

AI Expands From Multibillion-Dollar Enterprises to Main Street

Artificial-intelligence agents scrape a bakery's spreadsheets into a new app to manage growth

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Helene Godin in a dry-goods storage area at By the Way Bakery's factory in Pleasantville, N.Y.

By **Lauren Weber** [Follow](#) | Photography by **Todd Midler** for WSJ
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Quick Summary

- By the Way Bakery, with around \$8 million in annual sales, has adopted an AI planning tool to manage ingredients, labor and production schedules.

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At a trade show in February this year, Helene Godin pitched her bakery's mini-Bundt cakes and brownie bites to some of the biggest supermarket chains in the country.

Then she returned to her small wholesale factory in Pleasantville, N.Y., and started figuring out how she would fill orders.

An unexpected part of the equation for her company, By the Way Bakery: artificial intelligence.

"We had a spreadsheet that just went on and on and on and on," Godin said. "It was too hard to follow, and it wasn't reliable." Instead, the bakery's new AI planning tool helps it track the ingredients, labor and production schedules needed to bake products such as its Schnibble mini-Bundt cakes and scale up when new orders arrive.

"There's less guessing of how many Schnibbles did we make and did we make them on Tuesday or Wednesday, because we needed them on Tuesday," Godin said.

AI is [coming to small business](#), helping companies to organize supply chains, plan production and execute other functions in ways that only multibillion-dollar enterprises were once able to afford.

More than 50% of small businesses, including owner-only firms, said they plan to use AI tools this quarter to boost productivity, according to a March survey from Citizens Financial.

Their use of AI is rapidly increasing. Among businesses with 20 to 99 people, 84% said they plan to use artificial intelligence this quarter. And 91% of those with more than 100 workers said they are using it to boost productivity right now.

"That's how fast these tools have been adopted," said Mark Valentino, head of business banking at Citizens.

By the Way, which now has 85 employees and makes gluten- and dairy-free confections, turned to AI this year after managing its growth through a series of spreadsheets that were becoming too complex for its staff to handle.

Operations manager Elizabeth Turbé printed out Excel-based baking schedules once or twice a week and bought boxes of wooden rulers that bakers used to help track which rows to follow each day. Turbé manually updated production schedules when orders changed or were added.

It was more complicated than it sounds. Every chocolate cake needs several ingredients for the batter, along with simple syrup to keep the layers moist, as well as frosting and sometimes decorations. Bakers are juggling those cakes along with batters and oven schedules for scones, brownies, custom wedding cakes and other products.

A huge food company might spend millions of dollars for a custom enterprise resource-planning system that integrates everything from procurement to supply chains to sales and production. But that was too expensive for By the Way, which has around \$8 million in annual sales.

Enter an AI app, which a consulting firm, Streamliners, designed for By the Way. The consulting firm created AI agents to scrape data out of the bakery's spreadsheets and then build a customized resource-planning tool.

Now, when an order arrives for 1,200 cakes, the new system automatically calculates exactly how many eggs and how much powdered sugar need to be on hand for the bakers.

For small businesses, "The bigger they get, the more important the data is," said Tanner De Jonge, chief technology officer at Streamliners.

The total cost of the app, he said, was a few hundred dollars for the monthly fee on his premium AI plan, plus what he estimates to be a few dollars a month for the AI credits—digital tokens that allow AI platforms to bill for usage—needed to process the data.



Racks of brownie bites and boxes of frozen cakes. An app coordinates inventory and baking schedules.



An employee at the factory using a stand mixer. At the Hastings-on-Hudson store, Cameron Johnson hands a customer a bag of granola.

Now, said Turbé, staffers' time can be spent "doing the baking rather than staring at the paper trying to figure out what they're supposed to be doing."

Godin was an intellectual-property and media lawyer for 22 years. Her retirement in 2010, at age 48, lasted for four days, "two of which were a weekend," she said.

"This sucks," she remembers thinking during those four days. "I'm going to open a bakery."

First she needed to learn how to bake. Godin's husband, Seth Godin, a renowned authority on marketing, is the family's cook and baker. The one time she tried to bake lemon squares for an event at her son's school, she watched as a woman took a bite and spat it out. She had left out the sugar.

She likes two things that were helpful in starting a business: running operations and the science of baking. After watching the gluten-free section at her local grocery store grow, she saw an opportunity.

By the Way now has four retail stores in New York City and nearby suburbs, as well as the wholesale bakery in Pleasantville, about an hour's drive north of Manhattan. It currently makes more than 500 layer cakes a day and sells around 300,000 mini-Bundt cakes a year. Those numbers could double or triple if Godin reaches her goal of selling in 1,500 stores by the end of 2026.

She is automating where she can. In 2025, she bought a machine that assembles cardboard boxes. Six months ago, By the Way went from hand-dipping its doughnuts to relying on a machine that dips 24 every five seconds, speeding up the process by 90%. "These are the jobs that are being automated away," she said.

The bakery, said De Jonge, the consultant, has been thriving, but it hasn't been set up for growth. It relies on what he calls the hero approach: a single manager named Victor who makes sure every order is filled correctly. Bakery staff have a motto: "In Victor we trust." He has never screwed up an order, Godin said.

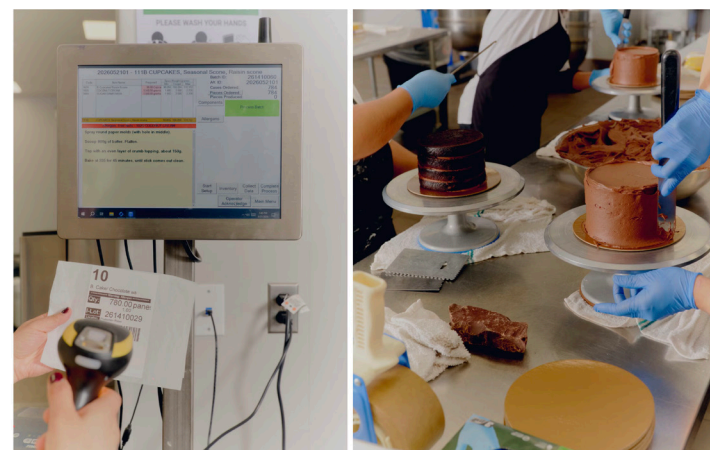
The app sets up By the Way for the growth Godin is looking for, but it doesn't reduce the need for humans who are intimately familiar with the bakery's operations.

"AI still has hallucinations," De Jonge said. "You have to build guardrails in so that it's not deciding to make 20,000 cakes on Monday."

Lauren Weber writes about workplace issues and employment in The Wall Street Journal's corporate bureau in New York. Her stories often explore topics such as workforce development and skills, contingent work, compensation, the bonds between employers and workers, and the intersection between economic trends and the on-the-ground.



By the Way Bakery's storefront in Hastings-on-Hudson, N.Y. An employee working on a vanilla sprinkle cake.



Jenny Bermes, a data specialist, scans a barcode connected to the new AI system. Employees use data from the system to determine which ingredients they need and how much.