

BY SAM BLACK
STAFF WRITER

One of John Gappa's biggest accomplishments as chief financial officer of cereal maker Malt-O-Meal Co. has been helping the company more easily digest volatile prices for raw materials, such as wheat, corn and energy.

Commodities for food production are always changing with weather conditions, world demand and production, and Malt-O-Meal never had an active system for mitigating price spikes. Until Gappa joined the company in 2005, that is.

The risk-management program Gappa installed, which involves traditional hedging tools such as options, futures, and swaps, has saved the company more than "eight figures," he said.

Gappa also brought to Malt-O-Meal a sophisticated strategy for analyzing how money is spent on plants and equipment at the 92-year-old Minneapolis-based cereal manufacturer. That's no small feat, considering Malt-O-Meal invested more than \$100 million to build and expand its factories in recent years.

The company is performing well, too. Privately-held Malt-O-Meal had sales of about \$700 million in 2010, double from when Gappa arrived, and it remained profitable all the way through the recession.

Every profession has its in-jokes. Tell us a CFO one.

Many people say I have a pretty good sense of humor, for a CFO. I reply that it is a pretty low bar to jump.

JOHN GAPPA

Malt-O-Meal Co.

WINNER

LARGE PRIVATE COMPANY

Education: B.A. in finance, University of Minnesota; MBA from Carlson School of Management (1992)

Family: Wife Suzanne; three children, Benjamin and Louise, who are in college, and a 1-year-old son, James.

Hobbies: Visiting the family's cabin on the edge of the Boundary Waters Canoe Area to unwind and experience nature.

Gappa isn't just a numbers guy, according to Chris Neugent, Malt-O-Meal's CEO.

"John understands that the right answers can't always be figured out with a spreadsheet. Over the long term, our financial strength is driven by the strength of our people, our products, and the relationships we have with our customers. John is able to think and act strategically, and that's what makes

him a great CFO," Neugent said.

As CFO, Gappa also helped the firm improve employee engagement and the quality of its workplace. Under his leadership, Malt-O-Meal started its first telecommuting program and converted some of the company's major back-office operations to a paperless processing system.

Before joining Malt-O-Meal, Gappa spent four years as the CFO of Universal Hospital Services Inc. in Bloomington. He also worked at Novartis in St. Louis Park. He began his career with Pillsbury.

The St. Paul native serves on two nonprofit boards in the Twin Cities. He's board chair of the American Refugee Committee, based in Minneapolis. He traveled to Haiti shortly after the 2010 earthquake there and then helped raise "a substantial amount" for relief causes from Minnesota sources, he said.

He's also on the board of the Minnesota Zoo, based in Apple Valley, which he described as the state's largest environmental education organization. Gappa said the zoo was a good fit for Malt-O-Meal, too, because it blends with the cereal maker's focus on families.

Gappa enjoys volunteering and encourages other CFOs to serve on some of the nonprofits around town.

"I think they'll find it a great experience, as well as a great professional development opportunity," he said.

sblack@bizjournals.com | (612) 288-2103