

Celebrating Entrepreneurial Achievement

Entrepreneurs remain the most resilient resource behind the growth of the U.S. and world economies, creating new jobs and innovative products and services. Each year, Ernst & Young's Entrepreneur of the Year (EOY) awards program salutes the accomplishments of these business leaders.

The program started in 1986, in Milwaukee, as a way to honor, and bring recognition to, outstanding entrepreneurs at the helm of dynamic and growing businesses. Since then, it has expanded into a global event, with awards presented in 35 countries around the globe. Each year, thousands of individuals vie for the prestigious honor.

Chain Store Age became the exclusive sponsor of the U.S. retail awards category in 1990. All of the regional retail winners are profiled in this special section.

Methodology: The EOY award criteria include financial growth, company history, current stage of development, future prospects, business leadership, team management and community involvement.

However, a retailer does not have to be the biggest, fastest-growing or most profitable to qualify for an award. The judges also factor in an entrepreneur's vision and motivation, along with other non-quantifiable but equally critical factors.

To qualify, a nominee must be an owner/manager of a public or private company that is at least two years old. The individual must be primarily responsible for the performance of the company.

Awards process: Nominations can be made by anyone associated with a successful entrepreneur, including employees, bankers, spouses and entrepreneurs themselves. The yearlong award process kicks off in January, when nominations are solicited nationwide. Finalists are interviewed to discuss their nomination information.

In the next step of the process, a local, independent panel of business and civic leaders selects categories and award recipients. Each of these independent regional judging panels selects categories and award recipients based on the quality and quantity of the nominations received. This year, 260 regional winners in a variety of categories, including retail and consumer products, were selected. (The retail winners are profiled in this special section).

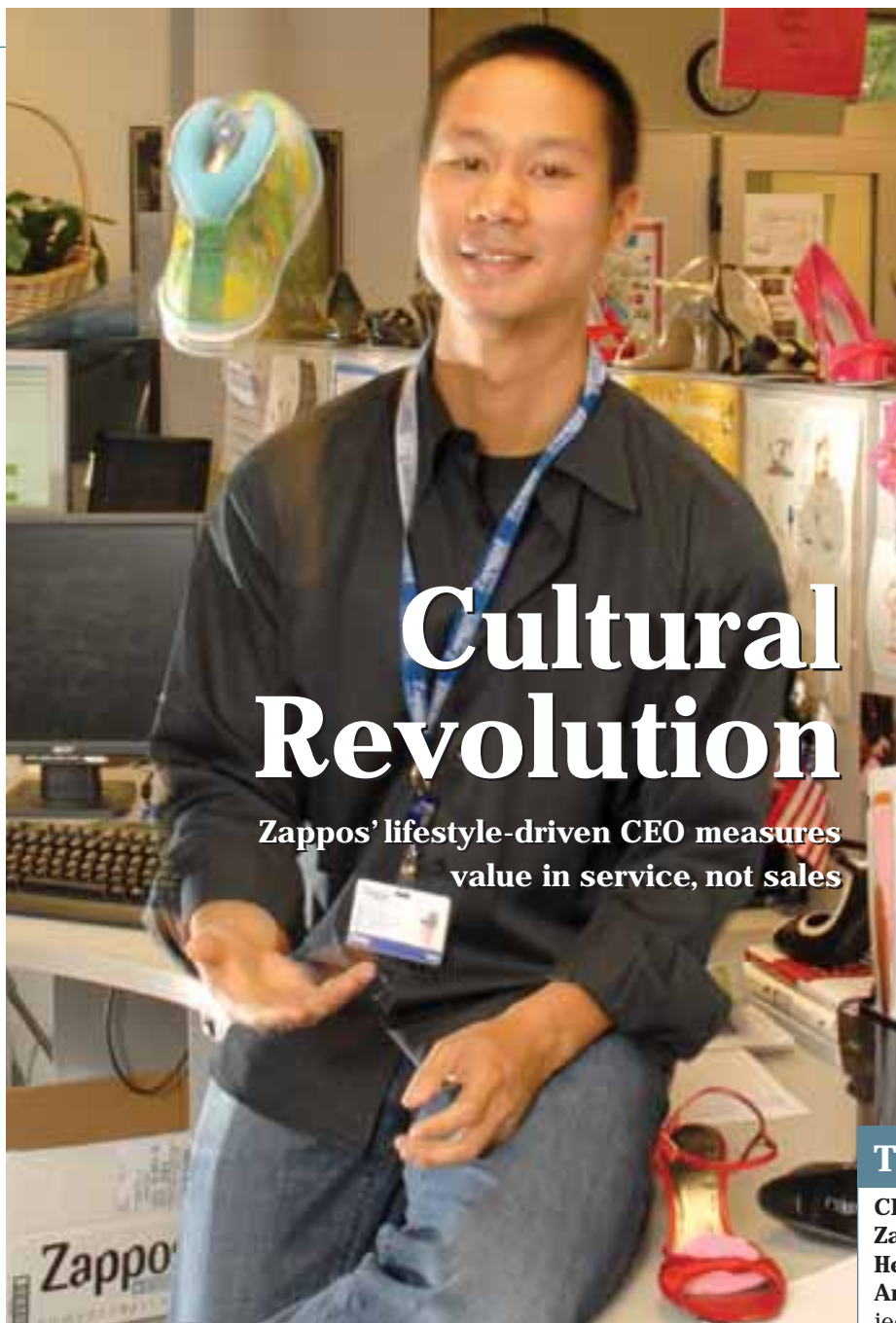
In November, past and present EOY award winners from around the world are invited to

the annual Ernst & Young Entrepreneur of the Year Awards event, where current-year winners are inducted into the Entrepreneur Hall of Fame. The program also includes business forums, networking activities and guest speakers.

The program culminates with the national-awards gala, where the national finalists and winners are named, as well as the overall Entrepreneur of the Year winner, who will go on to represent the United States at the World Entrepreneur of the Year awards.

To nominate yourself or someone else for the annual Ernst & Young Entrepreneur of the Year award in 2008, call (800) 755-AWARD, or visit the Entrepreneur of the Year Web site at www.ey.com/us/eoy. ■





Cultural Revolution

Zappos' lifestyle-driven CEO measures value in service, not sales

Take all the rules you thought you knew about running a business and turn them upside down: Work hard but play harder. Only hire your friends. Make emotional connections.

If this sounds like corporate blasphemy, remember that the retail industry is not in Kansas anymore. The Internet has created a world of commerce not unlike the mythical Oz, where virtually any item a shopper wishes for can be found.

Like the wizard who ruled Emerald City, Tony Hsieh, CEO of rising star Zappos.com, knows success lies not in the products it sells, but in the magic it delivers. Dorothy's ruby red slippers,

like the shoes sold at Zappos.com, were merely a launching pad.

With its promise of free overnight shipping and 24/7 customer service, Zappos is on track to sell \$800 million worth of shoes, apparel and accessories this year—but what consumers are really buying is the magic of an outstanding customer experience.

The infrastructure for providing exceptional customer experiences is the personable Zappos culture, which is what motivated Hsieh, a Harvard graduate with a computer-science degree, to invest in the fledgling company in 1999. Assuming the leadership role in 2000, he took Zappos from \$1.6 million in

sales his first year to \$597 million in 2006.

If you visit the Zappos headquarters in Henderson, Nev., chances are you wouldn't find Hsieh sitting behind a desk in the corner office. More likely, he would be at the karaoke machine in the cafeteria participating in a Zappos' Idol moment.

Talking with *Chain Store Age* last month, the surprisingly soft-spoken and unassuming Hsieh, 33, insisted there are some "incredibly talented singers at Zappos, but I'm not one of them." Performing is not a prerequisite for employment, but a passion for having fun is the unwritten requirement in everyone's job description.

Interviews are sometimes conducted in a speed-dating format, with prospective employees talking with five or six managers in fast-paced five-minute dialogues. If the individual gets a green light from these chats, then

Tony Hsieh

CEO

Zappos.com

Henderson, Nev.

Annual sales: \$800 million (projected 2007)

Type of business: Online footwear and apparel retailer (also operates three outlet stores in Las Vegas and one at the corporate DC in Shepherdsville, Ky.)

Areas of operation: Nationwide

there are more traditional interviews in the specific area where they wish to work to assess the candidate's technical abilities. Lastly, and most critically, they are interviewed by human-resources professionals to confirm a cultural fit.

"There are plenty of candidates who would be great individual contributors, but if they are not a cultural fit we would not hire them," said Hsieh. "We want people who are eager to live the Zappos



lifestyle and promote the Zappos culture—not a typical nine-to-five office employee. One of the core values at Zappos is a willingness to embrace change and drive change. We actually want people who like to have fun and be a little weird at times.”

For instance, office parades are a common occurrence as well as a source of competitive camaraderie between departments. Recently Zappos software engineers dressed like bugs, because as Hsieh explained, their job is “to stamp out bugs,” and paraded through the offices handing out edible bug candies.

Not to be outdone, the next group of parading associates led an Oktoberfest celebration, complete with lederhosen costumes, and sausage, pretzels and root beer for all.

“I want our employees to wake up and feel like they are going to hang out with friends, not going to work,” explained Hsieh. “Working at Zappos is a lifestyle not a job. When people visit our offices, they are always surprised at how friendly everyone is and what a fun atmosphere we have.”

The Zappos culture encourages employees to spend time together outside of work. When he’s not in the office, Hsieh is usually hanging out with co-workers. He admitted that, although there isn’t an agenda, usually half the time is spent talking about Zappos. In some circumstances, that could be construed as borderline workaholic—but given the focus on fun and the fact that Hsieh loves the lifestyle, a better description might be playaholic.

Perhaps the cultural commitment has roots in what Hsieh described as the best advice he has ever gotten: “Two or three years ago, Robert Greenberg, CEO of Skechers, told me the most important thing in life is quality of life—it’s not about the money. I try to apply that philosophy to my personal life as well as at Zappos.”

However, the fun-loving nature and a personal commitment to remain humble never obstruct Hsieh’s business acumen

or his dedicated work ethic. For example, Zappos acquired 6pm.com, a Web site with a product offering comparable to Zappos but at discounted prices, in September.

“We’ve found many customers don’t buy from Zappos because they care more about discounted prices than superior customer service,” said Hsieh. “At 6pm.com, shoppers can find end-of-season product at lower prices.”

The two Web sites will be operated completely separately, although 6pm.com will serve as an outlet store for merchandise that doesn’t sell on Zappos.com. Additionally, the Zappos distribution center (DC) in Shepherdsville, Ky., will manage inventory and fulfillment for both Web sites.

In the world of e-commerce, the next step for customer service, suggested Hsieh, is for the retailer to help its cus-



tomers feel a personal, emotional connection with the company.

“That connection is hard to make when it’s next to impossible to find a phone number on most Web sites,” he added.

The Zappos phone number is on the top left corner of every page on its Web site, because Hsieh explained, “We don’t view the contact as an expense; we view it as an investment. It’s a branding opportunity for us and it gives us the opportunity to deliver great customer service in a very personal way.”

“Most call centers measure the average time of each phone call and the emphasis is on how many customers each representative can talk to in a day, which translates to how quickly they can get the customer off the phone.”

Zappos takes an entirely different approach. “What we care about,” said Hsieh, “is that our associate went above

and beyond the customer’s expectations. Calls may last an hour, and if a customer is looking for a particular pair of shoes that are out of stock, our associates are trained to look at competitor Web sites to find what the customer wants. Yes, we don’t make a sale, but we might develop a life-long relationship with that customer.”

It seems to be working. On an average day, 75% of Zappos’ orders are from repeat customers. Hsieh also noted that Zappos has more than 6 million customers, roughly 2% of the U.S. population.

“Getting the word out to the other 98% is a huge opportunity for us,” he said. But advertising is not an integral part of the plan. “Our strategy is to put money back into the customer experience rather than invest a lot of money in marketing. Services such as free overnight shipping and operating the warehouse 24/7 make this possible, but it is expensive and certainly not the most efficient way to run a warehouse. However, most of our growth is from repeat customers, and they do our marketing for us.”

Hsieh plans to continue to grow the business. Besides the recent addition of apparel to its product mix, Zappos has launched a number of Web sites that build a sense of community and reinforce the focus on individual lifestyles. Running.Zappos.com caters to the avid runner’s lifestyle; Outdoor.Zappos.com is geared to hikers and campers; Couture.Zappos.com appeals to high-end shoppers; and RideShop.Zappos.com is for the skateboarding or surfing enthusiast.

“In 10 years, I would like Zappos to be a household name that people are extremely excited about and equate to excellent service,” declared Hsieh. “We’ve received customer e-mails asking us to please manage the IRS or take over an airline—we’re not planning on that anytime soon, but we like that customers perceive our brand to be about service, not just shoes.” ■

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Matthew McCauley

**CEO and chairman
Gymboree Corp.
San Francisco**

Annual sales: \$791.6 million

Type of business: Children's apparel and accessories

Number of stores: 755 (587 Gymboree stores (557 in the United States and 30 in Canada), 73 Gymboree Outlet stores, 86 Janie and Jack shops and 9 Crazy 8 stores)

Areas of operation: Nationwide and Canada

Of the thousands of publicly traded companies in the United States, very few have CEOs under the age of 35. Gymboree Corp. is one of them. At 34, Matthew McCauley is the youngest CEO in the company's 31-year history. What role did his youth play in his success?

"I don't think it's as much about age as it is about personality," McCauley said. "It's more of a willingness to try new things, look at things from a fresh perspective and not accept the status quo. If there is an advantage to being young in a business like this, it is that you don't come into situations with a 'been there, done that' attitude."

McCauley started out in retail handling distribution at Payless ShoeSource. From there, he went

to Gap Inc., where he served in a variety of positions.

In 2001, McCauley joined Gymboree as director of allocation. One promotion followed the other in swift succession, and in 2005, he was named president. In 2006, McCauley was appointed CEO.

McCauley has been at the forefront of Gymboree's growth initiatives, the newest being the value-orient-

ed Crazy 8 concept. At the same time, he has concentrated the company's focus strictly on its core children's product, shutting down its Janeville women's apparel chain. His strategy seems to be working: Gymboree's sales hit \$247.6 million in the third quarter, up 18% vs. last year. Same-store sales were up 8%.

Friendly, open and enthusiastic, McCauley routinely encourages and seeks feedback from others in the Gymboree organization.

"The thing that I really love about my job is the ability to work with a team of really creative people who can rally around a vision and achieve seemingly impossible goals," he said.

As to the attraction of retail, McCauley says it harkens back to his love of fixing things.

"In retail, there is always something to fix," he explained, "and you are able to see tangible results of your efforts almost immediately."

Outside of work, McCauley is a devoted family man and father.

"My family and my church are the most important things in my life," he said. "I spend a lot of time wrestling with my kids, and I love to go four-wheeling when I have a bit of downtime." ■



Jefferson Pedersen

**President and CEO
Del Sol**

Sandy, Utah

Annual sales: \$42 million (est., 2007)

Type of business: Manufacturer and marketer of color-changing products

Number of stores: 100

Areas of operation: United States, Mexico and the Caribbean

Jefferson Pedersen has taken a concept originally tested by NASA—color-changing technology—and helped develop it into a \$42 million retail business. But the 31-year-old CEO gets his biggest reward in the delight that his merchandise—which changes color in the sunlight—brings to people of all ages.

"One of my favorite parts of this business is the smile that comes over a person's face as they watch one of our products change color," said Pedersen, president and CEO, Del Sol, Sandy, Utah. "I call it our 'wow guarantee.'"

Del Sol was founded in 1994 (Pedersen's brother-in-law was one of the co-founders) as a pushcart mall operation. When Pedersen joined, in 2000, it had five free-standing stores.

"I learned the retail side of things in St. Martin, running the Del Sol store there with my wife," he said. "Later on, I came back to the States and was put over sales and marketing."

Young, enthusiastic and highly energetic, Pedersen sensed the company's potential and set about expanding its product line and retail portfolio. In 2003, he bought 25% of the business and took over as president (in 2006, he bought out the majority share).

Today, Del Sol operates 100 stores, half of which are located outside the United States, primarily in cruise-ship ports in the Caribbean and Mexico. Customers can also buy goods on its Web site.

"Sunny tourist destinations are our main target," Pederson said. "We are heavily promoted on cruise ships."

Stores average 1,000 sq. ft. and sell privately branded apparel and accessories, from nail polish to board shorts and sweatshirts to sunglasses. The products change colors when exposed to sunlight (the colors change back once indoors). The average store transaction is around \$40.

"About 50% of our sales are in apparel," Pedersen said. "We print about 1.5 million shirts annually."

Apart from 10 corporate-owned locations, Del Sol stores are independently owned. The company has exclusive arrangements with storeowners whereby they can sell only its products and the company, in turn, doesn't sell to anyone else in the market.

Del Sol expects to open 20 to 25 stores in 2008 (airport locations are new to its real estate strategy). Plus, the company will unveil an interactive concept, Sol Kids, in three locations.

"We think the market can support 300-plus Sol Kids," Pedersen added.

To date, all of Del Sol's growth has been funded organically.

"We could grow a lot faster—I get about three to five calls a week from private-equity companies and venture capitalists wanting to invest," Pedersen said. "But I think we've done things the smart way in not giving up any control. We may change that strategy, however, to grow Sol Kids."

Pedersen credits the people in his organization to his success.

"People make your business," he said. "Whenever I hire someone, I make sure of three things: first, that I can trust them; second, that they have a burning desire to succeed; and third, that I enjoy working with them." ■



When Bernard Chiu sold his successful home-appliance company Duracraft in 1999, he planned to spend more time on the golf course and with his family. But in 1998, he was asked to take a leadership role in a new musical-instrument company that was just getting off the ground, First Act.

"At first, I didn't want to be a part of it," said Chiu, 51, CEO and chair-

man, First Act. "But then I remembered how much it cost to buy my first guitar. I wanted to change the industry by creating a new channel of distribution and put guitars into more hands."

The company was founded with the idea of developing affordable, but high-quality guitars that would be sold in places where people shop everyday.

"I thought, 'How many people think about going to a guitar store to buy a guitar on a daily basis?' If you put one in a place where they shop everyday, the product gets so much more exposure," Chiu said.

The challenge, however, was that big-box retailers were not all that interested in carrying guitars. Some had tried, but had little success. Chiu rethought the company's strategy and

launched a musical-instrument line created specifically for children. The instruments were designed to make learning how to play fun, as opposed to a chore.

"It took off right away," he said. "Customers loved it and we created a new category—and new revenue opportunities—for retailers. Because the children's line was a success, it gave us the oppor-

Bernard Chiu

Chairman and CEO
First Act
Boston

Annual sales: \$100 million
(2006)

Type of business: Manufacturer and marketer of musical instruments

Number of stores: One
Areas of operation: Global

tunity to go back to the retailers with an adult line."

In less than 10 years, First Act has evolved into one of the nation's leading manufacturers and marketers of

musical instruments, with a diversified product lineup that includes guitars, drum sets, amplifiers, hand-percussion instruments and related accessories. Whether a person is a beginner or a big-time rock star, First Act can meet their needs. It sells direct to consumers on its Web site, and also supplies such chains as Toys "R" Us, Target and Wal-Mart. Its product offerings include beginning instruments for children, band instruments for school music programs and limited edition and customized guitars.

In 2005, the company opened its first freestanding location, First Act Guitar Studio, in Boston. The store celebrates the artistry of guitar making and invites customers to play any guitar that catches their eye. It includes a glass-enclosed space where visitors can watch a craftsman put the finishing touches on a custom guitar. It also offers guitar lessons and live performances by major artists.

"It's a concept store that serves as a repository for people to come in and test products," Chiu said. "We use the store to gather customer feedback for product development."

The Boston location, Chiu added, is the first of 10 to 12 stores that the company plans to open in major markets across the country.

"They will be living advertisements that allow consumers to experience our brand in a truly interactive way," he said.

Chiu, who grew up in Hong Kong and moved to the Boston area in 1983, hopes to continue to grow First Act.

"Our goal is to continue to make great products and new categories for retailers and consumers of all ages, from babies to rock stars," he said.

Chiu has left the days of retirement behind, at least for now. But he still makes time for his family and golf.

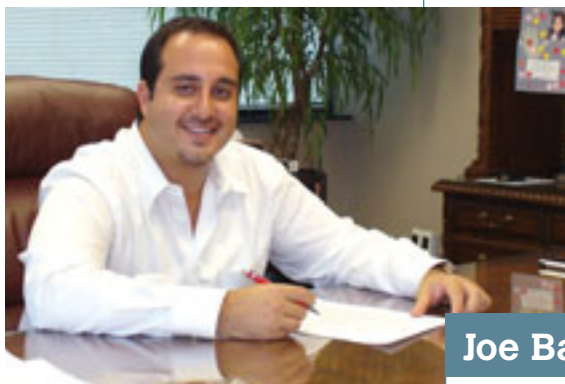
"It's hard to find a balance between work and play, but it's important to make time for everything you love," he said. ■

Joe Barbat owes much of his success to Blockbuster's national expansion. Barbat was working at one of his father's seven video stores when the big chain rolled into his small Michigan town.

"Within 30 days, we felt the pain that comes when a national retailer comes into town," said Barbat, 31, said. "It really impacted us. I had to quickly figure out a way that we could differentiate ourselves in the market."

The year was 1995 and pagers and beepers were becoming a hot commodity.

"I had just bought a paging device



and found it really fascinating," Barbat said. "So I decided to buy some and put them up for sale in the store. A week later, we ran out of inventory."

Under his direction, the video store where Barbat worked evolved into a mobile-communications destination under the new banner of Wireless Toyz. More stores followed. As cellular services expanded, Barbat helped pioneer the concept of offering wireless communications from multiple carriers, both national and regional providers, under one roof. Today, it offers one-stop shopping not only for cellular-phone service, equipment and accessories, but also for satellite TV and radio offerings.

"We are committed to connecting customers through any and every wireless device," Barbat said. "If they can hold it in their hand, clip it on their ear or watch it on screen, Wireless Toyz is the place to purchase it."

More than just selling high-tech devices, Wireless Toyz goes the extra

mile in making sure customers understand how to use them.

"Customer service is our specialty," Barbat said. "We teach shoppers how to use the products and check in with them on a monthly basis."

Wireless Toyz began franchising in 2001, and in 2002, started expanding outside its Michigan home base. It's been growing at a steady clip ever since. With approximately 200 stores nationwide, Wireless Toyz still has plenty of expansion potential. Barbat hopes to take the company to 1,000 locations within the next five years.

"We want to be a strong brand in the consumer's mind," he added, "so that when they think of cell phones, they think Wireless Toyz instead of, for example, Sprint or Verizon. Because Wireless Toyz is where they can get those carriers."

Joe Barbat

**Founder and CEO
Wireless Toyz
Farmington Hills, Mich.
Annual sales:** \$69.7 million (est.)

Type of business: Wireless-communications services and equipment

Number of stores: 200 (includes franchised locations and 22 corporate owned)

Areas of operation: 24 states

So what type of phone fits his lifestyle?

"A BlackBerry Pearl," Barbat said. "It's one of the best and most sleek tools out there. It has all I need."

Although his BlackBerry makes work that much more accessible, Barbat said he's learning how to shut it off.

"My wife is helping me with that," he said, adding that he has two young daughters at home. "If you don't have balance in your life, you won't be as productive." ■



Jason Araghi

President and CEO, above, left

Jon Araghi

VP, above, right

Green Beans Coffee Co.
Larkspur, Calif.

Annual sales: \$20 million (2006)

Type of business: Coffee cafes

Number of stores: 65

Areas of operation: Global

Jason Araghi has lived an international lifestyle, so it's somewhat fitting that he and his brother Jon now run a company with locations around the world.

"By the end of 2007, we should have 60 international locations, which includes about 20 in Iraq," said Jason Araghi, 43, president and CEO, Green Beans Coffee Co., Larkspur, Calif., which operates coffee cafes on U.S. military bases throughout the Middle East, Southwest Asia and Africa.

Jason, a chiropractor by training, got into the coffee business by accident. He moved to Riyadh, Saudi Arabia, after being recruited to open a large chiropractor and sports clinic in the Gulf City. Personal injuries brought an end to his chiropractic career, and he was managing the business aspects of the clinic when a former patient—a princess—presented him with a new opportunity: the chance to open a cafe in her new furniture showroom.

Joined by his younger brother, Jon, also a chiropractor but with a long-standing interest in the coffee business,

the two men opened a Seattle-styled coffeehouse in Riyadh. U.S. military personnel from a nearby base became regular customers.

"We entered into discussion with the military to open a cafe on site at the base, so that soldiers wouldn't have to drive 45 minutes for a good American cup of coffee," Jason said.

Within a few months, Jason and Jon opened the first Green Beans cafe, at Eskan Village, in Saudi Arabia.

The concept was an immediate hit, providing far-flung military personnel with a taste of home and a place where they could relax. More locations followed, with the business growing in tandem with the footprint of the U.S. military. The company now serves thousands of soldiers a day, from the Horn of Africa to Central Asia, in different branches of the service.

The overwhelming majority of Green Beans outposts are not traditional bricks-and-mortar facilities. Instead, the company has a self-contained unit, similar to a shipping container, which it can drop into even the most remote locations.

"It's good to go—all you have to do is plug in the water and power," Jason explained. "It is basically a 44-ft. trailer container that is totally redone inside, with tile, marble countertops, tables and chairs."

Wherever they open, the cafes always generate the same positive reaction.

"Some soldiers have said that Green Beans is the best part of their tour," Jason said.

In March 2007, Green Beans opened its first location stateside, in Vacaville, Calif., near Travis Air Force Base. Several others followed. Unlike the overseas cafes, the U.S. locations are open to the general public.

"As we expand domestically," Jason said, "our biggest challenge will be to grow brand awareness. Unlike military personnel, the general public is not familiar with our brand."

While Jason oversees the company from its California headquarters, his brother Jon is based in London and is very involved in international operations. Looking back on his career to date, Jon, 37, said the top lesson he has learned throughout all of his experiences with Green Beans is that "the U.S. soldier is the best customer in the world."

Jason and Jon have made it a priority to give back to their customers. A portion of the gross sales of all Green Beans locations is donated to charities that support the U.S. military and their families. ■



Tom Campion

Founder and Chairman
Zumiez, Inc.

Everett, Wash.

Annual sales: \$298.2 million (2007)

Type of business: Retailer of snow, surf and skate products for young men

Number of stores: 280+ stores

Areas of operation: 27 states

Tom Campion, 59, is all about having fun. The founder and chairman of Zumiez zooms through each day, enjoying the moment and reveling in the frenetic pace of running a hot retail concept. In fact, he says that to be a successful entrepreneur, the pace and the risk should be part of the draw.

"You've got to be able to ask your-



self [before launching an entrepreneurial venture], ‘Can I handle the stress of risk?’” said Campion. “It’s not for everybody. That’s why such a small percentage of people do it.”

Campion knew from a young age that he would be part of the percentage who do it. He went to J.C. Penney in 1970, right from college, and worked for the department store chain for nine years before launching Above the Belt in 1978.

He and co-founder Gary Haakenson, (who today is mayor of Edmonds, Wash., and no longer plays an active role in the company), both graduates of Seattle University and both former Penney employees, opened the first Above the Belt store in Northgate Mall in Seattle, selling apparel that catered to young men and women. In the late 1980s, recognizing an opportunity in the extreme sports-apparel category, Campion modified the model and, in 1997, changed the name to Zumiez to reflect the new direction. Although the metamorphosis of the brand occurred no less quickly than many retail concepts, Campion still wishes, looking back, that he’d pushed the envelope a little faster.

“If I could have done anything differently along the way, I’d probably have grown a little faster at the beginning,” he said. “There were two of us in it at the start, and interest rates were really high. It was late ’70s, early ’80s—a very different time than today—and I would have been more aggressive with the amount of product in stores and I would have been more on trend with younger fashions.”

In May 2005, Campion took Zumiez public, making enough of a splash with the offering to be labeled as one of 2005’s hottest IPOs. The successful public launch, coupled with consistent profitability and rapid sales growth, is allowing Zumiez—still mall-based—to speed its expansion across the country, selling clothing, shoes, accessories and gear to 12-to-24-year-olds who enjoy action sports such as snowboarding, skateboarding and surfing.

The acquisition of the 19-store Fast Forward chain in May 2006 gave Campion a desired stronghold in the smaller competitor’s home state of Texas—and all of those Fast Forward stores have since been converted to the Zumiez banner. Today, Campion and his team are focused on continued growth—and the chain’s leader still hasn’t tired of the stress that comes with growing and managing his own business.

“I love the risk,” he said. “I love multi-tasking, I love everything about retail.” ■



Shau-wai Lam

Chairman
DCH Auto Group
South Amboy, N.J.
Annual sales: \$2 billion
(2007 est.)
Type of business: Auto dealerships
Number of stores: 32
Areas of operation: California, Connecticut, New Jersey and New York

When Shau-wai Lam, 66, joined Dah Chong Hong Trading Corp. (DCH), his initial assignments were in international trade. But he found his true calling when the company ventured into automobile retailing. He helped establish the company’s first dealership, DCH Paramus Honda in 1977, in New Jersey.

A couple of years later, Lam was sent to Los Angeles, where he was responsible for the start-up of two additional dealerships under his supervision. Both locations became the top national-ranking dealerships of their

respective franchises.

After his appointment as president of DCH Auto Group in 1988, Lam led the company’s expansion. In 1992, he was appointed chairman. Today, with 32 dealerships in California, Connecticut, New Jersey and New York, DCH is one of the largest auto-dealer groups in the country. The company’s sales are expected to exceed \$2 billion this year. Lam credits the company’s success to an unflinching emphasis on ensuring that customer satisfaction takes top priority at every DCH dealership.

“I am fortunate to have the support of many capable and loyal colleagues who are dedicated to our mission: to be an innovative industrial leader totally committed to customer satisfaction, employee satisfaction, integrity and teamwork,” he said.

Under Lam’s leadership, DCH has earned a reputation as a company that believes the best way to do business is to behave with honesty, integrity and with the highest ethical standards. He takes pride in the fact that DCH dealerships have received more J.D. Power and Associates Dealer of Excellence Awards than any other dealership group in the nation. His advice to those who are just starting out in business reflects his own high moral standards.

“Behave with honesty and the highest ethical standard and always do the right thing,” Lam said. “Put the team’s interest ahead of one’s own interest. Be humble and be respectful to others.”

Lam, a vice chairman of the U.S.-Chinese Chamber of Commerce, is a strong believer in giving back to the community. He and his wife of 39 years, Marie, are very active in supporting organizations that provide community, health, educational and cultural services. They have two children, one of whom has followed his father into auto retailing.

“My son has been learning the business from the ground up,” Lam said. “He is now a service manager at one of our dealerships and is passionate about the business.” ■

Tom Dickson is an unlikely candidate to be a viral marketing superstar, but that's exactly what he has become. And in so doing, he has transformed his formerly little-known blender company, Blendtec, into a national phenomenon.

It all started in November 2006, when Dickson, at the urging of his marketing director, starred in a series of quirky videos that featured him in a lab coat asking, "Will it blend? That is the question." The clips, which were posted on the popular online video site YouTube, showed Dickson testing the strength of his product by blending an array of unorthodox objects—from

It succeeded beyond its wildest expectations. To date, the Blendtec infomercials have been viewed more than 60 million times, on both YouTube and the company's own video site, WillItBlend.com, which now features a "Will It Blend?" blog. The videos helped get Dickson invitations to appear on "The Today Show" and "The Tonight Show with Jay Leno." Blendtec now sells "Will It Blend?" merchandise, including a spoof shirt with the slogan "Tom Dickson Is My Homeboy." Most importantly, the viral campaign gave a jolt to consumer sales, which have skyrocketed during the past year.

"We took creative risks to boost brand awareness and the outcome was very successful," Dickson said. Blendtec continues to add new clips on a regular basis.

The YouTube campaign reflects the 61-year-old San Francisco native's philosophy: "Never give up." Throughout his childhood, he struggled with dyslexia and was told he would never make it to college. But Dickson kept his nose to the grindstone,

and honed his talent for putting things together. In high school, he manufactured motorcycle parts in shop class and sold them to a local auto store. He kept at it for years, using the money he earned to put himself through college. In 1971, he graduated from Brigham Young University, with a degree in engineering.

After graduation, he went to work at a pharmaceutical company, where he developed a motion-sickness patch. From there, he went on to invent a grain mill that revolutionized the way home-makers mill wheat into flour. That invention proved the foundation for the company that would become Blendtec.

"I've learned over the years that you can't give up, you have to love what you do and you have to have fun with

it," Dickson said, adding that he fuses this mentality into all areas of his company's culture. "We strive to make the office a fun place to be for all of our employees."

Dickson's new-found celebrity status has not gone to his head (people line up to get his autograph at trade shows). He still is most comfortable when he is designing, engineering and developing new products. He loves to work with his hands, and, in his free time, spends hours remodeling cars.

But above all else, Dickson is a family man. He keeps plenty busy with his 11 children and 27 grandchildren. ■



Tom Dickson

Blendtec
Orem, Utah

Annual sales: Approximately \$40 million

Type of business: Manufactures and sells blenders and dispensers

Area of operation: Worldwide

Happy Meals to the handle of a rake.

"No one knew the Blendtec name and we wanted to change that," said Dickson, CEO, Blendtec, Orem, Utah.

Until the videos broke, Blendtec was known primarily as a manufacturer of commercial heavy-duty blenders and dispensers, whose products were used in coffee shops, juice bars and restaurants worldwide. The company decided to go online to promote its consumer product line, available via its Web site and retail stores.

While some entrepreneurs set out to build a better mousetrap, Bob Shearer and his brother decided they could build a better potato chip. That was 34 years ago, when fresh out of college and working in their father's grocery business, they purchased a distributorship that delivered Wise-brand chips.

It was a trial-and-error learning process in the early days; neither broth-

Shearer's CEO Robert J. Shearer, pictured with his wife, Melissa.



Robert J. Shearer

Co-founder and CEO
Shearer's Foods
Brewster, Ohio

Annual sales: \$150 million

Type of business: Manufacturer, distributor and retailer of snack foods

Number of stores: One factory outlet

Area of operation: Nationwide



er had any real knowledge about what went into the making of a potato chip.

“We thought potato chips were made from basic table-stock potatoes,” Shearer, 56, said. “Fortunately, we learned early on that you needed chipping-stock potatoes.”

Their first objective was quite simple: create a potato chip that they liked to eat. When they began experimenting with kettle-cooked chips, they gave every employee five cases of chips to take home each week to sample and share with neighbors. “I knew we had a winner when I got a call from a woman in Florida telling me how much her family loved our chips,” Shearer recalled. “We had not distributed chips anywhere at that point so I asked how she managed to try them. She and her family were visiting relatives in Ohio, who just happened to live next door to one of our employees. They ate a case of our chips on the drive from Ohio to Florida and were hooked.”

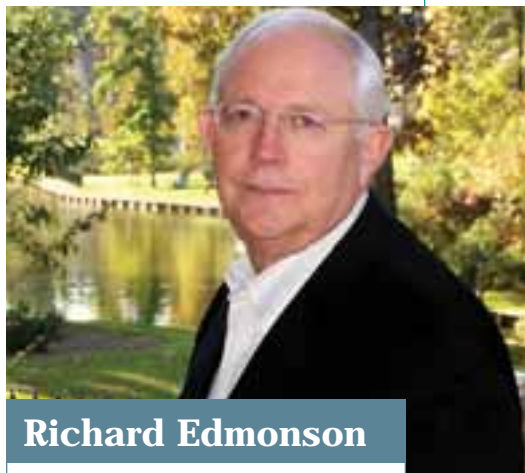
With annual sales topping \$150 million last year, people around the country have gotten hooked on Shearer’s snacks, which have expanded to include popcorn, pretzels and tortilla chips, as well as numerous flavors of their signature kettle-cooked potato chips.

When the Brewster, Ohio-based company started, there were two kettles churning out 250 lbs. of chips on a busy day. Today, the company makes 20,000 lbs. of chips hourly and has two manufacturing plants, four distribution centers and approximately 700 employees.

“I didn’t think about it at the time, but we were building the culture of the company at the same time that we were developing chips and growing the business,” Shearer said. “I was focused on the vision, passion and commitment to create quality products and hire quality people. We’ve been blessed with great people and several of them have been here for more than 30 years, including some of our current managers who

started with us 34 years ago.”

The company also has a “sharing and caring” committee that works with fund-raisers and charities to benefit employees in need as well as the local community. ■



Richard Edmonson

CEO
SkyHawke Technologies
Ridgeland, Miss.

Annual sales: Not available

Type of business: Manufacturer and online retailer of positioning systems for recreational use; hallmark product: SkyGolf Sky-Caddie, a rangefinder for golfers.

Areas of operation: 45 countries

Richard Edmonson, 61, would offer the following advice to budding entrepreneurs: Beware potential potholes. “Before committing to an entrepreneurial endeavor,” cautioned the CEO of Ridgeland, Miss.-based engineering company SkyHawke Technologies, “one would need to understand that rewards come with high risks. In that regard, entrepreneurs should make a realistic assessment of their applicable competencies and their commitment to a long road of potholes and blowouts.”

While Edmonson, like most successful entrepreneurs, has likely skirted a few potholes along the path to success, he has clearly found firm ground in the development of innovative positioning systems that enhance the golfing experience. CEO of SkyHawke Technologies since 1998,

Edmonson observed a gap in the market for a positioning system (for recreational use) that could benefit from the rapid advances in wireless technology, the Internet, GPS and handheld devices. The company previously developed a GPS system for golf carts, then leveraged this experience and, under Edmonson’s direction, created the SkyCaddie, a personal GPS system about the size of a cell phone, for use by golfers on any course in the world. Heralded as the world’s first digital golf caddie, the hand-held Sky-Caddie measures distance on a golf course using the same global-positioning system used by the U.S. military. It was the inven-

tion of this device that Edmonson feels was key to the company’s success.

“Leveraging our core competencies in the expected convergence of wireless devices, GPS and the Internet, my partners and I developed a solution to answer one of the oldest and most common questions in the popular game of golf: ‘How far?’” he said. “By being first in the market, we established our brand and built a barrier to entry against competition with a proprietary database of golf-course maps. We were also fortunate to have selected a receptive consumer market of 50 million golfers who seek ways to improve their game.”

Summarizing his, and his company’s, success, Edmonson said, “Innovation, speed to market, branding, creating barriers to competitive entry and commitment to quality have made our company No. 1 in its category.”

SkyHawke Technologies has no bricks-and-mortar stores; its products are sold via resellers and through its own Web site. The signature product—SkyCaddie—is used on more than 16,000 golf courses in 45 countries around the world. ■



James W. Bernau

**Founder and CEO,
Willamette Valley Vineyards
Turner, Ore.**

Annual sales: \$15 million

Type of business: Vineyard,
distributor and retailer of fine
wines

Areas of operation: Nationwide

Like any avid oenophile recalling his first sip of wine, Jim Bernau has clear memories of the night his father opened the family's first bottle of wine and predicted that one day "Oregon would be covered with fields of grapes." What the senior Bernau could never have anticipated was that his son would be at the forefront of transforming their home state into a world-class producer of fine wines.

At the early age of 10, Bernau and his older brother began experimenting with wine making, albeit the fermentation of frozen grape juice snatched from the family freezer left much to be desired. During his college years at Oxford University, Bernau developed more refined tastes, gravitating to rich burgundies that became inspiration for the pinot noir his Willamette Valley Vineyards has become renowned for.

"Our pinot noir was the first wine in the United States to receive permission from the federal government to list resveratrol, the antioxidant that aids in cardiovascular health, on the label," said Bernau, who credits the powerful

antioxidants inherent to pinot noir with keeping him younger than his 54 years.

In his passion to become a winemaker, Bernau realized it would take a village to build the vineyard he dreamed of. He began purchasing land for his vineyard in 1983, but worked full-time as the director of a small-business association and spent every spare moment tending grape vines and enlisting investors.

In 1989, the company garnered 841 shareholders through its first public offering. After two subsequent offerings, the company raised approximately \$5.5 million.

Bernau, who also worked as a lobbyist to further the development of the wine industry in the Pacific Northwest, has spent the majority of his career working closely with government officials.

"There are advantages in being comfortable with government processes and my years as a lobbyist have served the business well," he noted. "For instance, I wrote the first laws for interstate shipment of wines never suspecting that one day my vineyard would be shipping wine around the country."

His advice to other entrepreneurs: "When you are building an industry, realize how important it is to work closely with lawmakers to establish the right conditions under which the industry can be grown."

Today, his company also owns a wine-distribution company and sells direct to consumers via online and phone orders. The once-small vineyard has grown to encompass more than 500 acres, approximately half company-owned and half leased, with annual sales totaling \$15 million. ■

Entrepreneurialism is in the DNA of Jimmie Gipson and of the company he runs. The 66-year-old chairman and CEO of supermarket-operator Houchens Industries—which says it is the largest 100% employee-owned company in the United States—is quick to say that his entire organization is entrepreneurial

in nature, and always has been.

"Houchens Industries is a company composed of entrepreneurs," Gipson said. Founded as BG Wholesale in 1918 by a teenage entrepreneur named Ervin Houchens, the company today is a diversified conglomerate of store brands, including Food Giant, IGA, Piggly Wiggly and, of course, Houchens.

"As companies continue to fold into Houchens Industries, the people, their spirit and entrepreneurial drive are what help set us apart from a typical single-interest organization," Gipson noted.

When asked what or who has most influenced his personal and profes-



Houchens chairman and CEO Jimmie Gipson, far right, is greeted by Western Kentucky football coach, David Elson, far left, after the naming of Houchens Industries-L.T. Smith Stadium.

James (Jimmie) Gipson

**Chairman and CEO
Houchens Industries
Bowling Green, Ky.**

Annual sales: \$2 billion-plus
(est.)

Type of business: Supermarket
retailer

Number of stores: Operates 150
stores under the Houchens, Food
Giant, IGA, Piggly Wiggly and Mad
Butcher banners; 220+ Save-A-
Lot stores; 40 convenience stores
under various banners; and 23
tobacco shops, plus other non-
retail businesses

Areas of operation: Nationwide



sional philosophies, he said, “When you spend your days surrounded by these types [entrepreneurs] of people, it is difficult to determine any single personality or trait that had an influence greater than or less than another. It is the collection of all of those qualities that have made the difference.”

Founder Ervin Houchens retired from the company in September 1983, at the age of 85, and handed the reins to nephew Ruel, already a 40-year Houchens veteran. In 1993, Jimmie Gipson, a 30-year employee, succeeded Ruel Houchens, marking the first time in the company’s history that someone outside the family held the top leadership position. Gipson was instrumental in charting a course of diversification, facilitating the Employee Stock Ownership Plan (ESOP) that made the Houchens employees stockholders in the company, and leading the way in key acquisitions and rollouts.

Of his many accomplishments, Gipson is perhaps most proud of the role he has played in strengthening his college alma mater, Western Kentucky University (WKU) in his hometown of Bowling Green. This year, Houchens Industries made a \$5 million gift to WKU to enhance an expansion and renovation project for the university’s football stadium.

“Very early on, Western Kentucky University was a part of my life experience,” said Gipson of the significant contribution. “Growing up in the area, and as a graduate of WKU, I became aware of the value that a university can have on its community, and how important it was for the community to reciprocate.

“Strengthening the university through whatever support Houchens Industries can offer as a corporate citizen leads to a stronger geographic region both economically and socially,” he added, “and should ultimately lead to a stronger pool of talent for everyone to pull from.” ■



**David Sorbaro, left,
Stephen Sorbaro, right**

Co-owners

**Mavis Discount Tire
Mount Kisco, N.Y.**

Annual sales: \$100 million-plus

Type of business: Tire retailer

Number of stores: 58

Areas of operation: Primarily southeast New York

Brothers David and Stephen Sorbaro, 44 and 46 respectively, haven’t once touched the brakes since their parents Marion and Victor Sorbaro handed them the keys to their now 44-year-old company in the late 1980s. In fact, the pair has increased the store count of the retail and wholesale tire operation from 11 to 58 and has strategically spread the chain’s regional reach. *Modern Tire Dealer* ranks Mavis Discount Tire as the 12th largest independent tire-store chain in the United States.

The Sorbaros’ efforts haven’t gone unnoticed. Ernst & Young presented its Entrepreneur of the Year 2007 award for the metropolitan New York area to the Sorbaro brothers in the “Turn-around” category.

Success, says David Sorbaro, has come from a focus on the fundamentals. “I think the two keys to our success have been, first and foremost, keeping everything simple and scalable, so that stores could easily be added,” he said. “And, second, our success has come from creating as many efficiencies as possible—through electronic systems and logistics.”

But the younger Sorbaro is quick to say that the human factor played as

much a part in the chain’s success as efficiency and scalability. “Knowing our business and knowing our customers has consistently been important,” he said. “And listening to good advice has served us well.” Some of the best advice came from the founder, their father Victor Sorbaro.

“My father always said that buying real estate was the best thing anyone can do because you can walk on it and touch it, and it always goes up in value,” Sorbaro said. “Buying our locations as opposed to leasing them has proven to be a very beneficial strategy for us.” ■

When Dave Dreiling graduated from Kansas State University in 1989 with a degree in marketing, he and a partner went into business together selling customized imprinted sweat-shirts, T-shirts and other logo’d apparel to fraternities and sororities. They called their company “It’s Greek To Me,” and to distinguish themselves in the marketplace, they made house calls, giving potential customers the chance to try on and buy products on the spot.

“When I first started this business, many people—including five banks—thought it would fail,” said Dreiling, 40. “But I was just too bullheaded to listen, so I went and did it anyway.”

Luckily for him, he didn’t take the naysayers’ advice. Dreiling stayed with the fledgling business, buying out his partner in 1991. He also expanded its reach to include the high-school market, where he found a receptive audience. By eliminating the middleman, Dreiling was able to offer customized jackets and the like to high-school groups at a value price. The business, which evolved into GTM Sportswear, hasn’t stopped growing since.

Today, about 85% of GTM’s business comes via its custom division, which sells imprinted sportswear to athletic teams, booster clubs, cheer/gymnastic squads and other athletic groups. The company also operates “The K-State Super Store” and “Cats Closet,” the retail arm of the Kansas State Athletic Department.



David Dreiling

President

**GTM Sportswear
Manhattan, Kan.**

Annual sales: \$28 million

Type of business: Direct marketer of customized logo jackets, uniforms and sportswear

Areas of operation: Nationwide

Dreiling, who grew up in the retail business (his family owned a small specialty apparel chain in Kansas) felt the entrepreneurial pull at a young age. Always industrious, he bought a limousine while in college and started a car service.

In addition to running GTM Sportswear, Dreiling is the founder of and majority investor in "Hungry Cats," a group that operates five Quiznos stores in several markets. He also has acquired the Kansas franchise for Growth Coach, a home-based, business-to-business coaching system.

How does he find the time for everything?

"In order to balance all of my businesses, I make sure I stay very efficient at work," Dreiling said. "I focus a lot of my time around putting the right management in place."

Dreiling said he's learned over the years not to make a business deal based on the deal alone.

"I don't care how good the deal looks," he explained, "if it's not with someone I trust and if it's not with someone I want to spend time with, I don't want to do it. It all comes back to people."

At the end of the day, Dreiling enjoys spending time with the people that matter most to him: his wife Kristen and their two children, Tyler, 14, and Morgan, 12. ■

To say that Paul Reed Smith is passionate about guitars would be an understatement. Smith, a native of Bowie, Md., began making guitars in the attic of his childhood home, while attending St. Mary's College of Maryland as a math major. He built his first one as a challenge to a music professor for some credits. He ended up earning an "A."

"I always knew that this is what I wanted to do with my life—I just had to figure out a way to do it," Smith, 51, said.

He left college after his sophomore year to chase his dreams of starting his own guitar business.

"It was obvious that I couldn't make a living by selling one guitar at a time," Smith said. "I had to go to market with more guitars, change my lifestyle or be very poor."

Refusing to settle, Smith decided to hang outside local concert venues to make friends with roadies. He started snagging backstage passes and peddling his guitars to rock stars. After getting orders for more than 50 guitars, he built two proto-



Paul Reed Smith

Founder, managing general partner

Paul Reed Smith Guitars (PRS Guitars)

Stevensville, Md.

Annual sales: \$30 million-plus

Type of business: Manufacturer and online marketer of guitars

Areas of operation: Worldwide.

types. In 1984, he popped them in the back seat of his truck and called on guitar dealers along the East Coast.

He was able to launch his company a year later, after he secured enough orders to fund his venture.

In 1986, Smith contacted Gibson Guitar Corp. pioneer and former company president Ted McCarty, who was known for creating the famous Flying V guitar, and looked to him as a mentor.

"Ted was an extremely influential person in my career," Smith said. "My advice to aspiring entrepreneurs is to find a teacher and glue yourself to them. You can learn so much from someone who has gone through it all before."

His collaboration with McCarty eventually gave rise to various innovative modifications, some of which have become standard to PRS guitar models. The Private Stock collection, PRS' most high-end line of guitars, are made utilizing a vast range of exotic materials including various stones, elaborately figured tone woods and intricate shells for inlays.

Now, the company makes more than 15,000 guitars each year. Although consumers can't purchase guitars online, the site does sell guitar accessories. Looking forward, Smith hopes to double the company size within the next three to five years.

"I really believe in the power of following your dreams, even through the hardest of times," Smith said. He said he is inspired by those who never give up—from civil-rights pioneer Abraham Lincoln to Olympic Gold gymnast Kerri Strug, who clinched the world title in 1996 while competing on a broken ankle.

Although he no longer has time to work on guitars every day, his passion to build them never wavers. In his free time, Smith said he loves to fish and spend time with his wife, three children and two stepchildren. ■



Jay R. Longley, Jr.

Founder and CEO

Rainbow Sandals

San Clemente, Calif.

Annual sales: \$50 million (est. 2007)

Type of business: Manufacturer of men's and women's leather sandals

Areas of operation: Nationwide

When Jay Longley turned 30, he had \$200 in his savings account and an idea in his head. The combination turned out to be quite lucrative. Today, at age 63, Longley is the well-heeled CEO of a California company called Rainbow Sandals, one of the top three best-selling brands of sandals in the United States.

The surfer/hang-glider/skier/biker/snowboarder-turned-entrepreneur made his first pair of sandals in 1974, emptying his savings account to buy three sheets of leather. Friends helped him obtain glue and rubber and webbing, and Longley's first pair of sandals was something unique: a sandal that molds to the wearer's foot without wearing out or breaking.

For the first year, Longley's Laguna Canyon Road garage was his workshop. He made six pairs of sandals a day, until a fellow surfer and retail shop owner put in an order for 100 pairs. In 1975, Longley left his garage and set up shop in San Clemente, where Rainbow Sandals are still handmade.

While the surfer footwear hardly became an overnight sensation—it wasn't until 1999 that Rainbow Sandals evolved from a local favorite to a mainstream trend—the company continued to grow over the decades. Part of what gave the company such staying power was the longevity of its product. "They last so long," said Longley of his sandals. In fact, to celebrate the brand's quality and long lifespan, Longley frames and hangs 20-year-old Rainbow sandals people have sent back to him to prove how long they've lasted.

Longley doesn't advertise his sandals—he said word-of-mouth is what

sells them—and he doesn't have bricks-and-mortar stores. Rainbow sandals are sold in retail stores nationwide and via the company's Web site. In 2006, the company generated about \$40 million in sales and projects an estimated \$50 million this year. New products are expected to pump sales—besides selling sheepskin boots, Longley has introduced crystal-imbedded sandals geared toward the female shopper. The new bling-themed footwear retails for about \$80, while more basic thongs with colored leather retail for \$44 to \$48. According to Rainbow Sandals' founder, the company isn't abandoning its roots, but is playing around with some unique concepts to keep the brand current. ■

An extensive background in textiles combined with an inventive mind helped Craig Rubin revolutionize the fabric industry. The 63-year-old businessman is the co-founder of Crypton, best known for its specially engineered fabric system. Featuring a fully integrated moisture barrier and available in a multitude of color and style options, Crypton Super Fabric is one of the most specified upholstery fabrics in the health-care and hospitality markets.

Prior to starting the business, Rubin sold textiles in the contract world for some 30 years. He understood the market and also knew what it lacked: a fabric that was resistant to moisture, stain and bacteria, yet soft, breathable and comfortable.

"After seeing a display of disposable undergarments for adults in a drug store I had an epiphany," Rubin said. "That's what I wanted to do with a fabric."

He called the manufacturer, which was none too eager to share its secrets with him. Rubin spent the next several years working on his own formula. He also got married. After extensive research, he and his wife, Randy, quit their jobs to devote themselves full-time to the pursuit, assembling a top-notch research and development team.

Working in the basement of his home, Rubin and his team developed the Crypton Super Fabric formula, estab-

lishing the company in 1993.

"For the first couple of years, my wife and I literally lived on the road. But if you want to be successful, you have to believe in what you are doing and be willing to take a risk," Rubin said.

Crypton was founded strictly as a licensing and branding company. Its business model changed in 2002 when it started manufacturing its product itself.

The majority of Crypton's revenue is generated through licensing and manufacturing. The company works with 11 licensed mills and more than 40 distributors that sell Crypton Super Fabrics to architects and consumers. Its patented technology is engineered into every fiber, making it permanently stain, liquid, mold, bacterial and odor resistant.

Rubin is always on the lookout for



Craig Rubin

Co-founder

Crypton

West Bloomfield, Mich.

Annual revenue: Approximately \$25 million to \$29 million

Type of business: Manufacturer/licenser of fabric system; also sells related product on Internet

Areas of operation: Nationwide

ways to expand Crypton. Its offerings now include car coverings, a disinfectant and deodorizer, cleaner, a line of pet products, accessories and items that it sells direct to consumers via its Web site.

As the sole owners of Crypton, Rubin and his wife run the company together. She is responsible for marketing, branding and legal.

"We don't step on each other's toes, which is how we're able to work so well together," Rubin said. ■



Mark Loberg

**Founder and CEO
PremierGarage
Phoenix**

Annual sales: \$53 million (est. 2007)

Type of business: Manufacturer and marketer of garage enhancements

Areas of operation: Nationwide and Canada

When Mark Loberg walked out on a six-figure income and a 20-year career in one of the nation's top auto dealerships in 1999, he had no idea of what he was going to do next. He knew only that he wanted to work for himself.

"I was very frustrated working for other people," Loberg, 45, said. "It was time for a change."

It didn't take Loberg very long to find his niche. He signed on with a company that was looking for distributors for a high-quality floor coating for residential garages, charging the initial supply of materials to his credit card and adding ready-to-assemble cabinets to his stock. Six months after leaving the dealership, Loberg launched PremierGarage.

"The offering was unique in that no one else was selling both components—the coating and cabinets—as a package," he explained. "Also, it was geared to more affluent customers."

From a one-person startup, PremierGarage has evolved in just under nine years into the largest provider of garage enhancement in North America, with 86 franchisees in 38 states and three Canadian provinces. It has 122,000-sq.-ft. of manufacturing and distribution space and offers a menu of options, from innovative floor-coating systems to integrated cabinetry and organizers to

complete makeovers.

"The garage is really the 'last frontier' of the home improvement industry in that homeowners are still discovering that there are many things they can do with that big space," Loberg said. "We help them organize their garage and turn a completely dysfunctional space into one that is functional, clean and useful."

For the most part, PremierGarage does not operate stores or display rooms. The company encourages its franchisees to form alliances with local home builders, in effect, creating a showroom in model-home garages.

"We also do a lot of direct mailings to customers with higher-scale home values," Loberg said. "And we get a lot of traffic from sponsored searches on the Internet."

As to his success, Loberg said there is no big mystery.

"We offer a quality product, take care of the customer right the first time, deliver what is promised and show up on time," Loberg said. "Whether you are selling socks, cars or garages, it all comes down to taking care of your customers." ■

Jack Dalrymple, 59, serves with pride as the 35th lieutenant governor of North Dakota. He is equally proud of the work he has done in helping his state's wheat farmers grow and prosper.

Dalrymple grew up on his family's wheat farm in North Dakota. After graduating from Yale University, he returned home to manage the farm, and expanded its operations considerably. Facing falling commodity prices and open trade, he looked for new ways to add value to the farm's durum wheat crop. As organizing board chairman of Dakota Growers Pasta Co., he led more than 1,000 farm families to build a \$40 million integrated durum mill and pasta-processing plant.

The company started operations as a farmer-owned cooperative in 1993 and went private in 2002. It has evolved into the third-largest

manufacturer and marketer of dry pasta products in North America.

Dalrymple said, "the real credit goes to the dedicated-management team and the great employees of Dakota Growers Pasta Co. They really take a lot of pride in our business."

Dakota ranks as a leading supplier of pasta for store brands and private-label lines, and the No. 1 supplier to the foodservice industry. It also sells its own line of low-carb pasta products, marketed under the Dreamfields brand, in supermarkets and on its Web site.

Throughout his career, Dalrymple



Jack Dalrymple

**Chairman
Dakota Growers Pasta Co.
Headquarters:** Carrington, N.D.
Annual sales: \$171.5 million (2006)

Type of business: Manufacturer and marketer of dry pasta products

Areas of operation: Nationwide

always carved out time for his family (he has four daughters) and public service. In 1985, he was elected to the North Dakota legislature, where he served eight terms. In 2000, he was elected lieutenant governor. He presides over the North Dakota Senate and is responsible for legislative relations, the state budget and agribusiness development.

Although he is not a part of day-to-day operations of Dakota Growers, Dalrymple serves as its chairman and remains involved with the direction of the company. ■