



From individuals to generations.

The Ultimate Crumb Cake

A business succession story we can all relate to

Michael L. Chindamo

The importance of a family owned business is more than the business itself. A true story about can happen to the original culture and product line or services created by the founder when an uninvited change or acquisition occurs. This article was written many years ago and has been published in a number of magazines and newsletters. The message still prevails today.

“The Ultimate Crumb Cake” – A business succession story we can all relate to.

“Under promise and surprise your customer”

The other day, while in a supermarket with my wife, I noticed in the baked goods aisle an Entenmann’s cake display of “The Ultimate Crumb Cake”. Boy, did that bring back memories of when I was a kid on Long Island, New York. Entenmann’s cakes started there as a family owned enterprise. They baked the best cakes you ever tasted, “old-world-style”, delivered piping hot to local small delis. Back in the early–to-mid 1960s, all their cakes were classics.

When I was a teenager, I often looked forward to the next delivery of Entenmann’s. Their crumb cakes triggered household battles over who would pilfer the biggest brown sugar crumbs off the top of the cake! At a time of great innocence Entenmann’s represented what Long Island was in those days – a diversity of ethnic families with a strong work ethic and deeply committed to providing the next generation a better life and opportunities. Everyone loved Entenmann’s!

Unfortunately, reality often creeps into life uninvited. Entenmann’s was founded in the late 1800’s based on some traditional German and other European recipes. I suspect that multiple family successions and a changing market place finally persuaded the family to sell. A large conglomerate that owned other businesses with no interest in the art of classic-style baking purchased the company.

It’s not hard to imagine what happened. I suppose the crumb cake cost accountants got to work on how to maximize per-unit profits. Big crumbs became little crumbs and the brown sugar practically disappeared. The product line shrunk- and with it, the customer base. Entenmann’s eventually was sold and sold again.

The name survived somehow. And now, 35 years later... wow! Different owners resurrected the old recipes so; “The Ultimate Crumb Cake” is back! For a commercially baked cake it is pretty good. But think of the long path taken to recreate the original product.

I wonder how many of us, who own family businesses, ever, realize the important role we play in the creation and preservation of a legacy that extends beyond the business. We install ourselves within a community, set an example through our work ethic and other principals, and create an uncommonly good product or service. A family enterprise impacts generations by meeting market needs, employing the community and creating memories that stay with people throughout life. Everyone grew up with these images. We took them for granted and are thankful for them only in retrospect.

Isn’t it sad that sometimes we just cannot seem to keep that family ethic going? It was enough for a founder to sacrifice for future generations. But somewhere in those good intentions the spirit is sometimes lost or forgotten. Even if the company stay’s in the family, it is often managed in ways that the founder would find unacceptable and even heretical.

I find it very interesting that today, people relish many of the better qualities that are sometimes still alive and practiced in young family businesses - qualities that prove harder to preserve with each passing generation. We enjoy the sterling service of a five-star hotel. We dwell on the pleasures of a well-prepared meal. We appreciate service with a smile, an unexpected “thank you” note, and a complimentary gift.

Do we think about what it takes to offer this “Old World style” approach in our business? How well have we carried the torch of values that previous generations gave to us? Where is our work ethic and humble attitude? Do we surprise patients by delivering more service and value than they expected?

Surely, it makes sense to bake the “Ultimate Crumb Cake” for your business.

Michael L. Chindamo, Partner Fautores Family Offices