

LEADERSHIP PROFILE

Ben Katzenstein, President of Star Kay White

A SWEET FAMILY BUSINESS



HV Mfg headed to Congers, Rockland County, to visit with Ben Katzenstein, President of Star Kay White, Inc, a manufacturer of flavoring materials for ice cream, beverages and bakery items. In an office smelling of pure vanilla extract, cluttered with books, antiques, and technical drawings and decorated with portraits of sailing ships and world leaders, we sat down to discuss manufacturing, the food business and leadership.

HV Mfg: How did you come to work in manufacturing?

BK: I guess I don't really think of myself as working in manufacturing. I am in the food business. I am in the family business. It just happens to also be a manufacturing company. I have been working here since I was 3 or 4 years old – really, literally that young. My father would bring me to our plant in the Bronx on Saturday mornings and he would give me little things to do – empty the wastepaper baskets, sweep the floor, put labels on jars. When I got a little older, I would work during school vacations. Both my grandparents worked in the food industry, my father's side in this company and my mother's side in soda and candy distribution business.

HV Mfg: Was it always understood that you would go into the family business?

BK: I always knew that I wanted to run this company someday, but I never felt pressured to join the company. However, I was brought up with a strong work ethic, there was a lot of focus on working hard, to always do more than you are being paid for.

HV Mfg: Did you go to college for a business degree?

BK: College for me was a long and winding road. I went to Jacksonville University in Florida for a business degree but really struggled and transferred out after two semesters. I went to Ithaca College as a third semester freshman and really struggled again and then took a leave of absence after one semester. I always felt a void in my education – how can you learn about the world if you haven't had any experience in it. So I fitted a small pickup truck with a homemade wooden camper and travelled around the periphery of the continental United States. I was 19 years old and travelled 20 thousand miles in 25 weeks. I did odd jobs to pay my way; I worked on a fishing boat, as a dish washer, trimming trees on a Christmas tree farm...when I finally came home I think I was a bit more mature and I had a better understanding of what I was good at and was actually ready for college. I went back to Ithaca – this time for Political Science not business because one of the things I learned in my travels was that I was good with people, with communications and interactions, building relationships. I was not good with number crunching and accounting. I did pretty well this time and I got my Bachelors Degree.

But the meandering path through college does not end there. After finishing at Ithaca, and planning on going into Star Kay White, with sibling and cousins already in the company, and with a pretty good sense of politics, I knew that as the low man on the totem pole I needed expertise in the food business, if I were to

survive. So, I made a plan to attend The Culinary Institute in Hyde Park for an Associate's degree. I got my Bachelor's degree before my Associate's degree. Both have been helpful to me in my career here at Star Kay White.



HV Mfg: Tell us about Star Kay White, what do you make and how did you come to lead the company?

BK: My Great Grandfather, David Katzenstein founded Star Extract Works New York City in 1890. He was an immigrant from Germany. He and his brother developed and sold flavors

and extracts, like vanilla, chocolate, peppermint, cinnamon, rose, strawberry, and rum. They sold to local bakers, brewers, distillers, bottlers through New York, Pennsylvania, and New England. Just prior to World War I, we entered the confectionary business, in particular, servicing ice cream businesses. David partnered with Warren White of the White-Stokes Company of Chicago, to create Kay-White Products, and opened a factory in Newark, New Jersey. Now, two of David's companies were in the food business, making flavor extracts and confections for ice cream. During the First World War the business really took off. My grandfather, Miles joined the company and his brother, Carl, who was in the Army, joined the company after the war. There were lots of ups and downs – the crash of 1929 hurt the company badly and the depression years were lean. My father, Walter, joined the company in 1950 and became president in 1990. By the time I joined the company

in 1984 we had long term business relationships with Breyers, Sealtest, Borden's, Hershey, Howard Johnson's, Friendly's, Haagen Dazs, Turkey Hill, Perry's, and Ben & Jerry's. Still, growth was slow. The Great Depression had a long-term impact on the company's character: we were very conservative. In 1940 we had 10



employees, by 1984 when we moved out of the Bronx to Congers we had 16. In 1998 my brother and I, with backing of our dad, bought my cousin David out of the business. My father was president until just a few years ago when I took that title. Today we have 98,000 square feet in Congers and 127 employees.

HV Mfg: We understand that the 5th generation are here and part of the leadership team.



Test kitchen used for research and development.

BK: Yes, my sons Alex and Gabe are here, working hard and doing a great job preparing to lead the company in the future. A quick story about that 5th generation, when I persuaded my father and brother to back me in buying out my cousin, who owned 50% of the company, and was in fact trying to push me out of company, we needed to borrow quite a bit of money from the bank for the purchase to happen. Before making this life changing financial commitment I went to both my sons and asked them: “I need to know now, do you want to join Star Kay White some day?” They both right then and there said yes! I did the deal. Alex and Gabe were 9 and 8 years old at the time!

HV Mfg: What do you think makes a good leader?

BK: Humility. Connecting with the people you work with. Treating everyone with dignity and respect. Basically living by the Golden Rule. Think about how you would like to be treated and treat people that way. If you do that, I think people will want you to succeed and they will follow you. The fact that I have done every job in the plant at one time or another, and am willing to do them again at any time it's needed, gives our employees respect for me and makes it easier for them to listen to what I have to say. The fact is what's best for the workers, what's best for the business and what's best for my family are closely aligned and I try to keep it that way.

HV Mfg: We understand that you are a history buff and an avid reader. Are there any historical leaders that are particular favorites?

BK: Definitely: Lincoln, Churchill, FDR, Eisenhower, Martin Luther King, Jr, Thomas Watson, Jr., U.S. Grant, George Marshall, Theodore Roosevelt, just to name a few. I'll tell you, sometimes I think times are tough and things are going badly around here and I will get up and wander over here (he walks to a photograph of Abraham Lincoln hanging in his office) and I will look into his

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eyes and think about the pressure he was under, the challenges he faced, what was at stake. Same with this photo of Churchill. With Lincoln the future of the Union, and the institution of slavery were at stake with thousands of men dying on a daily basis because of his decisions. Winston Churchill saved the Free World, again with thousands of people dying every day. In both cases, thousands of men died everyday due to their decisions, but each made the difficult, but correct choices that defines great leadership in perilous times. At that point I usually am able to put things in perspective and realize my difficulties are miniscule in comparison, and that I just need to buck up and face my little difficulties and things will be okay.

In fact, I sort of seek advice from many different historical figures at different times. I remember a time that a lesson learned from a Civil War general enabled me to make a critically important business decision. In truth I think I am a better, wiser person because I have learned some of the lessons that these great leaders learned. I hope that makes me a better leader.

HV Mfg: What characteristics do you look for when hiring managers for Star Kay White? What about front line workers?

BK: For all levels of the organization I look for people who can think for themselves – who have an entrepreneurial spirit, who are ambitious. I like to hire people who are smarter than me. Most important of all is their attitude. I want people who take pride in their work, whether it's sweeping the floor or quality control or customer service I want people who want to do a good job.

Years ago we lost a pretty large customer and I knew I was going to have to lay some people off. While I was struggling with this I asked one of the newer workers to sweep up after the shift. I only asked him to sweep up and when I came back he had finished sweeping and was now mopping the floor. He took it upon himself to do the job right. Small thing, right? Not to me. I figured out a way to keep him. That initiative and pride in the work makes all the difference. He is still at Star Kay White today, 24 years later. My parents and both sets of my grandparents instilled a strong work ethic in me and I look for something similar in our employees.

HV Mfg: What do you see as the biggest challenges in the coming years?





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