



B&S Bialy/Bagels by Bell finds niche in Japan

Bagels and bialys are booming for this specialty wholesaler. Learn how owner Warren Bell has taken his business global by discovering a Japanese “yen.”

by Marilyn Odesser-Torpey, contributing editor

For more than 50 years, bagels and their close kin, bialys, were two of Brooklyn, New York's hottest commodities. In fact, the handmade, round, chewy breads were staples at breakfast tables in the borough and beyond, making them the bread-and-butter of local retail bakeries.

Today, most of these family-owned bakery businesses are gone, victims of, among other changes, automation and the subsequent proliferation of bagel bakeries. One exception is B&S Bialy/Bagels by Bell, which has not only survived, but has consistently increased its sales by \$200,000 every year since 1998, bringing the company's current annual sales to an all-time high of \$1.6 million.

Owner Warren Bell attributes much of that growth to the strength of the Japanese yen...for his products, that is.

Bialys, the bagel-English muffin hybrid that Bell describes as “light and crunchy on top and denser and chewier on the bottom,” account for 60% of sales. But, his bagels are the product that has captured Japanese tastebuds and a niche in this major international market. Of the total 40% of sales that Bell attributes to bagels, 20% come from Japan.

Since November 2000, his average monthly bagel production has jumped by 20%, to a current high of 144,000 bagels. Last year the company, which had no prior exporting experience, did more than \$100,000 in business overseas, prompting the U.S. Small Business Administration to honor B&S Bialy/Bagels by Bell with



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B&S Bialy/Bagels by Bell sampling of wholesale prices

Traditional bialys, 3 ozs., per dozen	\$ 1.75
Cinnamon raisin bialys, 3 ozs., per dozen	\$ 1.85
Bialy rolls, 3 ozs., per dozen	\$ 1.85
Bialy sticks, 3 ozs., per dozen	\$ 1.85
Pletzels, 11 ozs., per unit.....	\$ 1.00
Jumbo bagels, 5 ozs., per dozen	\$ 1.75
Specialty flavor bagels, 5 ozs., per dozen.....	\$ 2.15
Mini bagels, 2 ozs., per dozen.....	\$ 1.50



The bakery's new bialy machine automates "tagel" shaping and can produce about 270 dozen bialys in about 40 minutes.

which cut the dough balls into 30 pieces called "tagels." Then, he hand-pounded the dough pieces before proofing.

After proofing the tagels for about one hour, the baker would "pull" each one by hand, flatten it and indent the middle with his thumb. Finally, he filled the depression with a mixture made primarily of onion pieces. Along with adding flavor, the onion pieces help hold the middle of the bialy down during its seven-minute baking, according to Warren.

Back then, the bakery could only produce an average of 225 bialys in three hours. By automating the shaping process, Warren was able to increase production, but by only about 50 dozen bialys per three hours.

"Over the years, our overhead costs have gone up 10 times, while we have only raised our prices once because our bialys must remain competitive with all the bagels and rolls that are out there," he says. "The only way we can compensate for those rising costs is by increasing our volume and having the capability to ship frozen product."

Because bialys are such a niche specialty item, little automation exists on the market to speed production. But, Bell believes the brand new machine he designed, had custom built and began using only about a month ago should enable him to slash his production time by more than half.

more than century-old recipe brought over from Bialystok, Poland, one of the most recognizable characteristics of these traditionally savory rounds is a donut-hole-size depression in the center of the top crust that is filled with an onion mixture.

Within three months, however, Bell formulated a line of sweet variations, including chocolate chip, cinnamon-apple, blueberry and peanut butter. To ease the logistics of selling bakery products internationally, he solicited the help of Brooklyn Goes Global, the non-profit marketing service of the Brooklyn Chamber of Commerce dedicated to helping Brooklyn businesses grow through international and domestic sales.

Cut through red tape

"Without Brooklyn Goes Global, the red tape and sheer volume of paperwork required to do business overseas would have been a nightmare," Bell says. "They handled a lot of the administrative work, from finding me a shipping company to getting me a letter of credit."

Although initial sales quickly showed that the bialys, "were not the right product at the right time," neither Bell nor his Japanese distributor were daunted. One year later, they decided to try again with a line of flavored bagels.

Obviously, these creations hit a sweet spot with Japanese customers because sales grew so fast, Bell had to hire nine additional employees to meet the demand. Currently, his creations are being sold in sandwich/specialty shops in Tokyo and Osaka, with additional Japanese locations coming soon.

Existing automation made it possible for Bell to ramp up his bagel production without a substantial investment in equipment. However, preparing for the imminent launch of an all-out marketing blitz for his core product, the bialy, has been a different matter.

In the early days of the business, Bell's father had to hand-roll the dough (made from high gluten flour, water, yeast and salt) into individual 6-lb. balls. He put them under a manually operated stamping machine,



Joel Puma transfers shaped bagels to boards, where they proof for one hour, then spend an additional eight hours in the retarder.

Bialy/bagel bakery customizes without compromise

When Warren Bell's New York customers heard that he was making bialys in such exotic flavors as chocolate and mango orange peel, many of the purists among them were horrified.

"They said it was a shanda, which is Yiddish for shame," says the owner of B&S Bialy/Bagels by Bell. "But I saw it as responding to a customer request for a new high quality product specifically targeted to a very promising Japanese market."

Warren Bell has never been one to shrink from a challenge. In fact, he readily points out that he and his business thrive on them.

"We've always held a unique niche in the market because our products are not only better; they're also bigger," he says.

While most commercially-made bagels weigh between 3 ozs. and 4 ozs., Bell's tip the scales at an oversized 5 ozs. Even his mini bagels are heftier at 2 ozs., compared to the average 3/4-oz. to 1-oz. weights of his competitors' products.

"Our products are also more substantial in terms of ingredients," Bell says. "For instance, for our onion bagels, we actually work onion pieces into the dough instead of just sprinkling them on top as most manufacturers do."

Bell also recently introduced a



Company Owner Warren Bell says his company offers the widest variety of bialy-based products in the country.

new product: a pizza bagel with the sauce worked into the dough. Promoted as a deli item, the cheese-topped pizza bagels, which are available in packages containing two big halves or four mini halves, are shipped frozen for wholesale customers to thaw and sell with their fresh refrigerated products.

"My Japanese distributor asked me to develop this product for his customers, and Sherrie Krupnick, my sales consultant from Brooklyn Goes Global, pushed me to do it," he says.

"It's a natural," says Krupnick, whose organization is the non-profit marketing arm of the Brooklyn Chamber of Commerce.

He also notes that his company is the "biggest bialy manufacturer in the country," not just in terms of volume, but also with its variety of bialy-based products. In addition to the classic 3-oz. bialys, he uses the same dough to make a bialy roll, a puffier, onion-sprinkled variation with no indentation; a bialy stick; and a pretzel, a 1/4-in.-thick, 11-oz. round that also has a 100-year-old history rooted in Eastern Europe.

"Restaurants slice them and serve them in their bread baskets," he says.

Other line extensions also are in the works, Bell adds. Again with the assistance of Brooklyn Goes Global, the baker recently launched a widespread marketing campaign designed to put bialys into the mainstream American psyche and onto tables all over the country. At the same trade show where his new pizza bagels made their debut, he also introduced his professional video, which asks and answers the age-old question, "What is a Bialy?"

By making that same query the focal point of colorful signage he distributes to his wholesale customers, Bell says he hopes the campaign will peak customer curiosity and trial.

"There's no reason why, with enough exposure, bialys can't be the next bagels," Bell says. "And we're the ones to make that happen."

its "Exporter of the Year" award for the year 2000.

Bell readily admits, however, that selling his products in Japan was very different than selling them in the United States. Before he could even get his foot in the door, he was told he needed to sweeten the deal.

A marriage of tradition and trend

"It all started when a Japanese distributor approached me at a trade show where I was exhibiting and asked if I could develop a special line of sweet bialys for a customer back home," Bell recalls.

Although Bell had been working with his father Martin in the family business for more than 40 years, since he had been old enough to reach the workbench by standing on a milk crate, he had never made, nor even heard of, a sweet bialy. In accordance with the



David Ceron (left) and Pedro Ocampo "pull" and fill bialys by hand.

This machine, features a conveyor belt system that takes the dough from the hopper to the oven, he says. It is designed to turn out 270 dozen bialys in about 40 minutes.

"Although it only cost me \$380,000 to build, the time and labor the equipment manufacturer put in tweaking it makes the end result cost at least half a million dollars," he says.

"Hand-pulling" still key

Even with the new equipment, Bell insists that the tagels still be pulled and filled by hand.

"Bagels can be automated from start to finish, but bialy dough is about 60% water, making it loose and hard to work with," he says. "Pulling bialys is a very specialized job; it takes at least three months of hands-on training to get someone up to speed."

B&S Bialys/Bagels by Bell has about 25 full-time employees who work two eight-hour shifts from 5 a.m. to 1 a.m. In addition to the 20% of product that is shipped to Japan, an additional 20% is sent in par-baked, frozen and thaw-and-serve form to foodservice operations, such as restaurants, hotels, a major international airline, luncheonettes and convenience stores, mostly on the East Coast and in California.

Another 40% of sales are fresh bialys for foodservice operations such as delis.



The onion pieces, which fill the center of traditional bialys, help hold the product in place during their seven-minute bake, according to Bell.

B&S Bialys/Bagels by Bell at a glance

Company: B&S Bialys/Bagels by Bell

Headquarters: Brooklyn, N.Y.

Management: Warren Bell, owner

Market served: New York tri-state area, Florida, California and Japan

Annual sales: \$1.6 million

Founded: 1947 when father took over a family-owned bialy bakery

Products: specialty wholesale bakery offers bialys and bialy-related products (60%), bagels and mini bagels (40%)

Production methods: scratch

Production space: total facility is 10,000 sq. ft. with 5,000 dedicated to production, 2,000 to shipping and 3,000 to freezer, storage and office space

Major equipment in each unit: vertical mixers, flour silo, bowl hoist, automatic/semiautomatic divider/rounder, sheeter/moulder, bagel machine, new custom-built bialy machine, rotary rack and convection ovens, retarder/proofer, freezers, mobile conveyors, overwrap packaging unit

Plans: expand product offerings to the domestic and Japanese markets; begin exporting to Mexico, England and the Caribbean; expand facility size by 10,000 sq. ft.

Major bakery distributors: BakeMark, Valente Yeast, Eastern Malt

Five years ago, the company moved to its current facility, located about 20 blocks from the original site, and has been expanded from 3,000 sq. ft. to its current 11,000 sq. ft.

"When I first moved here, I did everything on a grand scale, including putting in two 1,500-sq.-ft. freezers, to prepare for future growth," Bell notes. "I thought I'd never have to worry about freezer space again."

"Only one year later we had one freezer filled up, and now we have no room in either," he laughs.

Now he is in the market not only for more freezer space, but to add 10,000 sq. ft. of space onto his plant.

"Within the next five to 10 years, I believe we will grow into a \$10 million company," Bell predicts. Automation took bagels from the status of regional to national household staple in a short amount of time, he says.

More international sales projected

"With my new bialy-making equipment, I am now in a position to introduce the entire country to a product that no one has ever been able to manufacture in mass quantities," he says. Projects already underway for 2002 include more international marketing. Bell reports that prospective customers are located in England, Mexico and the Caribbean.

As for the fate of the bialy in Japan, Bell insists that he is not ready to give up, particularly since his best-selling bagel variety there has proven to be traditional plain.

"We're riding the crest of the bagel wave right now, but there will come a time in the not-so-distant future when the market will be ready for something new," he says. "My distributor and I agree that this time we'll make sure our bialy will be the right product at the right time."

And, he emphasizes, this time, the only thing sweet about these bialys will be the profits. **MB**