

Benco founder Benjamin Cohen, center, circa 1930.

To think it all started with a man and a suitcase...



Benco Dental

is on the **M**ove

The full-service, family-owned dental distributor moves into its new home and expands its services nationwide.

**by Benjamin Lund, Editor
Dentaltown Magazine**

Stroll into the lobby of CenterPoint, Benco Dental's new home and hub of operations in Northeastern Pennsylvania, and you're hit with three impressions all at once: first, this company knows what it is; second, it knows where it's going; and third, it will never forget where it came from. If you stand at the entrance and look straight ahead, you'll view the headquarters' pristine and polished façade that might as well say, "Welcome to the future." Look to your right and soak in the dental distributor's immense and breathtakingly complete dental operatory showroom – the largest of its kind in the nation. For any dentist, it could trigger a salivary response. Look to your left and you find a larger-than-life, floor-to-ceiling image from the 1930s of Benjamin Cohen, the company's founder, aiding a dentist named Dr. Kniffen with a purchase at Benco's original Wilkes-Barre, Pennsylvania, location. The immensity of this 80-year-old image leaves no room for subtlety. Benco is proud of its heritage.

Rick (left) and Chuck Cohen, managing directors of Benco Dental.



Now led by the second and third generations of Cohens – Chief Customer Advocate Larry, and his sons, Managing Directors Chuck and Rick – Benco is unflinchingly focused on maintaining the values and competencies it has forged over eight decades, while embracing new standards and technologies necessary to keep moving forward.

A Little History

In 1930, weary from peddling dental supplies from his 100-pound suitcase for six years, Benjamin Cohen set up shop on the fifth floor of the Miners Bank Building in downtown Wilkes-Barre, Pennsylvania, to tend to the supply needs of area dentists. Back then, before the invention of the high-speed handpiece or UPS, dentistry was simpler, and dental distributors were small, over-the-counter storefronts. Ben's son, Larry, joined the family business as a sales rep in 1957, after completing graduate school.

The company stayed focused on the coal-mining towns of Eastern Pennsylvania until the 1970s. In 1972, Benco suffered two crushing blows. First, Hurricane Agnes ravaged the area, destroying most of downtown Wilkes-Barre and leaving Benco's brand-new headquarters under eight feet of water. The entire inventory was destroyed, and the company had no insurance to cover the losses. At the time, Benco had 25 associates, including Larry, and they faced a dire crisis: give up or press on. Thanks to a committed group of associates (three of whom still work at Benco) and a loan from the Small Business Administration, they shoveled out the mud and reopened – only to be shocked a second time with founder Ben's unexpected death later that year.

Despite these setbacks, Benco expanded throughout the 1970s and 80s, becoming one of the nation's first dental distributors to begin doing business over a wide geography, and introducing innovations like equipment specialists (sales representatives who specialize in selling equipment), fax ordering by customers (later replaced by Painless, the company's online ordering system), and the BluChip Buying Club, dentistry's original frequent buyer program.

When Chuck and Rick Cohen joined the family business in the 1990s, they began implementing several programs to keep the company focused on its mission of offering the widest variety of supplies and equipment possible, while developing meaningful partnerships with dentists and manufacturers to “deliver success smile after smile.” Benco's own success was made tangible when, on January 4, 2010, the company consolidated three separate Northeastern Pennsylvania locations into its new CenterPoint headquarters – a 272,800-square-foot facility nestled in the rolling hills of Pennsylvania. For the first time in more than a decade, all of Benco's headquarters associates are stationed under the same roof. Benco's 1,100 associates now serve more than 30,000 customers in 40 states.

Captivating Culture

Benco has a unique corporate culture, similar to the work environment you might hear about at Google or Zappos. For seven of the last eight years, the company has earned a place on Pennsylvania's list of “Best Places to Work,” ranking #43 in 2010. As the company expanded, culture remained extremely important to the Cohens and the Benco team. In order to promote a customer-focused culture in which every associate is involved in driving change, the company implemented a continuous improvement program called BCI (Benco Continuous Improvement) modeled on the principles of “lean manufacturing.” A team of BCI associates leads events throughout the organization that eliminate waste and improve the customer experience – making Benco one of the first U.S. distributors in any industry to fully deploy the “lean” model.

Also incorporated into the Benco culture: support for charitable organizations and a relentless focus on the customer. The Cohens donate five percent of the company's profits annually to a family foundation that supports worthy causes like the United Way, National Foundation of Dentistry for the Handicapped and Head Start. And the Cohens insist that they, along with

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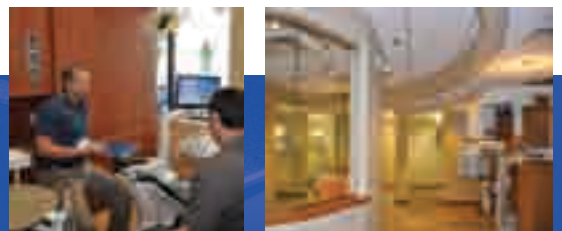
The CenterPoint Experience

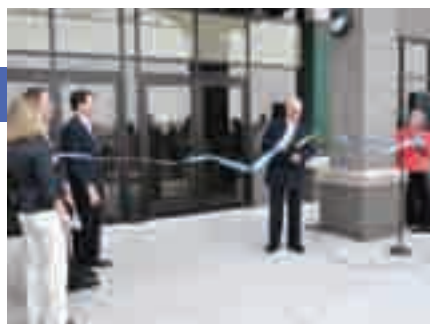
*Customer Testimonial on Dentaltown.com from Townie Chip Parrish, DDS
Parrish Family and Cosmetic Dentistry, Llano, Texas*

“[Benco is a] great place to start if you are building or finishing out a new office. They have approximately 25 ops in one place with all kinds of delivery systems, cabinets, etc. The Benco advantage is that they have multiple brands of cabinetry, chairs, etc. Also, they have the different ops finished out with different paint, wall coverings, flooring etc., which can help to find the look you want for your office.”

“We really didn't have time to explore the imaging, but they have a live imaging center where you can play with the latest and greatest pan/ceph/CT/tom machines. I imagine really useful if you are in the market. It's nice to actually see these things in person.”

“Everyone we met with was very friendly and helpful. I never felt cornered. They made it clear they wanted our business, but they did not push anything.”





Larry Cohen cuts the ribbon at the CenterPoint grand opening ceremony in April 2010.



Associates gather in Kitty's Kitchen, Benco's on-site cafeteria.

Benco's senior management team, co-travel with the sales associates to meet with their dental customers personally. "Chuck and Rick co-travel a lot and they require it of our senior management and sales management teams," says Paul Jackson, vice president of marketing.

"It's all about face-to-face," says Chuck. "Our reps might be a little nervous about one of the owners of the company visiting dental practices with them, but they're excited to show off what they're doing. Everyone on our senior management team is required to go with a sales rep at least one day a quarter, and many of us get out at least one day a month. We all need to know what our clients want and don't want. In this business it is very easy to ignore the dentists. Here we make sure that never happens." It's all part of an ongoing effort to export the company's amazing culture throughout the organization – and co-traveling is one of the ways Benco ensures a close relationship between its sales reps, executive team and its dentist partners.

Building CenterPoint was literally a team effort, with a design process that solicited input from everyone at Benco. Because CenterPoint was going to be the home for every Benco associate, they all had a role in determining what amenities and features the facility should have, as well as what it shouldn't. Many BCI events were held to determine every single detail of CenterPoint, including building layout and flow, department placement and cubicle design. Decals of the company's core values are adhered to the floor of the warehouse. One of the features that came from BCI meetings was the addition of a health clinic, where Benco associates can go to get flu shots, donate blood and attend smoking cessation programs. Associates also asked for more than a cafeteria or break room at CenterPoint – so Benco added Kitty's Kitchen, named after founder Benjamin Cohen's wife, which offers an extensive and varied menu of hot and cold entrees each day. (*Author's Note: If you're visiting Benco and the "Jigsy Wrap" is on the menu, order it.*)

One of Benco's major goals was to build a headquarters with as little environmental impact as possible, with a focus on reducing waste, sewer and energy usage. As of this writing, Benco has applied for the U.S. Green Building Council's Leadership in

Energy and Environmental Design (LEED) Silver Certification status for CenterPoint, which it expects to obtain in early 2011.

The Pearl of CenterPoint

When purchases can be made via catalog or the Internet, it might seem a little odd that Benco put so much effort into planning and developing its state-of-the-art equipment showroom. But it makes sense. "You wouldn't buy a car without test driving it first," says Rick Cohen. "When dentists are updating their offices or building a new one, they're buying gear that is going to cost tens of thousands of dollars. It makes sense to see whether the equipment you want to buy will work in your space. You're buying stuff you have to live with for 15 to 20 years. It's different than a car. At least you can get out of your car. You've got to be in your office eight or more hours every day."

CenterPoint Experience Specialist Sue Evans recalls a time when a dentist made the trip to CenterPoint with one goal in mind – to test out the fit of his own IV armrest on the operatory chair he was preparing to purchase. "The doctor had his heart set on a particular style of chair," says Evans. "He was close to purchasing a few of them for his office, but he wanted to make sure the IV armrest would fit on the new chairs, so he flew to CenterPoint to test the armrest on the chair in our showroom. It turned out the armrest didn't fit on the chair at all." Evans says the doctor tried the armrest on other chairs in the showroom before making his decision to purchase another make and model.

Since the showroom's opening, dentists who visit have been known to become weak at the knees from the overwhelming variety of equipment and operatory designs. "We believe in choices," says Rick Cohen. "If we meet with a manufacturer and they tell us they want us to be the sole distributor of their product, we tell them we don't want to do that. We don't want to carry just that one brand of a specific item. None of the lines we carry are exclusive to Benco, so it gives our dentist partners a greater choice. Dentists don't have to buy just one line of products from us; they can mix and match. Maybe they like the A-Dec chairs but want the Pelton & Crane lights. We can do that." Because Benco does not

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carry exclusive product lines, dentists who are renovating or building a new office have literally millions of design options from which to choose – from lights to chairs to even the color of their operatory walls. In fact, Benco has interior designers on staff to help dentists plan their operatories.

Distribution & Moving West

The CenterPoint warehouse is home to more than two miles of “smart conveyor” – which means when an order comes in, it is printed on a piece of paper with a corresponding barcode. The barcode is matched up with a tote that carries the same barcode on its side. As the tote travels through the warehouse, the barcode is scanned at multiple outposts to either make a stop to pick up an item on the order or move through to the end. Because the warehouse is largely automated, there are almost zero errors (current rate: fewer than three errors per 10,000 lines picked), but if there is ever a problem with an order, a dentist can call 800-GO-BENCO and will speak with a customer service rep. Most issues are resolved in one day (and any unresolved issues are handled by Larry Cohen personally).

For now, the CenterPoint distribution center is the only Benco warehouse that operates at such efficiency, but it hopes to retrofit its other distribution centers with the same technology. Of course CenterPoint is not Benco’s only distribution center: it already has centers in Jacksonville, Florida; Fort Wayne, Indiana; and Dallas, Texas. And in a push to gain a foothold in all 50 states, Benco will open a new center in Reno, Nevada, in mid-2011 to service the entire West Coast. “With its fifth distribution center, Benco will be the first family-owned, full-service dental company with a national footprint,” says Jackson.

After 80 years, why push to “go national” now? Jackson says it’s because Benco Dental is a family business and worked slower to make the right investments. “We’re privately held,” says

Jackson. “We would have loved to make a move to expand nationally 15 years ago – and if we wanted to go public we could have done that, but that would

have meant making huge compromises. You can’t please everyone, and when you’re trying to please the stock market, it’s hard to please dentists and have their interests at heart. So we chose to grow at a measured pace. As we generated profits, we reinvested them into expanding our offering and our footprint.” CenterPoint is a prime example of how the family has reinvested in the business.

Another reason for Benco’s national push revolves around its relationships with its manufacturers. “We deliver value not only to our dentist partners, but our manufacturer partners as well,” says Jackson. “If a manufacturer wants to give us a product line, they want to know how their products will be covered nationwide. We’re not going national for the sake of being bigger, we’re going national to be better, especially for our vendor partners.”

Asked if there’s any fear that Benco could get too big, Chuck Cohen says Benco will continue to get bigger, but only as long as it is the right thing for the company and the customer. “It’s about compromise,” says Chuck. “In some ways you can argue that we’re already too big because we’re not as customer-intimate as we’d like to be. That’s part of growing. But we’re able to offer products and services that smaller companies can’t offer, so it’s a trade off. As we grow, our focus remains on giving every customer, no matter where they are, the same excellent experience.”

The Benco Difference

There is definitely something different about Benco. Perhaps it is because the company remains family-owned, and can make uncompromised, long-term and well-researched strategic decisions aimed only to have a positive impact on its dental partners and its own associates. Perhaps it is the culture, meticulously cultivated via Benco’s BCI program and upheld by every associate from the top down. Perhaps it is the non-exclusivity of its product lines that allow the distributor to carry a wide variety of products. Perhaps it’s the personal touch and the no-pressure service it provides to ensure that its dental partners not only get what they want, but get what they need in order for both to succeed. ...Or perhaps it’s a combination of everything. ■



One of many equipment options on display at CenterPoint (left).



Visitors can test drive various handpieces at CenterPoint.



Associates assemble for a Town Hall meeting with Rick.



Orders being filled on the smart conveyor.