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PRESIDENT  
Berliner Specialty Distributors

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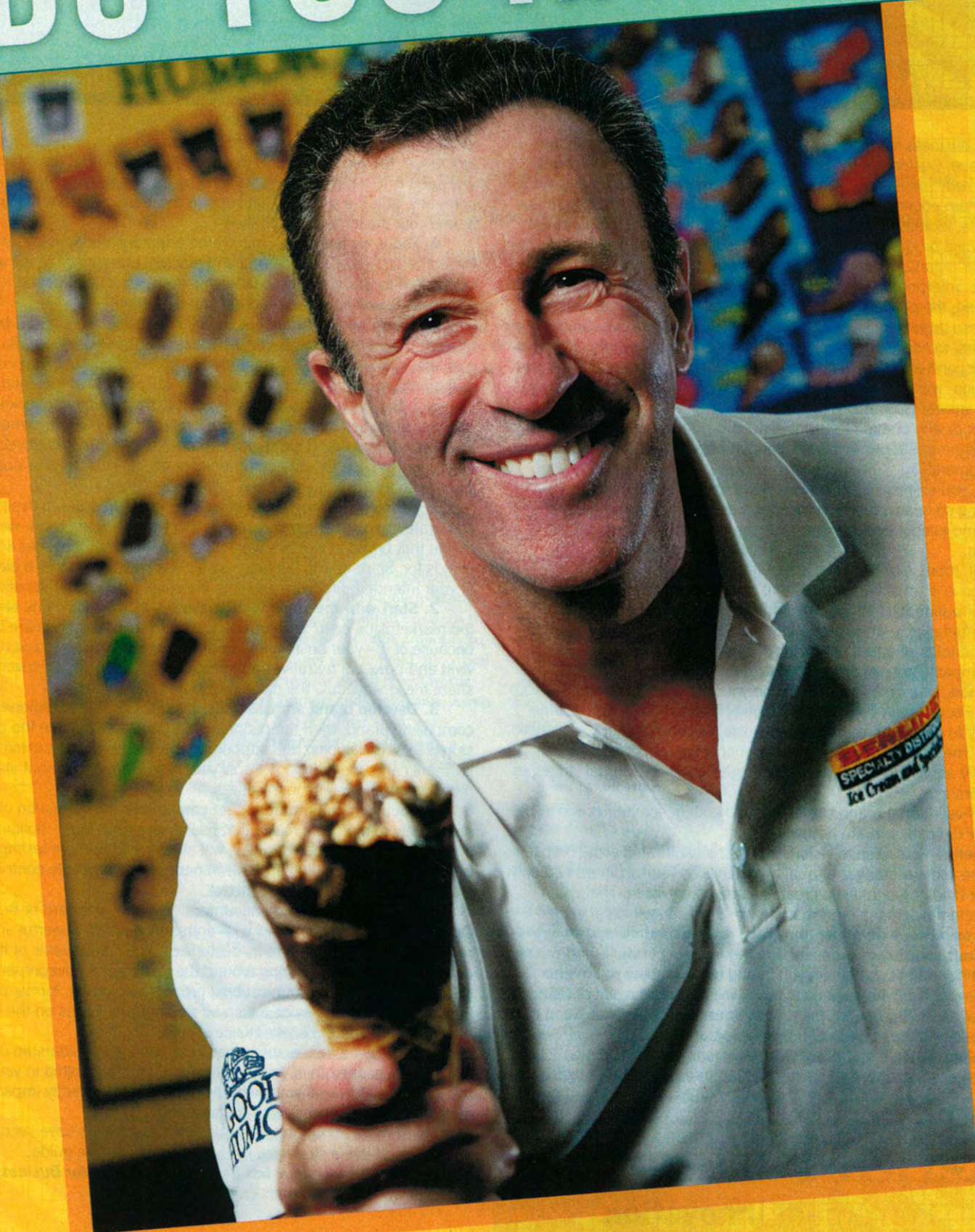
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# DO YOU KNOW



# THE ICE CREAM MAN?

A profitable combination of nostalgia and technology keeps this CEO in good humor

**Guy Berliner**  
PRESIDENT  
**Berliner Specialty Distributors**

By Matt Ward • Photography by Bryan Burris

That's Guy Berliner, president of Berliner Specialty Distributors, in the full Good Humor getup – white button-down shirt, white pants, black bowtie, white nautical cap – handing out free ice cream on TV. He's standing in front of a 1969 white Ford Good Humor truck, and when he opens the door on the side, dry ice vapor wafts out. Berliner is talking to the people on the street as he hands them ice cream bars. He is talking to TV news reporters from CNN, ABC and NBC. He is looking into the camera and tipping his cap. Everyone in the little clutch around this modern day Good Humor man has just that: good humor. They are all grownups, standing on 4th Street in Washington, DC, in August, and every one of them is smiling. Free ice cream will do that to you, at any age.

That Berliner, 58, has figured out how to sell ice cream is no surprise. In his time, he has figured out how to sell lots of things, most of them frozen and edible. But this scene, which took place during the politically knotted summer of 2011 as Congress debated whether to raise the nation's debt ceiling, demonstrates something more about Berliner's approach to business. He is on the street, in a funny suit, not just hawking his product but giving it away for free, at least to everyone but members of Congress (until they came up with a deal, and then they got ice cream, too). It's a bit hokey and nostalgic, the image of the Good Humor man, and Berliner plays it up. But he's on national TV. And there's only one word for that, and it's not *hokey*; it's *savvy*.

"I firmly believe that eating healthy is key, and treating oneself is part of a balanced health regimen, like treating oneself to an ice cream every now and then."

*Guy Berliner*

## HIGH-TECH TREATS

A similar combination of old-school style and forward thinking has underlined a major operational transformation at Berliner Specialty Distributors in recent years. In most companies, new technology and automation mean fewer jobs and less face-to-face contact with customers. At Berliner Distributors, it has meant the opposite. The company has done away with its old paper-based system for placing orders and managing deliveries, replacing it with new software and handheld scanners like those used by FedEx drivers.

"What we have done in the last three or four years, we have really changed our business around, our whole business model," Berliner says. The company's customer service representatives used to call customers on the phone. "We reversed that and we said we're going to see every single one of these customers," Berliner says.

So the company hired more customer service reps. In the wholesale side of its business, the company maintains 4,000 brightly colored ice cream freezers in convenience stores, restaurants, hotels, museums and grocery stores throughout Maryland, DC, Virginia and Delaware. The new, in-person sales calls resulted in a 30 percent increase in sales, Berliner says. At the company's Hyattsville facility, dozens of the freezers, with sliding glass tops and wheels on the bottom, are lined up waiting for attention from the mechanic.

Another side of Berliner's business is evident in the three acres of ice cream trucks parked outside. Each ice cream man (or woman – there are many) owns his own truck. For a fee, he can park it here, hook up to power, have his trash hauled away and benefit from the security of a barbed wire fence and a night watch guard. And each day, before he heads out on his route, he buys everything he needs from Berliner.

That means ice cream sandwiches and pre-packaged ice cream cones and lots of cartoon heads on popsicle sticks. Teenage Mutant Ninja Turtles, Bugs Bunny, Batman, Shrek, SpongeBob and Dora the Explorer all get tossed into the freezer in the back of the truck. Berliner sells dry goods, too:

Skittles, Rice Krispies Treats, lunch-box-sized bags of potato chips, sodas, Blow Pops, Tootsie Pops and Fun Dip.

Now stop for a second and use your imagination: can you guess the strangest thing Berliner Distributors sells to its mobile vendors? It's something they sell in the winter. Stacked with the candies and sodas in the dry goods distribution center are cases of canned Hormel chili.

"We still have some vendors that come in [during the winter], the real diehards," Berliner says. One such vendor, on his way out on a cold January morning, stops to talk and hands me – through the window at the side of his truck – a hot sausage, egg and cheese biscuit, neatly wrapped in wax paper. "That's my specialty," he says.

It's something to keep you warm in the Good Humor man's off-season – a Styro-foam bowl of hot chili, a fresh breakfast sandwich – as opposed to the cold treats that really make this place run. Inside, Berliner stocks ice cream in two giant freezers, each the size of a small warehouse.

It is not wise to go in unless you are wearing, at the very least, a warm coat. The warehouse workers look dressed for a snowstorm. Once bundled up properly, you pass through a heavy sliding door and two layers of hanging plastic flaps. Inside, the dry, freezing air immediately stings your nose. You might expect everything to be white, covered in ice and snow, but it's not. It looks like a normal warehouse, with pallets of cardboard boxes lined up in neat rows, pallet jacks parked in the corner, steel shelving along the sides. But it is so cold – so shockingly cold – that

the place still manages to feel strange and otherworldly. As the seconds go by, you think less and less about anything other than the temperature. Then you notice: printed on the side of every box is the directive: "store at -20 degrees Fahrenheit." Is that the actual temperature in here? Berliner nods and smiles. "Oh yeah, it sure is," he says.

The margin of error on ice cream distribution is narrow; it lasts about 10 minutes. Think about a frozen dinner. You can take it out of the freezer, leave it on the kitchen counter for 30 minutes, change your mind, throw it back in the freezer and it will still be frozen solid. Ice cream, by the gallon, will start to soften after just a few minutes. But an ice cream novelty – that SpongeBob-shaped

### We all scream for customer service

Guy Berliner puts his cell phone number on his business card, and he encourages customers to use it. "I don't consider us to have a customer service department. Everyone who works here is a customer service person," he says.

### Rich History

When Berliner Specialty Distributors took over operations at the Good Humor facility in Hyattsville in 1988, Guy Berliner was adamant that they keep the old black-and-white photos that were hanging on the walls – he wanted to keep the company's history intact. Berliner has done well to capitalize on the nostalgia for the brand over the years. A growing segment of the company's business is its special events division, which serves ice cream, with the old Good Humor truck and the white uniforms, at parties and corporate events.



Drawing on the nostalgia of his Good Humor products, Berliner keeps a 1930 Model A Ford (left) and a 1969 Ford on hand for special occasions.



frozen treat on a stick, for instance – will start to melt after 10 minutes, and it can't be refrozen.

"It's a very difficult business," Berliner says, explaining that the logistics of keeping things frozen is a significant barrier to new companies joining the market. During the summer months, Berliner spends about \$1,000 a day on refrigeration alone.

One area where Berliner Distributors has saved money and increased profits is in the open hallway just outside the smaller of the two giant freezers, where the ice cream men ("mobile vendors," in the industry) line up to purchase their goods each morning. This, too, used to be a paper-based process. Then, Berliner installed touch-screen kiosks; now, buying two cases of Push Pops and a box of Klondike Bars is as easy as ordering a meatball sub at Wawa. The vendor punches in his order and gets a ticket number. The new system prevents a long line forming at the cashier's window. Meanwhile, a warehouse attendant has already received the order, complete with a streamlined, GPS-based route through the aisles. The scheme makes everything move faster for the mobile vendors.

"Their order is already pulled. So now they're happy, they get out on the road quicker, they sell more ice cream," Berliner says. "I think that's one of the big must-haves in today's day and age: how do you increase sales and pull cost out of your business to make yourself more competitive? The technology has really helped us on that end."

All these improvements have made Berliner Specialty Distributors a new technology testing ground for Unilever (the parent company that owns Good Humor, Klondike, Popsicle and others), which named the Berliner facility – one of 600 Unilever distributors in the country – "U.S. Distributor of the Year" in 2010 and 2011. With the new technology, sales have increased across the board. In the wholesale arm of the business, customer retention has improved dramatically, benefiting not just from good sales numbers, but from the increased face time with customers.

For Pat Thomas, a Berliner employee from 1999 until this past February, the improvements were a joy. For her, the tyranny of the old dot-matrix printer is still a vivid memory. Customer service reps once used an MS-DOS-style computer program to enter orders. When they hit "print," the noisy old printer would go to work. The worst sound in the office, Thomas says, was the silence of a printer jam. "When that thing got jammed, that was a nightmare," she says. "It was just a lot of paper, a lot of time."

## 'I KNEW I WAS GOING TO WORK FOR MYSELF'

In a way, Guy Berliner's business career started off at a Montgomery Ward's in Upstate New York. Toward the end of his senior year at the State University of New York at Oneonta, Berliner bought a few tables and a canopy at the now-defunct department store. He also bought an old truck. Then, he opened a vegetable stand.

"At first, it was just a couple of folding tables on the side of the road," Berliner says. The Long Island native had worked odd jobs throughout college – parking cars, busing tables and saving money. The day after he graduated, he bought a house and rented it to college students. Berliner worked his farm stand that summer, driving to New Jersey for early season tomatoes and buying local strawberries as soon as they were ripe.

"When I got out of college, I just basically knew that I was not going to work for anybody; it's the way I was brought up. My parents had their own business," Berliner says. "I guess it got engrained in my blood that I knew I was going to work for myself when I got older."

The farm stand did a brisk business that first summer, and Berliner took off to travel in Western Europe that winter. Fresh produce, local real estate and winter escapes to the Continent became a routine for a while. Over the course of seven years, Berliner purchased 13 houses in Oneonta. The roadside farm stand became a

4,000-square-foot A-frame market with a bakery and a deli.

That market still stands today on Route 7 in Oneonta, but Berliner is long gone from Upstate New York. As Guy Berliner was expanding his produce business in the mid-1970s, his brother, Mitch Berliner, had opened a stall in the Montgomery Farm Women's Cooperative Market in Bethesda, selling various gourmet foods. The business started to take off when Mitch began distributing a high-quality ice cream no one had heard of at the time. That brand was Haagen Dazs.

In 1981, Guy sold his businesses in Oneonta and moved to Washington, DC, with his wife, Bonnie. Guy and Mitch set about building a frozen food distribution business around the Haagen Dazs brand. The family that launched the brand had been in ice cream since the early 20th century, and they had started making their own in 1960. Then, in the 1970s, the brand became a national hit.

"It was one of those overnight sensations that [actually] took a long time," Guy Berliner says.

Building on the success of Haagen Dazs, the Berliners focused on high-end ice cream products, often described as "super premium." In the early 1980s, they met a guy at a food convention; he was making, as Guy Berliner now says, "these really great chocolates." So the Berliners bought in. That brand was the Dove bar. "We always tried to find unique products. We never wanted to do what everyone else did," Guy Berliner says. "We brought [the Dove bar] in, it took us about six months to sell one pallet, which is not too good."

But the Dove bar took off, too. It wasn't long before the small, family ice cream companies the Berliners were working with caught the eye of the larger corporate world. Names like Dove and Haagen Dazs have long since been bought up by large, international firms. By 1985, the distribution network the Berliners had built was attracting a lot of attention, too. In an effort to gain a foothold on the East Coast, Edy's ice cream – which, at the time, was big on the West Coast and had only come as far east as Chicago – purchased Berliner Foods Corp.

So Guy and Mitch took a few years off. Guy spent extra time with his son and daughter, who were still young at the time, and he helped his wife set up her own business, a day spa near their home in Potomac, MD. Then, in 1988, the Berliner brothers got back into ice cream. At the time, Good Humor, owned by international giant Unilever, was handling its own distribution in the DC area.

"Big companies do certain things very well; they manufacture product and they market product," Berliner says. "But doing this kind of business – which is really a roll-up-your-sleeves business, and you've got to be really hands-on – was really not for them. And because we used to compete with them, and because they thought we competed on a pretty good level, they asked us to take over their distribution. So we did."

Not long after the Berliners took over operations at the Good Humor distribution center in Hyattsville, Unilever decided to grab a large share of the United States ice cream business – it was already a major ice cream distributor worldwide.

"They bought Popsicle, and then they bought Klondike and Breyer's, and a number of years later bought Ben and Jerry's, and all of a sudden they were the largest ice cream company in the world," Berliner says. "And we were doing the distribution for them the entire time." In 2011, Unilever and Berliner added the popular Magnum ice cream to their list of brands in America; the premium bar sells over 1 billion bars a year worldwide.

## ICE CREAM AT THE ZOO, TOO

In addition to jettisoning those pesky dot-matrix printers, Berliner has made other changes in recent years. Mitch Berliner, 63, sold his share of the business in favor of a slower pace and time to pursue other interests. He still helps out every once in a while with the old business. "Occasionally, Guy will share something with me and I will put in my two cents," Mitch says. "I also keep my eye out for potential

"I think that's one of the big must-haves in today's day and age: how do you increase sales and pull cost out of your business to make yourself more competitive? The technology has really helped us on that end."

*Guy Berliner*

"You go through life, and you're left with one thing: your reputation."

Guy Berliner

new accounts – because I just can't help myself – and one recent lead turned out to be a home run."

Many of the technological improvements at Berliner Distributors have been borne out of a partnership with David Gordon and Craig Kushner of Monumental Vending in Beltsville. Guy Berliner is not shy in pointing out that Gordon and Kushner are about 12 or 13 years younger than he is, giving them a sharper edge on new technology.

In another new aspect of the business, Berliner Distributors has focused on landing big customers in the DC area. They now count FedEx Field, various Smithsonian museums and the National Zoo among their clients. "We have every single one of the bigger venues in town," Guy Berliner says. "I got them because I told them we would smother them with service, and we did." Berliner has shown up in the kitchen at the Museum of Natural History on a Saturday morning, just to make sure the ice cream was in good shape.

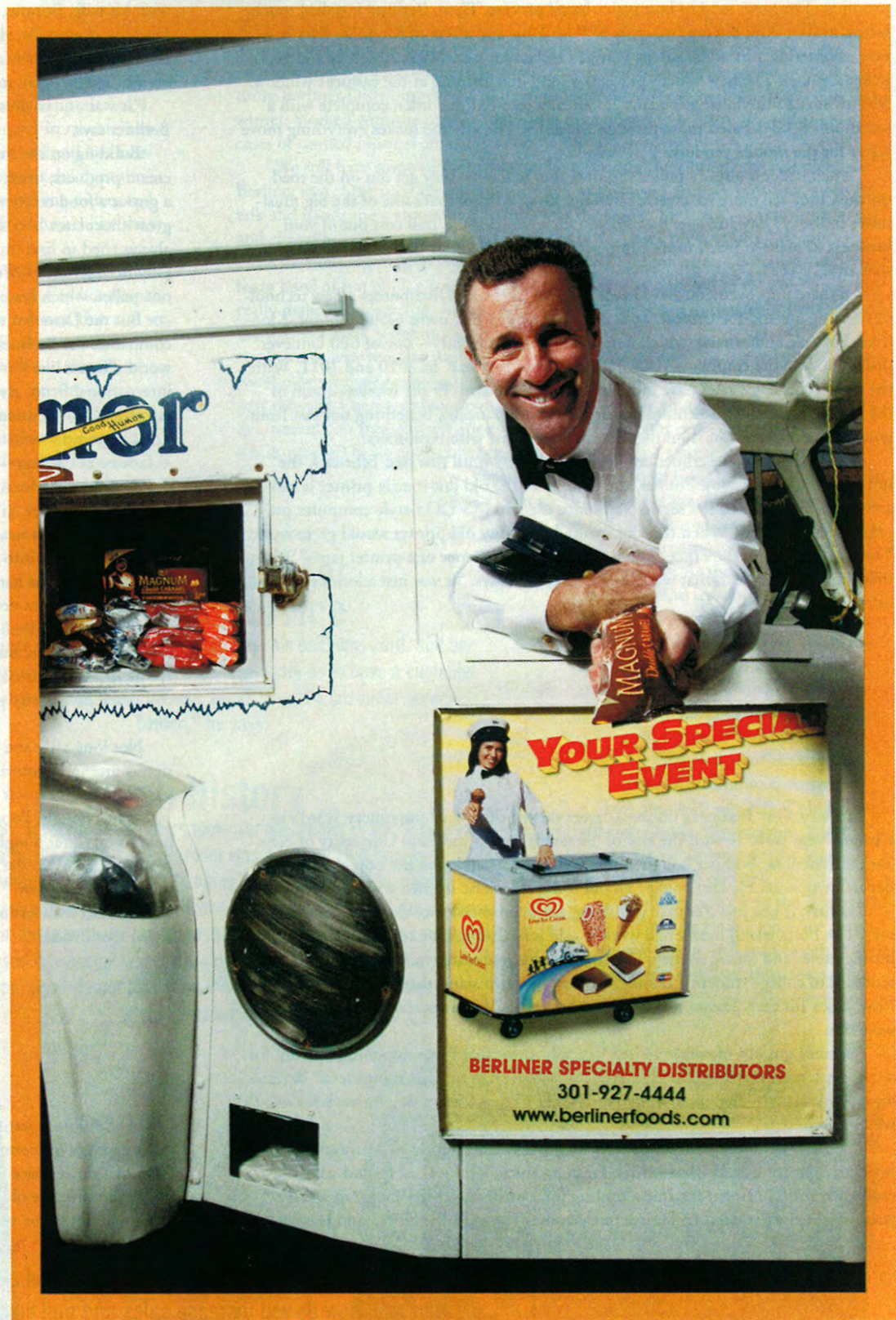
Every day he's surrounded by ice cream bars, candies and treats, but Guy Berliner is fit, and he likes to eat healthy. He's an avid bicyclist who buys his produce every week from a local farmer's market. "I firmly believe that eating healthy is key, and treating oneself is part of a balanced health regimen, like treating oneself to an ice cream every now and then," Berliner says.

When he can, Berliner still plays tennis. In his younger days, he was captain of the tennis team at Plainview High School on Long Island. At five-foot-seven, Guy never had a huge serve. Instead, he liked to serve, then rush the net to try to drive the point home quickly. "I was somewhat of an aggressive player," Berliner says. "I liked to put the guy on defense and rush the net and see if I could put it away."

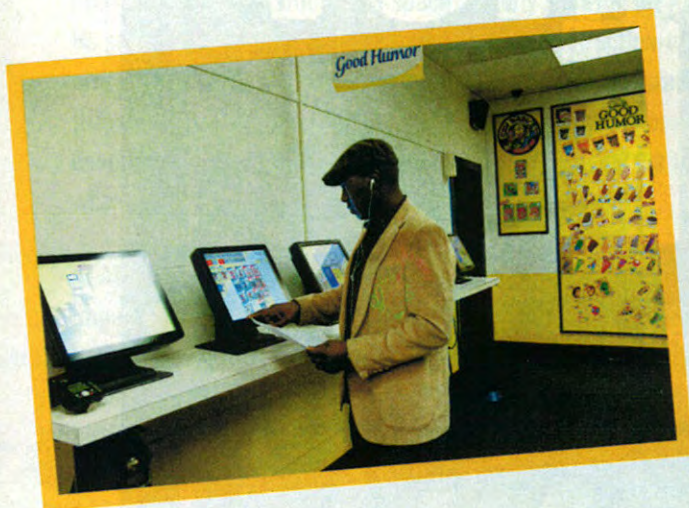
There might be a little bit of that high school tennis player in Berliner's approach to business. In person, Berliner is affable, talkative and funny, and a tour of the Hyattsville facility moves at a brisk pace. The mood in the warehouse and the office seems upbeat and not overly heavy. But the few times that the direct competition comes up in conversation, Berliner is unequivocal – he doesn't like to lose.

Out on the floor of the distribution facility, Berliner seems to genuinely know everyone by name. Out in the ice cream truck lot, he trades good-natured barbs with one of the mobile vendors, a man who's been driving an ice cream truck for many years. Asked about his rapport with his employees, Berliner replies, "You go through life, and you're left with one thing: your reputation."

The offices at Berliner Specialty Distributors are by no means fancy, but they are nicely kept. The walls are adorned with old ice cream promotions posters and photographs of the Good Humor staff going back decades. One of the company's four 1969 Ford Good Humor trucks is parked out front, and on special occasions, Guy has a 1930 Ford Model A Good Humor truck brought



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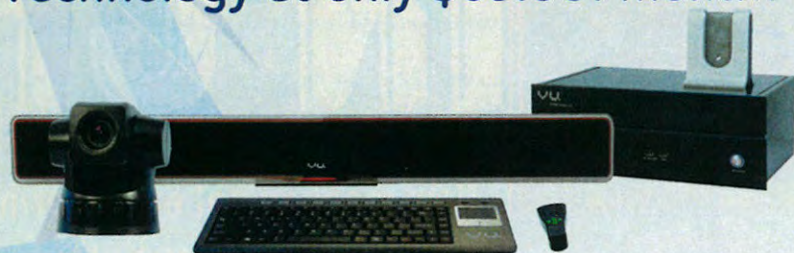
A mobile vendor punches in his order at a touch-screen kiosk, a system which eliminated the time-consuming, paper-based process.

in. He keeps several photo books in his office, one of which commemorates his "No Ice Cream for Congress" campaign from last summer. In the back pages of the book is a montage of emails from people in the press. One is from CNN's Wolf Blitzer, who carried coverage of Guy's campaign on *The Situation Room*. In the jokey email, written after Congress had come to an agreement on the debt ceiling and Guy had given away plenty of free ice cream, Blitzer wrote: "You saved the country." Congress wanted that free ice cream so badly, Blitzer was saying, they managed to get together, for once, on a difficult issue. It was all in a day's work for the Good Humor man. **CEO**

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