crabill:** I believe that Utah's cottage food law passed in like 2007, so I was thinking you must have been one of the very first people that used that program.

[00:03:42] **Rita Magalde:** I guess I was, I did not know that.

[00:03:46] **David Crabill:** And I saw that your travel agency had 30 employees, so clearly you were no stranger to running a very successful business.

[00:03:56] **Rita Magalde:** No, not at all. We just kept growing and growing and growing and so, yeah, when I left the business, we were in a 5,600 square foot space, and you know, That's why neither one of us wanted to leave the business when we divorced, because the business was doing fantastic. And our top year we did over \$10 million in sales. And it was because of that success that I knew I didn't want to go work for someone else because I knew I would never have that kind of financial success working for someone else.

[00:04:29] **David Crabill:** And as you say, you got divorced and I saw you wrote a book about your divorce. Can you tell me a little bit about the book?

[00:04:37] **Rita Magalde:** Yeah. So, it's called "Mrs. To Miss How to Pull Your Life Together When Your Marriage Falls Apart." And it was a passion project for sure, and it

was very cathartic for me to write that book because I was eight and a half months pregnant when my husband asked me for a divorce and it was a planned pregnancy.

And so, it was very emotionally disturbing and I was inconsolable because divorce and having a baby were not anything that I ever thought I'd have to deal with. at the same time.

And so, for the first few years after that, I was very, very depressed and sad. You know, I considered suicide several times during that time, even though, I had a three-year-old and a baby. I just think I was dealing with postpartum depression as well. And so there was just so much going on in my life and, you know, I was having to go to work and pretend like I was happy.

I didn't for a year tell any of my employees that I was going through a divorce because I was just so embarrassed. It was just so difficult dealing with that, I just never thought I would come through it. And so when I finally started working on myself and working on, you know, how am I going to be a good mother, not bitter, not angry, not depressed, how am I going to get through this?

Then I started working on myself and started doing things, reading books, going to see a therapist. And Sheer Ambrosia actually was the thing that eventually allowed me to move on, you know, because being there with him in the business was just too much. It was too, I could not heal while I was still working with him.

So I realized that, either he has to buy me out of this business, or I have to buy him out. And so he wanted to keep it. So I had to take the steps to get out of it so that I could begin to heal. And so Sheer Ambrosia was just the icing on the cake to that healing.

[00:06:50] **David Crabill:** Well, obviously starting any business is very hard. Starting it as a single mom is even harder. And then you were starting in the middle of the great recession. So can you just share a little bit about what it was like when you started your business? Like how was it in the early days?

[00:07:10] **Rita Magalde:** I was so excited, and when I figured out that I could do it from home, was a joy because being a good mom, you know, once I got through this suicidal, part of, that healing, once I got through that, then I was like, okay, if I'm gonna be here, then I need to be a good mother.

I need to be the best mother. I wanted to be the mother that I was before all of this insanity started. I was an amazing mom for my son up to that point, and I felt like he still deserved that and my daughter deserved that. So, this business allowed me to still volunteer at school, be there for them, pick them up from school at three o'clock, help

them with their, you know, with school and give them snacks. Just be available. Because so many times, single moms, you know, they have to immediately get a job and sometimes two and three jobs, and their kids end up being latchkey kids, and they end up raising themselves part of the time because their moms are so overwhelmed with making a living that they're not able to be the moms that, that they wish that they could.

And so, he bought me out of the business, so I had money to keep us in a nice home, in a safe neighborhood. And I had money to start this business. Yes, there were a lot of them. Hoops to jump through, you know, the Department of Agriculture, it's their job to make sure that whatever it is you're going to provide to your customers is gonna be safe.

And so I jumped through all the hoops that they put in front of me. It was almost a challenge. Okay. You know, My packaging has to look a certain way. It has to say certain things.

I want it to be beautiful. I want it to look like it doesn't come from a home kitchen. And here's the thing, and I'm, I'm always proud to tell this little story. So my big first debut, my first big outing was Sheer Ambrosia, was at a business to business conference. It was in a huge arena.

And while I was there giving out samples and people were coming through and visiting my booth and eating my baklava, and looking at my packaging and my signage, all the things that I had.

People were asking where is this franchise from? And the word franchise just kept popping up. And I was like, it's not a franchise. I just started this business from my house. I have a cottage food license. And they were like, wow, your packaging is amazing.

Your signage is beautiful. Your branding is perfect. And so I tell people that wanna start businesses from home, it's fine to start it from home, but just don't make it look like it's a home-based business. Make it look bigger than it actually is, because people notice all of those little details. And you know, luckily, like I said, I had the money to do that from the sale of my travel agency.

And so in that way I was very lucky.

[00:10:14] **David Crabill:** You'd obviously started a couple of very different businesses before this. What do you think led you to start a bakery? To start this business and focus it on baklava?

[00:10:25] **Rita Magalde:** So food has always been a part of my upbringing and my life. My mother was an amazing baker and one of my first little jobs, I worked for a Greek family and I learned how to make baklava. I learned how to make lots of Greek pastries, not just baklava,

And so when I was trying to figure out, okay, I wanna own another business, what is it gonna be? It was during Christmas time and my father and his wife were visiting and I was making baklava.

My dad was sitting at the counter while I was baking, and he said, you should sell that. People like that. And I knew that people liked it because every time I would go to a big event, I would dance Argentine tango.

And so my tango community ended up being like, my guinea pigs, I would bring different sizes, different shapes, and I would say, well, what do you guys think of this? Do you think this piece is too big?

Do you think it's too little? I started off with a bigger piece and we realized that, you know, my friend Larissa and Tango, she goes, you know, I'm gonna go into a diabetic coma eating this big piece of baklava. And so the next time I took a smaller piece and that piece ended up not being enough, that left you wanting for more.

And so I came up with a size that was just perfect. It was just the right size. And then I would, you know, experiment with different flavors and different tastes and different nuts. Over the years, I have had 14 flavors of baklava and I didn't start off that way.

I started off with just the traditional, honey walnut flavor that I learned from the Greek family that I grew up with. And then over the years. I would expand and come up with different recipes. So it's just been an amazing labor of love

[00:12:12] **David Crabill:** You said you started it in October of 2008. And were you just selling to family and friends? Were you selling directly? Were you selling at events? Like what was the first year like?

[00:12:26] **Rita Magalde:** So, October was the perfect time of year to start the business because people associate baklava with the holidays and that Business to Business Expo. I presented it as a perfect corporate gift. you know, my little four piece boxes that I have I said, Hey, you know, I can make this, especially for you.

We can put your logo on the gift tag. We can figure out how to make this perfect for your company. I ended up having a lot of business through Christmas. Ended up having my sister come out, And so she was with me through the end of December and we just had

a blast, making baklava, packaging it up for companies to give to their employees, to their clients, to potential clients.

And then of course I started, showing it on social media. And so I would get customers that would buy from my social media. And got my first restaurant in the spring of 2009, and they are still with me to this day.

Back then it was called Cafe Med, and now it's just the med. Said, this would be the perfect dessert for your restaurant. And they agreed and they started buying. Pans of it, and then they would plate it and sell it to their customers. And to this day, it's one of the highest selling desserts on their menu.

[00:13:50] **David Crabill:** Wow, that's a 16 year wholesale partnership.

[00:13:54] **Rita Magalde:** Yep, yep. And we're friends now. And, there was a time where I needed extra money. I just wasn't selling enough. And I had another job and both my kids were in private school, so I had to pay for their school and

I worked for Cafe Med too, as a third little job on the side. I was a waitress and it worked out really well because of course, all of my tables would order my baklava for dessert because I would push it like, you really wanna try something delicious? Well, after that amazing meal, how about I get you some of the baklava, and guess what I make it.

And of course, they were all blown away because they thought I was just some waitress.

So I've had a fabulous relationship with the med. They're wonderful people. They appreciate what I do, and their customers love my baklava.

[00:14:48] **David Crabill:** So it sounds like starting wholesale in 2009 was a turning point. Were there any other turning points in the first few years that stand out to you?

[00:14:58] **Rita Magalde:** So in 2013, I decided that, okay, I've done as well as I can do, getting people on board working from home. So I still don't quite have the customer base that I need, but I'm just gonna go for it. I still had money, from the travel agency, from the buyout. In the bank, and I thought, you know what it's do or die.

You know, I would go to networking events and I would say, yes, I own a bakery, Sheer Ambrosia Bakery. I make the best baklava you'll ever have. And people would say, oh where is it? And I'd say, oh I, I work from home. And I could just see on their faces how they didn't wanna take me seriously after that.

Once they knew I worked from home, they just thought, oh, she's just a Susie Homemaker. You know, this is just a little hobby she's doing. This isn't a real full fledged business. And that would really bug me seeing that they didn't wanna take me seriously because I had a home-based business. So I said, you know what, I'm gonna just go for it and we'll see what happens.

I found a hair salon. It was a 1,200 square foot space, and I converted that into a commercial kitchen and a storefront. I signed the lease in April and it took me till August.

To convert that fully into the bakery. And that year I was able to take on a franchise. It's called Crown Burger. They had six locations and they all came on board. It's a Greek owned burger joint here in Salt Lake City and the surrounding cities and two Olympus burgers. Again it's a burger joint, but it's Greek owned.

And Greek people are the best people. They love their culture. They're hardworking and they're just amazing business people. And once I was able to get out of my house into a commercial space, then they were willing to give me a shot. And so I still have those locations. It's something about having a storefront that tells people that you're serious.

Now with that said, I would've never been able to make it work from the beginning. So the cottage food, that opportunity, that the state allowed me to have. Is a huge blessing to be able to start from home and build your business there. But for me to move the business to the next level, I had to get it out of there. And so, that's another huge turning point for the business.

Now, did that work? No. And by 2016, I was completely burned out. I didn't have enough money to hire someone to help me. I felt like I needed to regain my love for my business. Like I said, I was burning out because I was working seven days a week, 15 hour days. And I just needed a break. And so I had signed a five year lease and I was only three years into it. and my father passed away. That was the thing that made me, you know, make another big decision. I had to go home to North Carolina to bury my father and just say goodbye to him one last time, and I felt like I couldn't leave the bakery. I was stuck, but I was like, you know what? I'm just gonna have to close it down and go see my father and go see my family and grieve with my family. And I didn't have enough money to even pay for my plane tickets. I had to borrow the money to pay for three plane tickets to go from Salt Lake to North Carolina.

And I couldn't afford to stay. We had his funeral on a Saturday, and I was back on a plane with my kids on Sunday morning to come back to Utah. And I thought, you know what? This is really no way to live. I want to sell this space to someone who can use it.

And some other people, well, I'll take this and I'll take that. And I said no, no, no, no, no. This is a turnkey bakery ready to go.

And so my friend Heidi, who is my realtor, I said, let's sell this as a, I don't wanna sell it piece by piece, pennies on the dollar. I wanna sell it as is. And so we came up with a figure and we sold it for that. So they took over the lease and bought out what I had put into the space and took it over. And so I was able to take that pocket full of cash, go back home and rethink, okay, what is my next step going to be? And during that time, I wrote that book while I was in that space in my bakery that I had built. I had so many people come to me and say, you know what? I read your book and I have some, I wanna ask you your opinion about X, Y, and Z. And I said, okay. And so I started thinking, how can I use my divorce and my book to help other women going through this very, very difficult thing, you know?

And so I went through schooling and I became a certified divorce coach. With that said, I started dealing with very, very angry, sad, depressed women who were going through what I had gone through years and years before. And I didn't like it at all. I was taking on. Their pain. It was reminding me of the pain that I went through my divorce back in 2004 and I said, you know what? I think I like baklava better than divorce. I wanna go back to making baklava because this sucks.

And I just didn't want to spend the rest of my life dealing with that.

And so I just decided to give up the divorce coaching and go back to Sheer Ambrosia full-time, because when I sold the space in 2016 I didn't sell that couple my business. I just sold them the space. By this time it was 2019 and I said, okay, I need to redo my website because if I'm really gonna do this, full-time.

I need a better website. Since that's gonna be my, you know, how I grow the business through online sales. And of course, you know, I had all my wholesale customers still, you know, I never stopped doing that. And then a pandemic happened, and by March of 2020, I'm not divorced from coaching anymore.

I'm in the baklava full-time from home, and everybody wanted toilet paper and hand sanitizer. My baklava business was dead in the water. I thought, oh my goodness, what am I gonna do? I immediately went to a company to help me find a job. And I found a company, it was called Harmon Custo.

They were an industrial construction company. They needed an office manager. And when I went in for the interview, I told him, I have the most amazing baklava business, but right now with this pandemic going on my restaurants are all shutting down. And people don't want baklava, they want hand sanitizer and toilet paper.

And we had a big laugh about it. I said, I know how to run a business. I've run several businesses. Please give me this opportunity. I have two children by this time. One, my son was in college and my daughter was still in high school. And I need to earn a living for my family. Please let me take this job.

I will do right by you, but I'm not gonna let go of my baklava business that I run from home. And he hired me on the spot. So I was working at Harmon Custo at this industrial construction company. I'm running Sheer Ambrosia at night and one day I was sitting at my desk and I started getting all these dings and pings and noises on my phone.

I'm like, what's going on? And my Sheer Ambrosia Instagram was blowing up. People were liking and following, and I was, what is going on? And so I grabbed my phone, investigating what's happening. So I got the job in March.

March was when we all went on lockdown during the pandemic. On May 25th, George Floyd was murdered and people were protesting and people decided that, you know what we wanna help. I don't know who these people were. We wanna help the black community in other ways besides protesting in the streets.

We wanna start supporting black-owned businesses. And so someone locally came up with a list of all the black owned businesses in Salt Lake City, and Sheer Ambrosia was on that list. And that list was going around Instagram, Facebook and all the social media, and that's why people were liking my business.

And then people started buying, people started ordering now on my website. They were ordering, ordering, ordering. And I said to my boss at Hamon Custodes, I said, oh my gosh, my business is blowing up. I'm getting all these orders. He just smiled and he said, you know what? Go home. Take the rest of the day off.

Take care of your business. So I left my job. I went home and started filling all of these orders. And then what came next? The Salt Lake Tribune called my local newspaper and said, Hey, we wanna know what you think about all this that's happening. The situation with George Floyd and supporting black-owned businesses. We wanna know what's going on. Can we interview you? I said, absolutely. And I told them what I thought, and they published it in the newspaper and the National public radio got wind.

This story and marketplace with Kai OI called me I said, you bet you I wanna be interviewed by Marketplace.

Yeah, let's do it. And so I didn't interview with NPRs Marketplace, and then it really started blowing up and people started reaching out and wanting to place orders. All my

local people were like, wow, we heard you on National Public Radio. You make baklava black women in Draper, Utah make the best baklava in town.

What we want some. And so my business was growing, but it still wasn't enough for me to quit this job that I miraculously got in the middle of the pandemic. So my boss, I said, you know what? I'm not quitting. He said, no, you don't have to quit. I said, I could. I've done this before. I've worked three jobs before.

And so that's what I did. I work a full day there. And then I would come home and make baklava. And then again, this was during the pandemic. So we got to a point where, you know, I went in one morning and my boss said, Hey, you know what, how about we, we work remotely from home for three days a week?

and he goes, that'll give you more time to work your business too when, when you're not busy doing work for us, you can just take care of your business. And I thought, wow. He was just so accommodating. As I tell you this story, I just am looking up into the sky right now and feeling so incredibly blessed that I had so many people help me.

Grow my business and Michael was his name, my boss at that job. And it just goes to show how important it is to be honest with the people that you know, were in your life. Because, I could have just pretended like I didn't have another job. You know, During that interview I could have just said, yeah, I need a job.

And not tell him about Sheer Ambrosia. But because of that honesty, it turned into a huge blessing for me.

And I did both for a year and seven months. And the only reason why I quit, Hamon Custo, is because the business came into the pandemic and they ended up closing our office. and eventually the company filed for bankruptcy and went out of business. I mean, it was just a blessing how it all worked out that I was able to get that job and still continue to work my business.

During the pandemic, during that very difficult time. I even thought, thank goodness that, you know, years earlier I had let go of the other space because had I had that other space during the pandemic, I'm not sure how I would've been able to manage, having that extra lease payment during such a volatile time in our country's history.

[00:27:42] **David Crabill:** I did wanna ask about that first time when you had the commercial kitchen from like 2013 to 2016, you said that you were working for 15 hours a day, seven days a week and you had all these wholesale accounts, these restaurants were ordering from you.

You obviously had a lot of business and a lot of demand, but you said it just didn't work. It financially didn't work. You didn't even have enough money to pay for your flight to attend your father's funeral. So why do you feel like it didn't work?

[00:28:16] **Rita Magalde:** Well, I'll tell you why, because Salt Lake City. Is the capital of Utah, but it's still relatively a small city. And there's so many people here that don't know what baklava is. I was just all day long bombarded with either disappointed people who thought it was a different kind of bakery, with all the American desserts and treats or were interested and curious and wanted me to teach them how to make it, or wanted to know how I learned how to make it

and then it would turn into half hour long conversations. And it would pull me away from my orders, and then I would end up making baklava all during the night after I closed. Because during the day, people would come in to chit chat and not really buy anything, or buy one piece or buy two pieces because they would look at it and they would be like, well, what is that?

It looked strange to them. They didn't know what it was, they didn't understand that, you know, I put 45 layers of filo dough in every batch, and that it's very time consuming to make, it's very expensive to make. And because I had a storefront, I felt like I had to make all the flavors and then I'd make all this baklava and there would be nobody to buy it.

And I had a lot of waste. I was wasting money on trying to market all the different ways of marketing at the time. And none of it seemed to work. So I had this beautiful space and I had a beautiful product and I had great packaging. But I had no one to buy it. That wholesale group of businesses that [00:30:00] I had was not enough.

Now during Christmas time. I worked 18 hour days and 20 hour days because the people that did know what it was only felt that it was a holiday treat. I would boom during the holidays, but then come January I was back to not making very much money. So the storefront model was not the right model for my business.

Wholesale and online business is. So, one of the things that I do now is, you know, I'm marketing outside the state now that I'm in a commercial space again, I can do that.

And also, I don't really have a storefront. I will call the pickup area. It looks like a storefront when you walk inside, but it is a quarter of this size as my other storefront was. It's a tiny little space. It's still super cute. people are, they walk in, they're like, oh my gosh, this is so beautiful.

It's so pretty. It's so, but it's a very small corner of that real estate is for people who wanna pick up, because now my door stays locked and outside, there's big pictures of baklava everywhere so that no one can confuse it for any other type of bakery than what it is, which is a baklava bakery.

And the people that come have set an appointment and they know they're picking up an order. They already know what it is. They're already in love with it. And when I spend time with them, I'm spending time with my demographic of customers.

[00:31:41] **David Crabill:** So you had this storefront and you had a bunch of people coming in and they either didn't know what baklava was or they didn't want baklava, and they're asking for all these other things. So why didn't you add things to your menu that would've sold better?

[00:31:58] **Rita Magalde:** Well, and that's the thing I did. And in fact, I turned into this crazy woman, you know, oh, they want cupcakes. Oh, they want this. Those are all things that have very, very, very short shelf lives. And so I would add the cupcakes, and if they didn't sell that day, then I had to throw them in the trash.

I had cookies. But, cookies don't last forever, right? They only last a day, or two max. And so again, I'm running around like a chicken with my head cut off, trying to provide people with what they want instead of, you know, my passion isn't cookies. My passion isn't pound cakes and snickerdoodles and cupcakes.

That's not what I wanted to go into business doing. And again, remember, I'm a one woman show. So I've got all these baklava orders for my wholesale customers I'm trying to fill, and then I'm trying to bring in other things. And it just didn't work.

[00:33:00] **David Crabill:** Well, hindsight is always 2020, but looking back to 2013, knowing what you know now. Would you have just not opened up the commercial kitchen and storefront, or is there something that you'd have done differently?

[00:33:17] **Rita Magalde:** Well, I'm doing it now, which is, like I said, I don't have a storefront and I've created this space so that if one day I do have enough walk-in clientele that, I could sustain a storefront, then I'm always able to make that happen. But right now, you know, there's still not enough people that know what baklava is to have a storefront for just baklava.

But there is enough business to keep me going from my online orders, my retail, local retail. Like I had a woman come in today, she ordered it online. But on my website now, I have a local pickup option. So if you are local, you can place the order online, I can get

it made for you. And then when I get that order, the first thing I do when I see local pickup is I'll call you and I'll say, Hey, when did you wanna pick that up?

Well, can I pick it up tomorrow? Sure. Let me get it made and you can pick it up. So like I said, baklava is very expensive, making cookies and cupcakes and those kinds of things are nowhere near as expensive as buying nuts, honey. And the one inexpensive thing is the phyllo dough, but it's the most time consuming and time equals money. So making a pan of baklava, it takes about 40 minutes for 40 pieces. So I don't wanna make baklava just willy-nilly and hope somebody's gonna pick it up. I wanna make baklava that I know is going to be sold. So when we're making baklava like Mina today, she'll make seven pans of baklava. All of that baklava is already sold.

We're making baklava to order. So it's super fresh we're not throwing away a lot of product that we've spent time on, you know, making and money on the ingredients.

[00:35:07] **David Crabill:** Well, obviously the pandemic was a major boost to your business. You know, What if the pandemic had never happened, right? And we never went through the whole Black Lives Matter movement and everything, and awareness about that. I know you have rebooted your business in 2019. where do you think your business would be today if that didn't happen?

[00:35:31] **Rita Magalde:** Well, you know, that's the beauty of life, right? We don't know, maybe something else would've happened that could've helped me along the way. Every morning that I wake up and I open my eyes, I'm blessed that I have another day and I'm excited about what the day's gonna bring because I don't know what it's gonna bring.

Somebody could walk into my bakery today and say, oh my gosh, I love your product. I want to be your investor. I wanna help you grow this thing to a multimillion dollar business. I don't know what would've happened if George Floyd had been murdered in that whole, black Lives Matter and people wanting to support black-owned businesses.

And, you know, I'd never met NPR and, but I do know this, when I first got that phone call from the Salt Lake Tribune and they said, how do you feel about people wanting to support your business because you're black owned. I was very torn. I didn't like it because here's the thing, I have never used my race or my gender to grow my brand, I want people to buy from me. Because I make an amazing product because I have top-notch customer service because my packaging is gorgeous. Because whoever receives this is gonna look at you and say, oh my God, what a sophisticated gift I received from so and so. Right? And so when people started ordering from me, my first thought was, I don't like this. And then I said, you know what? They might buy from me the first time because I'm black. But You might be a customer, but you're not a client. My

customers are clients because they come back over and over again. So I took what happened as a challenge to convert these people that are buying from me because they wanna support this movement. because the movement's over now, right? But my business is still booming because people buy from me because they love my product, not because I'm black and not because I'm a woman. So I took that challenge on and I turned these people into real clients, so it might've helped. But when people meet me and you go read my Google reviews, when people come to me, I look at every person that comes through my door, whether it's through my virtual door, through my website, or whether they walk in the physical doors of my bakery.

When they walk in, the first thing I do is say, Hey, how are you doing? How can I help you today? Can I give you a piece of baklava on me? This is what I've got going today. Which one do you think you would like to taste first? I treat people like kings and queens that they are. When people come into my bakery, they might come in maybe in a bad mood or sad, but they walk out.

Happy and excited about life because that's what I do to people. I love my customers. I treat them like they're my mother, my sister, my son, my daughter, my cousin, my uncle, my aunt. They walk out with their family. And that's what you have to do. Treat people the way you wanna be treated.

I enjoy making people feel special. That is what I do.

When people say, what are, what are you in the business of? Yes, I make baklava. Yes, I sell treats, but I am in the business of making people feel special.

[00:39:07] **David Crabill:** Heard on one of your NPR marketplace segments where you said that back in 2019 before the pandemic, you started to re-question your decision to focus on the business because you had to sell your house. And it sounded like that was a difficult time for you. Can you share a little bit more about what that was like for you?

[00:39:32] **Rita Magalde:** Yeah. So, it's been humbling. Last 20 years of my life, when I had the travel agency, like I said, you know, we did \$10 million in sales. Our biggest year, we brought home over a half million dollars.

My house was paid off. My cars were paid off. I was just banking money. You know, my son was graduating from high school. You know, like I said, I put both of my kids through private school. I was almost tapped out. I didn't have any money ' cause I was dumping all the money into my children and my business, which I call, Sheer Ambrosia, my third child. I wanted my children to have a certain life and I wanted to grow this business because when you have seen a business grow from nothing to a million dollar business,

when you've been able to do that the way I have, you just can't go back to making \$40,000 a year, you know? you wanna be able to do that again.

And I still believe that Sheer Ambrosia is a million dollar business, and it will get there. I just have to be a little bit more patient this time. But anyway, I felt like I needed to, like I said that iteration, that new iteration of my website, that was, I needed money for that. And I just said, you know what? My son's going to college. My daughter's getting on that drill team, and I need the money for my business to continue. So I'm gonna sell my house. I always buy another one. So I sold the house. The market was fantastic. I made money. I gave my son the money he needed for college. I was able to keep my daughter at the school and pay for her to do what she wanted to do .

And I will buy another house one day, but right now the focus has to be the business because this is where the money's going to come for me to buy another house.

[00:41:30] **David Crabill:** So maybe you haven't invested in a house, but you have invested in this commercial space for your business. Can you walk me through what led you up to the point to make that investment?

[00:41:43] **Rita Magalde:** Yeah. So, again, you know, when you're working from home, there's only so much you can do. There're so many rules and regulations on cottage food kitchens that in order to grow you have to get out and into a commercial space. The only company that I lost. When I moved back into my house there was a huge grocery chain. They require that you have a commercial kitchen. I wanted to get my A-C-D-B-E, which is an accreditation that allows me to work with the airport.

But I can't get an A-C-T-I-V-E accreditation working from home. So I said, okay, either you're gonna get another job or you are going to take this business back out of the house and into a commercial space. my realtor, that same realtor friend found this space for me, 600 square feet. I did need to do a build out again. So I had to spend 70 grand. I went to my bank, which I've been banking with for over 20 years. And the other ace in my pocket, is that I'm a member of the Utah black Chamber of Commerce and the president. She's my ace. She wants to help me. And she was like, Rita, I talked to the airport about you, but you're in your house. We gotta get you outta that house girl. And I was like, all right what can I do? And, And she said, you know what?

Go talk to Mike over at your bank. I know him and he can help you. So I went and visited Mike SBA lender, and he helped me get my SBA loan And then she said, Hey, you know what? You should look at this Goldman Sachs 10,000 Small business program. They help businesses get to the next level. I Went through the program that helps me grow my business. Every day. We have our one year anniversary tomorrow graduating from the 10,000 small businesses program through Goldman Sachs. And I

have made so many connections through that program to help me grow my business. And for many people that start a business without a lot of money, You have to use that tool as much as you can and then as soon as you can, if you're the type of business that needs to bring validity to your business, if you need to be able to get out of the house to bring for people to take you seriously, then you have to plan to do that at some point.

[00:44:09] **David Crabill:** Well, \$70,000 is a lot of money to spend on a commercial kitchen, and it's, it's not unheard of. Right. I mean, I've had podcast guests that have spent over a hundred thousand dollars on a commercial space, I mean, what did you actually have to do in order to convert the place into a bakery?

And how did it compare to the first time you did that? Back in 2013?

[00:44:32] **Rita Magalde:** Well, for starters that other kitchen definitely was very useful because everything I had, it all mapped out how much I spent for every last thing in the old space. So I just pulled that off the shelf and I said, okay.

I spent \$6,500 on this hood. So granted, yes, that was 2013, and now we're in 2023. So it was 10 years later. So, of course with inflation, I expected to pay more. what I

[00:45:00] quickly found out is that everybody blamed the pandemic on why things cost ridiculously more money. And so, when he came back with \$40,000 for a type two hood, I said, you're smoking dope. There's no way this hood's gonna cost \$40,000. No way. but I did find the right person.

And that hood ended up costing me \$7,500, completely installed with everything included. I mean, the general contractor you know, his original bid was over a hundred grand. And it came down to the 70 that I ended up paying for everything. So, yeah. This place didn't even have a floor. It was rebar. So I had to put in a floor. the ceiling I had to put in. I mean, it was just when I say a blank space, I mean down to the bones.

And so I had to put in the three compartment sink, the hand sink, the hood, the stove, the cooktops, the oven, the refrigerator, the freezer, the, and the, ceiling. 'cause there's, you know, you have to have, ceiling tiles commercial, culinary grade, everything had to be just, so the city of Salt Lake was a lot more difficult to deal with than the city of Sandy.

So that took, it took two months to even have my plans approved with Salt Lake City, and it probably took a week to get the plans approved with Sandy City as an example.

[00:46:23] **David Crabill:** Well, you obviously put a lot of time, effort, and money into getting this up and running, so what was it like when it finally opened?

[00:46:34] **Rita Magalde:** Well, I finally got the certificate of occupancy in January of 2024. I was supposed to get the occupancy in October of 2023. So I was bummed that I'd missed that Christmas rush in the new space because I went from having to bake one pan a day at home to being able to bake 10 pans a day in the new space.

It was a rough Christmas, from home, but it just made me that much more excited and grateful when I finally got in the new space in January. I got their certificate of occupancy on January 9th, and two days later I started the 10,000 small business program, which was a very intense business program, and so that was really hard because I had to learn this new oven. The new oven was, very stressful time because baklava, you know, the Philo sheets are very, very thin. It's the thinnest dough in the world. You know, working with a convection oven having all that air blowing around was messing up my filo dough and messing up the pans and they weren't coming out looking like these beautiful golden pans of deliciousness. It looked like it'd been through a tornado.

But once I got my groove in there, once I learned the oven, once I started using the space and learning the space, then it became a blessing. So, you know, like anything, you have to go through a trial period, and figure it out. But once you do it's wonderful, you know, being able to have that work life balance.

It was nice to be able to pull all that bakery stuff and put it where it belonged in the bakery and have a space that was my home. You know, So home is really a place for me to lay my head, to shower and get ready for the next day. But. these are growing pains.

These are, I'm growing a business and at some point I know how to hire people. I have Mina. She's an amazing woman from Afghanistan who understands what baklava is, and is intimidated by it.

She's an amazing human being. And, you know, I foresee hiring more people like her in the future. I've hired some people to help me with Google ads. I tried Facebook ads by myself and found out that I have to hire experts to help me. we're just in the full-fledged growing mode.

[00:49:00] **David Crabill:** Yeah, because you're, you're not just marketing locally right now. Like you, you mentioned the Google and Facebook ads, like you're marketing nationwide at this point, right?

[00:49:10] **Rita Magalde:** Nationwide. Absolutely.

[00:49:13] **David Crabill:** And what percentage of your customers come from local or wholesale versus getting orders that you ship?

[00:49:20] **Rita Magalde:** I say at this point, 50/50. But I know that it will come from outside the state of Utah now because of the demographics of the folks here. They're just not enough. People that know what baklava is and appreciate the work that goes into it here in the state of Utah. I'll give you an example. So I had a friend who sells butter flavored butter, but butter. He said, I've consistently made \$10,000 a month at the Family Christmas gift show. You should absolutely try it out. Rita, oh my gosh. He's from Chicago. So he knew baklava. He knows what it is. He appreciates what it is. He said, you have to do this. You are gonna make so much money. You're gonna make a ton of money. Oh my gosh, your packaging is amazing.

Your baklava is amazing. Your customer service is bar none. So over Christmas, this last Christmas, we made a ton of baklava. We got it right. We were ready for this Christmas show. We paid the thousand dollar booth rent. We cut 5,440 samples of baklava. We were there for three days, sunup to sundown, 12 hour days, handing out samples, getting people excited, and I left that show. \$1,500 in the hole in the red. I spent three days trying to educate these local people here. What baklava is, all weekend long. It was by Bala, who, what is it? Oh, okay. And then they'd move on. There's so many like major cities in the US where everybody knows what baklava is and all those orders that I'm getting, that 50% of orders that I'm getting online, are from those big cities. So this business might be the base of it. The, the headquarters might be Utah, but my orders the growth will come from outside of the state of Utah.

[00:51:14] **David Crabill:** You've mentioned that. This will become a multimillion dollar business someday. What do you think is driving you to pursue that ambitious goal? Like why do you want it to become a huge brand?

[00:51:30] **Rita Magalde:** I'm on a mission to show that baklava can be amazing. My customer that came in this morning, She says to me, every time she sees me, your baklava is the best baklava I've ever had.

She went out to visit her son, and they went on a baklava hunt. In fact, I have several customers that now it's a game for them.

They're trying to find a baklava that's better than mine. Everywhere they go, they taste the baklava and they come back to me and say, I'm sorry, it just doesn't compare to Rita's. Baklava has a bad wrap, but they taste like mine. And I give them a whole nother idea of what good baklava can taste like. And so I just feel like this business deserves to be a multimillion dollar business. It deserves it. And it's up to me to make it happen.

[00:52:25] **David Crabill:** Yeah, I saw on social media or maybe your website where you said over and over again that this is the best baklava you'll ever have. So what makes your baklava so special or so different?

[00:52:42] **Rita Magalde:** I just now started saying that after 17 years of people telling me it's the best, I finally just started owning it myself. And people started saying when I was in that 10,000 small business class, people are like, own it Rita.

Say it. Don't be afraid. Don't feel like you're not being humble. Because there's just this part of me growing up. My parents taught me humility, right? But I have to start saying what everybody's telling me. And I've had a thousand people say to me oh my gosh either, I didn't think I would like baklava, and this is amazing. This is the best baklava. Or I knew I didn't like it, but I was just giving you the benefit of the doubt to taste yours.

And then said, oh my gosh, this is the best baklava I've ever had. Why is it the best? So my baklava is authentic. I learned from the Greeks, but it's a little bit Americanized to where it's not feeling like it's wet bread in your mouth, right? We don't like that texture in our mouths. So mine is sweet, but not too sweet.

It's moist, but not too wet and heavy. So I have combined southern cooking, with this Greek culture, into this business that makes stuff people go crazy over. And then, I combine that with beautiful packaging And so I treat people with dignity and respect when they come in to see me. And then combining all of that together is what makes Sheer Ambrosia. So the final ingredient is love, and that's what makes my baklava special.

[00:54:22] **David Crabill:** I noticed that you have added more than just baklava to your menu recently. Can you take me through that decision?

[00:54:30] **Rita Magalde:** Yeah. So, you know, I thought, oh well I have a bigger kitchen now. And I make an amazing granola. And I've been making granola forever and ever and ever for myself And then I started sharing my granola with all my friends and people were like, well, I want another bag of that. That was really good. And so I decided to include granola And I have this amazing friend Patrick, who I worked with and his daughter makes these gorgeous, delicious smelling candles. So I called him up and I talked to her and I said, Hey, can you put my label on it? My sheer Ambrosia brand on it? Of course. Can you make flavors that are a rep based on my B off flavors? Of course, then let's do it. How fun would that be? And at Christmas time, let's make a basket that has all of these fun things that are not just baklava right? and they're going like, people love them. So as we grow, we have other things to grow into

and here's the thing, what I've learned with all of my businesses is that you cannot stay the same. You have to adapt, rolling out new things, getting people excited about new things in order to grow. It is imperative that you do that. You cannot continually grow a business with the same exact thing year after year after year after year.

[00:55:56] **David Crabill:** Well, you have an amazing story and I'm so glad you were able to come on and share it with us. Now as you look into the future, where would you like your business to go or what are your current future plans?

[00:56:11] **Rita Magalde:** Corporate gifting is where I am taking this business next. Wholesale brings you bulk orders, retail gives you retail pricing but if you do corporate gifting is the best of both of those worlds. You get bulk orders, retail pricing. they're not as concerned about the price. They're looking for something unique. Sophisticated, beautiful, and something to make them look good. So that's the market I'm going after. Next,

And, I want to hire other women who may be single.

Or who may just need a job, I want to have a bakery that's full of life and love. Where I can teach you to treat our customers like they're gold, and just do this all over the country.

I wanna franchise this thing, right? I wanna have a Sheer Ambrosia in every state that is run by amazing women. And, you know, I don't care if they're men that work for the company too, who cares, right? But the point is, I wanna provide a safe space for good people who wanna grow cause this isn't just a bakery item, right? This is artisan work. This is art. This is old world baking. It's beautiful to look at. it's not made by a machine. It's made by loving hands. There's not enough of that in this automated world that we live in. I wanna bring some of that old world artistry back.

This bakery is a metaphor for life. Baklava is how people get to know me. It's how I got to know, the Greek people that taught me, I got to know their culture, we live, I feel like, in a polarized society now, and we learn so much about people and we learn tolerance, and we start to look at people as people when we eat their food and when we hear their music and when we dance their dance ,

Then we start seeing them as human beings and not as a label. That's why I want this business to grow.

[00:58:29] **David Crabill:** Well, thank you so much, Rita, for sharing your story with us. Now, if somebody would like to learn more about you, where can they find you or how can they reach out?

[00:58:40] **Rita Magalde:** Yeah, they can go to my website at www.sheerambrosiabakery.com. And if you have any questions, if you wanna place an order and you need to ask questions, Give me a call. It's (801) 891-6242. But the main place where you can go to find out about me is my website.

[00:59:02] **David Crabill:** Well, thank you, Rita, for coming on the show and sharing with us today.

[00:59:06] **Rita Magalde:** You're very welcome. Thank you so much for having me.

[00:59:12] **David Crabill:** That wraps up another episode of the Forrager Podcast.

For more information about this episode, go to forrager.com/podcast/141.

And if you feel like you've gotten a lot of value from this podcast, I have a favor to ask you. Could you take a quick moment right now and leave me either a review on Apple Podcasts or a rating on Spotify. It's truly the best way to support this show and will help others like you find this podcast.

And finally, if you're thinking about selling your own homemade food, check out my free mini course where I walk you through the steps you need to take to get a cottage food business off the ground.

To get the course, go to cottagefoodcourse.com.

Thanks for listening, and I'll see you in the next episode.