

# Rising from setbacks

■ **Snack food company**  
faces production issues

■ **Experts: Key is having**  
a backup business plan

BY CARA S. TRAGER  
Special to Newsday

Twice in the last two years, production of Barry Novick's snack line came to an unanticipated, grinding halt.

In 2010, the New Jersey factory that manufactured his proprietary aged-Parmesan wafers shut down. Novick, the owner of Kitchen Table Bakers Inc., received the alarming news from a trucker who found an eviction notice plastered on the plant's door.

The packer's sudden departure delayed production, creating inventory shortages that angered Kitchen Table's customers and drove away two of its distributors, said Novick, 60. He runs the five-employee business from the basement of his Syosset home, relying on a manufacturer to produce and package the company's crackers, which it calls "crisps."

Last September, misfortune struck again. Hurricane Irene flooded the Port Jervis, N.Y., plant that Novick had contracted to replace the New Jersey facility. As a result, production plummeted by 25 percent in the fourth quarter, which typically accounts for 40 percent of Kitchen Table's revenues. The business could only fill half of a distributor's \$250,000 order.

## Low-carb beginnings

A former health care administrator, Novick became a specialty-foods entrepreneur in 2003 after family and friends encouraged him to market the Parmesan wafers he had concocted for his low-carb diet.

He heeded their advice, going from store to store to sell

his homemade crisps. Since then, Kitchen Table has evolved into a nationwide marketer, courtesy of the dozen trade shows the business attends each year, the company's direct sales to large chains, and its network of distributors. Kitchen Table's products line the shelves in 2,500 retail outlets, including Safeway, Shop-Rite and Whole Foods, as well as Long Island shops like Sydney's in Westhampton and Grace's Market in Greenvale, according to Novick. The crisps come in nine varieties, including jalapeño and basil pesto.

A small Brooklyn factory was the company's saving grace after the eviction and the flood decimated its productivity. The facility stepped in temporarily to fill some of the pipeline.

"We allocated our product — which meant everybody had something, but no one was happy," Novick said. Yet, most customers understood, he said.

Steve Davies, chief executive of The Alternative Board, a Huntington-based membership consulting organization for business owners, believes Novick erred in having one production site.

"He should consistently be doing business with more than one supplier and not have all his eggs in one basket," said Davies.

Following his packer's eviction and as a way to shield his company from future production delays, Novick vetted his current upstate manufacturer for dependability and financial soundness. Kitchen Table also invested about \$200,000 in buying equipment, including cheese grating and shrink-wrapping machinery, and installed it at the Port Jervis facility.

"Very few places can do everything we need, so if something happens again, I can pick up everything and move it to a backup site," he said. "That's my disaster plan."

## No guarantees

It's no panacea, though. After the hurricane, the Port Jervis factory's personnel moved Kitchen Table's equipment to drier terrain in the plant. But production still stalled because, for about two weeks, trucks couldn't enter the flood area to deliver supplies, recalled Novick. Plus, electricity was sporadic.

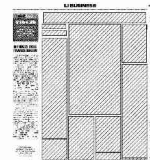
Matthew Sonfield, a professor at Hofstra University's Frank G. Zarb School of Business, said equipment purchases are a trade-off for small businesses. While affording "dedicated machinery" for its product and "control over its design, quality and production scheduling," company-owned equipment can also be a financial burden for small firms to shoulder, he said.

While Kitchen Table registered more than \$1 million in revenues last year, a 50 percent increase over year-earlier results, those figures pale in comparison to what the firm could have generated, lamented Novick.

"Our growth slowed last year," he said. "We could have doubled sales if it weren't for the hurricane."

But Novick is gearing up for a reversal of bad fortune. Last week, he learned his crisps will be included on "The Dr. Oz Show," in a segment about smart food swaps slated to air Friday.

"We've increased production 20 percent to try to cover the surge in demand,"



said Novick.

## AT A GLANCE

**Name:** Kitchen Table Bakers Inc., Syosset

**Owner:** Barry Novick

**Established:** 2003

**Employees:** 5

**Revenues:** \$1M-plus

**Retail outlets:** 2,500

**Production:** 12,000  
3-oz. packages a week

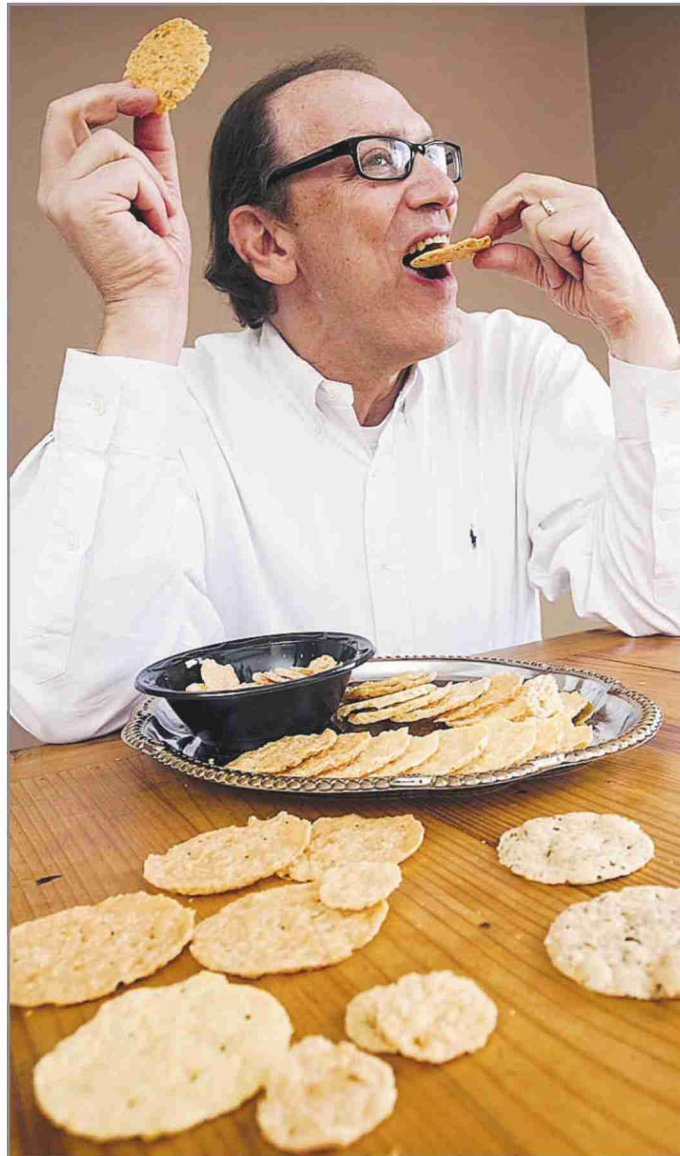


PHOTO BY HEATHER WAI SH

**Barry Novick, president of Kitchen Table Bakers, savors some of his Hand Made All Parmesan Gourmet Cheese Crisps.**