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## Corso's Cookies poised for more growth

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GEDDES — Walk down the aisle of any supermarket, and you will find kosher certification on products from Oreos to Coca-Cola. More than \$150 billion of kosher-certified products are consumed annually and spending on kosher products is rising dramatically. Beware Oreos: On Mother's Day, Corso's Cookies received kosher certification from the Orthodox Union.

This is just the latest move by a Central New York bakery that calls itself the decorated cookie company. "The buttery shortbread cookies are decorated like edible works of art," says Peter Michael Hess, Corso's CEO. "We conceptualize, design, bake, decorate, package, and ship thousands of cookies every day from our manufacturing facility. Corso's [currently] sells to hundreds of wholesale, retail, and drop-ship customers throughout the U.S. and Canada. The customer list includes Target, Barnes & Noble (NYSE: BKS), Hobby Lobby, Gertrude Hawk Chocolates, Cracker Barrel (NASDAQ: CBRL), Walgreens (NYSE: WAG), Laura Secord (Canada), and Costco."

Corso's is located in a 13,000-square-foot facility at 314 Lakeside Road in the town of Geddes — about five miles northwest of Syracuse. The company owns the building and leases an additional 10,000 square feet of offsite warehouse space. Thirteen years after founding the business in 2001, Hess and his wife, Tina Corso, now employ 50, and the *Business Journal* estimates annual revenue is between \$5 million and \$7 million. Hess, Corso, and Trevor Whiting are stockholders in Corso's Cookies, which is the retail sales arm. The three also formed an LLC in 2009 with Unifiller Systems, Inc. located near Vancouver, Canada. The joint-venture is called Decorated Cookie Co., which services the wholesale distribution channel.

Kosher certification is only the latest move by Corso's to position the business for growth. "Recently, we received SQF



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**Peter Hess, the CEO of Corso's Cookies and The Decorated Cookie Co., stands next to a display of the company's products. The bakery just received kosher certification, which positions the business for explosive growth in its wholesale domestic operation. It also recently received an international quality certification that opens foreign markets for future sales.**

certification," notes Hess. SQF is granted by the Safe Quality Food Institute. "Consumers won't buy food they don't trust. They are more educated about the food they are providing their families, and demanding more information about food quality. The SQF program is recognized by the Global Food Safety Initiative and links production, manufacturing, and distribution to ensure standards are maintained along the food chain. Retailers are insisting that the safety and quality of their

suppliers' products meet the industry standard. This certification also positions us to sell globally ... We are now receiving inquiries from Japan, Australia, the U.K., New Zealand, and Saudi Arabia."

### Headquarters and hiring

Another indicator that Hess and Corso are preparing to take the company to the next level is the search for new quarters. "I am actively looking for a building with 30,000 to 40,000 square feet," intones

Hess. "The goal is to buy the building by the end of 2015 or early 2016. We can then streamline the production and include the warehouse space at the same site. I also would like to make this not just a manufacturing location but also a culinary destination. My model is Ben & Jerry's Ice Cream plant in [Waterbury,] Vermont where families tour the plant for fun and education. In addition to tours, we could offer space for parties where the kids could decorate cookies."

Perhaps the clearest sign of preparing for the next growth stage is hiring. "We're hiring another seven employees now," stated Hess in a late June interview. "This is on top of the fact that despite a slow economy our employee count grew from 24 to 50 just in the last two years. Over the next five years, Corso's expects to add another 50 [employees]. Part of what's driving this growth are the exclusive licensing deals we have signed with brands such as Hello Kitty, Rudolph the Red-Nosed Reindeer, and Angry Birds."

## How it all started

The company story begins with Tina Corso, who loved baking and decorating cookies to share with friends and family. As a realtor, she baked cookies for her open houses. Peter Hess sent some of her cookies as a thank-you to a placement service he had retained, which raved about them and asked where they could buy some. Hess and Corso married, and he even tried to convince her on their honeymoon to start a commercial business.

The couple started out with a one-page website and cookie racks in the bedroom where the air-conditioner was located. Shortly after relocating the business to Montrose Avenue, the American Heart Association placed an order for 5,000 cookies followed by a deal with DelightfulDeliveries.com for 20 to 30 or-

ders a day. Peter and Tina never looked back, reaching \$1 million in sales within three years.

"In 2005 and 2006, the country had a real scare from food products grown in China," declares Hess. Large retailers were looking for cookies made in America. The timing was perfect: we moved to our current location in 2006 and invested in automation to handle additional volume. In 2009, we joined with Unifiller, which is a leading supplier of equipment to the baking and food [production] industries.

"Since we started the joint venture, the firm has invested more than \$2 million in technology and manufacturing equipment. The investment has enabled the Decorated Cookie Co. to achieve higher output, greater weight accuracy, and a more consistent product. We are well positioned to grow, and the licensing agreements and demand from major retailers will grow our wholesale business."

Hess says the keys to the company's growth are quality, design, and innovation. "Quality is our first concern," Hess stresses. "We spent a lot of time acquiring the SQF certification, which is recognized by retailers and food-service providers around the world. SQF is a rigorous, credible, food-safety management system based on sound scientific principles. Second, our unique designs help to set us apart from the competition. The in-house design team offers a wide selection available for every holiday and occasion, and for large orders we can create new designs for a customer's special needs.

Third, innovation is critical to our success. The companies need to focus on new recipes and production techniques. For example, last year we worked with the Cornell Center for Materials Research and the department of food science to

develop a fast-drying frosting. The results were amazing: not only did we cut the drying time in half but the product actually tasted better. We also experimented with different packaging options and selected flow wrapping, because the airtight seal gives us a surprisingly long shelf life and preserves the taste.

"The real key to success is the employees," opines Hess. "We have a great leadership team. In addition to Tina as the chief creative officer and myself as CEO, there are Monica Ellinger, the sales and marketing director; Trevor Whiting, COO; Michael Ricci, Jr., director of quality; David Mitchell, operations manager; and Gretchen DeLorenzo, human-resources manager. Our production and support staff is outstanding. We really believe that our employees are our greatest asset, and, even though we are a small company, we maintain an on-staff, human-resources manager to ensure that we are attracting and retaining the best employees. The Cookie Co. also relies on support from some key professional firms: We use M&T Bank for working capital and renovations, Hancock & Estabrook for our legal work, and Firley, Moran, Freer & Essa for our accounting."

Hess, 45, received his bachelor's degree in public relations/journalism from Utica College in 1991. He authored two books — "Career Success" and "Career Excellence." The latter is a guide for those preparing to change careers by focusing on the internal drive for initiating a successful job search. At age 31, Hess founded Young Adult Professional Associates, Inc. to give workers under the age of 35 a competitive edge in their career search. He has been the CEO of Corso's Cookies since September 2002.

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