10-2021

Perry’s Ice Cream family business case study: leadership for the next 100 years

Kristen S. Ryan
St. Bonaventure University

Carol Wittmeyer
St. John Fisher University, cwittmeyer@sjf.edu

Publication Information
Ryan, Kristen S. and Wittmeyer, Carol (2021). "Perry’s Ice Cream family business case study: leadership for the next 100 years." *Journal of Business Cases and Applications* 32.

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Abstract

Looking to the future and setting its sights on a fifth generation of family leadership, Perry’s Ice Cream is one of the two largest ice cream manufacturing plants in New York State. Operating a 120,000-square-foot plant and a multi-level 40,000-square-foot storage facility, the company sells primarily on the East Coast of the United States, as well as to over 35 countries around the world. The three family members currently engaged in the company approach the responsibility of successful succession with seriousness and gravity. History and business failure statistics have taught them that divisions between family members, differing visions of the future, personality conflicts—and, yes, family dynamics—can bring a family-owned business to its knees and its demise. Thus, the family undertook a detailed exploration of lessons learned over time. This case study tells the story of that path that led to the creation of a living document, “Sustaining Generations,” which will serve as a roadmap for the transition from Generation Four (G4) to Generation Five (G5)—and beyond. Because they have focused so intently on their own past, the current generation wonders if they have overlooked additional considerations in their quest for a plan for the future. Thus, they have sought additional input in the form of a case study for current business students. This descriptive case provides a description of a real situation and challenges students to analyze, assess and evaluate the situation to determine if there was a more effective way to handle the outcome.

Disciplines

Business

Comments

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ABSTRACT

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The three family members currently engaged in the company approach the responsibility of successful succession with seriousness and gravity. History and business failure statistics have taught them that divisions between family members, differing visions of the future, personality conflicts—and, yes, family dynamics—can bring a family-owned business to its knees and its demise. Thus, the family undertook a detailed exploration of lessons learned over time. This case study tells the story of that path that led to the creation of a living document, "Sustaining Generations," which will serve as a roadmap for the transition from Generation Four (G4) to Generation Five (G5)—and beyond. Because they have focused so intently on their own past, the current generation wonders if they have overlooked additional considerations in their quest for a plan for the future. Thus, they have sought additional input in the form of a case study for current business students.

This descriptive case provides a description of a real situation and challenges students to analyze, assess and evaluate the situation to determine if there was a more effective way to handle the outcome.

Keywords: transition planning, family governance, next generation development

BACKGROUND

After the dust settled from the last of many events celebrating the 100-year anniversary of the company, Robert Denning, President and CEO of Perry's Ice Cream, reflects on the accomplishments underlying the celebration. Could his great-grandfather-in-law and founder H. Morton Perry have imagined the company today? Might he have foreseen the sometimes-bumpy road the company would travel over the course of a century, he wonders. Robert has no doubt, however, that the founder would be pleased to see a fourth generation of family leaders interested, prepared and working together to run the business.

Denning ponders a few periods in the history of the company that presented the family business owners with stressful decisions and near fallouts that were eventually weathered. He's relieved that today's company leaders have learned from the past and that each of them has found their "sweet spot" allowing them to do the work they love and in harmony with one another. As he looks at the pictures on his office wall—spanning all five generations of Perry families—his eyes linger on the 5th generation "kids," including his own children, smiling alongside their cousins. The oldest have finished college and entered their professional careers in outside companies. The youngest is in high school and will not be far behind making his way into the working world. While they have all heard the stories of the challenges along the way, he wonders if they really understand how close the company came to not surviving the transition from the second generation (G2) to the next.

Denning knows the importance of heeding the lessons of the past and wants to do everything in his power to prevent future generations from repeating the same mistakes and to assure that they understand the hard-earned lessons that came with them. The current leaders resolutely believe that any plans for the future must build on the past, including previous generations' successes and struggles. They live the mantra of writer and philosopher George Santayana: "Those who do not learn history are doomed to repeat it."

Reflecting on how far the family business had come, transitioning to the 5th generation (G5) and beyond was the stuff that kept him awake at night. Unwilling to leave such crucial transition plans to chance, the fourth generation (G4) leadership team began crafting a "roadmap." They codified their thinking in a document called "Sustaining Generations" (Appendix I).

The G4 family members had dedicated much of their lives to and were intensely passionate about the company and its employees. Denning wanted to be sure that the policies and practices set forth in "Sustaining Generations" were comprehensive, thoughtful and robust enough to ensure the future of the company. But he quietly wondered if their deep family connection to the company might leave them with blind spots.

Keenly aware that outside advice and counsel had been critical to sound decision-making and company direction both in the past and in their current Board relationships, Denning sought out "fresh eyes" to review the document to help make sure there wasn't anything they hadn't thought of that could jeopardize the future of the company he loved. Having built strong relationships in the academic community, including providing guidance directly to students at Cornell and the University at Buffalo, as well as institution-wide Board service at UB, he looked to his research and academic partners for a new collaboration. Together, they developed a case study in which students were offered a rare and candid window not only into the operations and leadership of the business they were tasked with reviewing, but into the family and the individual members at the heart of the enterprise—their hopes and ambitions, fears and mistakes, care for one another and stewardship of their shared love and livelihood.

PERRY'S HISTORY: GENERATIONS ONE THROUGH THREE

Generation 1: H. Morton Perry

The Perry family history originated with H. Morton Perry and his wife Mabel. Morton was a broom maker by trade and an entrepreneur at heart who ventured into the dairy business when he bought a milk route in Akron, NY, for $1,000 in 1918. In 1932, Morton was asked by the local school district if he could supply them with ice cream. Morton enjoyed the prospect of growing his business during the depression and made the first batch of Perry's Ice Cream on his kitchen stove with his mother's recipe. He delivered it to the local school district using a horse drawn cart. As demand for the product grew, Morton worked with his only son Marlo to make the ice cream each night and the deliveries each morning. The father and son worked together to grow the business and began selling the product to local stores and restaurants.

Generation 2: Marlo Perry

Having grown up making ice cream, when it was time for Marlo to go to college, he decided to attend Cornell University to study dairy science. Following his graduation in 1935, Marlo brought knowledge he acquired during his dairy science classes back to the family dairy (Cornell University, 2009).

Marlo's expertise in the dairy sciences and the grounded and detailed approach he took to the business complemented his father's entrepreneurial spirit. Marlo kept detailed records on the business on paper ledgers which are on display at the company headquarters. Marlo and his father continued to work side-by-side and, in 1936, Morton purchased Frontier Ice Cream Company, which was located outside of Buffalo, NY, enabling Perry's to expand their distribution to customers in the city of Buffalo (Perry's Ice Cream, 2018). In the early 1950s, Perry's partnered with Sealright in Fulton, NY, who shared in the design of Perry's red logo (still used today) and began packaging their ice cream in round pints.

Generation 3: Tom and Dale Perry

Marlo Perry married in 1938, and he and his wife Esther had four children. Two of their sons, Dale and Tom, showed an interest in the business from an early age and worked for the company throughout their youths. Esther believed strongly in the importance of education and encouraged all of their children and grandchildren to go to college (and 90% followed her advice). Similar to Marlo, Tom opted to study food science and graduated from Michigan State University. Dale pursued a degree in business from Alfred State College. In the late 1960s, after receiving their college degrees the brothers returned to the company–each confident in the choice of the family business as his career path.

Tom handled the operations side of the business and was responsible for production, while Dale assumed responsibility for administration and sales. With different personalities, educations and visions for the future of the company, the brothers often expressed differences of opinion regarding the direction of the company. However, with Marlo still at the head of the company, there was a natural place for those differences to be resolved. In addition, Marlo relied on his Vice President of Sales Art Lowder, who was like a brother to him. Art, who enjoyed Marlo's trust as well as the respect of the brothers and company employees, was called on to keep things running smoothly and intervene when necessary as disagreements arose. Art was credited as "the glue that held it all together" when things got bumpy.

With Marlo at the helm and Art by his side, the company continued to grow over the next several decades. During the 1970s, they purchased an 8.5-acre piece of land in Akron and built a new storage freezer and distribution facility to accommodate the expanding needs of the business. Marlo and Esther's son-in-law, Joe Capan, joined the company in 1970 as a direct store delivery driver and was promoted over time to the Marketing Manager. Joe was instrumental in the development of Perry's brand positioning, including their signature black box look. The company's first comprehensive marketing efforts came to life through Joe's leadership. Joe left in 1994 to follow his passion and started his own marketing business with Perry's as one of his clients.

In the 1980s, the company expanded their production capacity, moving into a 6-million-gallon facility in 1982, and began production of ice cream novelties as noted in the Company Overview (Appendix II). In 1985, Lowder secured key supermarket customers and Perry's reached $10 million in annual sales (Carper, 2018).

After decades of service to the company, Art Lowder retired in 1986. Within two years of Art's retirement, Marlo passed away and Tom Perry succeeded his father as Chief Executive Officer. Tom was the eldest family member and was an operational expert in an operationally driven company. Dale became Tom's subordinate and 50/50 partner.

G3 Faces Family Succession Challenges

External factors contributed to a difficult transition to CEO for Tom. At the time, ice cream sales were decreasing nationally due, in part, to health concerns over cholesterol. Commodity prices, a key cost driver of ice cream production, were on the rise which negatively impacted profitability. The company was also recovering financially from a failed venture to vertically integrate into retail scoop shops. Tensions developed between Tom and Dale over strategy, direction and control of the business. With Marlo gone and Art, who had effectively served as a company "ombudsmen," retired, the company began to flounder. In addition to the pressures of the business, Tom began to experience significant health problems.

After consultation with the Board of Directors, which included non-family members (trusted bankers and accountants), it was determined that it was in the best interests of ongoing operations for the brothers to step aside from day-to-day responsibilities and become co-chairmen. The Board brought in an outside executive, C. Jonathon Hauck (from Goulds Pumps), to restructure the company. Although he had no experience in the dairy industry, Hauck brought business acumen, discipline and a professional management style and approach and sales rebounded. After Hauck's departure in 1991, Tom resumed the role of CEO. Dale exited the company in 1994, selling his share of the business to Tom while agreeing to a non-compete clause for an agreed-upon period. Although the leadership transition was resolved, employees were left with a sense of uncertainty; and some employees began to view family members, both G3 and G4, as a distraction from moving the business forward.

Back on track by the mid-1990s, the company began another period of strategic growth by expanding production of custom pack products (producing for other branded manufacturers), producing for Columbo Yogurt, and entering into a partner branded distribution contract with Nestlé as indicated in the Company Overview (Appendix II).

PERRY'S TODAY: INTRODUCING GENERATION FOUR

Generation 4: Tom Perry's Children

Tom married Marilyn Peterson in 1962 and they had three children: Brian, Gayle and Marcia. The children of G4 expressed varying levels of interest in the family business and each pursued a different educational and career path.

Drawn to the family business as a young boy and with a particular interest in operations, Brian began working for the company part-time during school. He attended Alfred State College where he earned his AAS, followed by a BS in Business Administration conferred by Canisius College. After joining the company full-time in 1979, Brian worked his way up to Vice President of operations for several years before realizing his true passion was working with outside stakeholders—including strategic customers and suppliers, industry professionals, community leaders and government representatives—the current focus of his position. He has held numerous industry positions, including Chair of the International Ice Cream Association, and has been recognized for his exemplary leadership to the dairy industry. Brian's community service includes the Lions Club, the Village of Akron Planning Board, the Akron Central School Pathways Program, Junior Achievement and the Family Services Center. He currently serves as Executive Vice President and Chairman. Brian married Jayne Litfin and they have one daughter: Jenna.

Gayle attended the State University College at Buffalo where she earned her BS in business. As a student, she began a business and marketing internship at Sorrento Foods which led to a long-term position. At the time Gayle joined Sorrento Foods, they were a local, multi-generational family business. In areas ranging from product development to retail price and promotion strategy, Gayle gained a wealth of experience at Sorrento and led their marketing efforts. The Sorrento family business was sold during her time there, and Gayle experienced first-hand the emotional transition of that sale. Gayle joined Perry's Board before accepting a full-time management position; her current role is Vice President of Strategic Branding and Sustainability; she oversees the company's sustainability and marketing efforts, including reputation development and stewardship, and strategic product positioning. She joined the company in 2001. Gayle's has community outreach includes trustee roles with the Greatbatch Foundation, Hearts and Hands Faith in Action (dedicated to helping seniors live independently) and Beechwood Continuing Care.

Robert Denning, Gayle's high-school sweetheart, began his career at Perry's as a teenager washing and loading the truck fleet, waxing trucks, working production clean-up and setup shifts. Throughout college Robert continued doing production clean-up and setup before moving into accounting after he received his associate's degree in business administration from Genesee Community College. Upon completion of his bachelor's degree in business administration at Buffalo State College, Robert was promoted to director of Human Resources. Having pursued the prerequisite MBA from the University at Buffalo, Robert was named President and CEO in 2000 and continues to guide the company in that role. Under Robert's leadership, the company expanded to reach international markets, completed a $10-million upgrade to plant and equipment, and reached the $100-million revenue milestone. Robert serves on the boards of the University at Buffalo Foundation, the Buffalo Niagara Partnership, UB Athletics, Niagara University's Food Marketing Advisors. His leadership has been recognized with a Business First 40 Under 40 Award, a Young Alumnus Achievement Award from Buffalo State College and a Community Leader Corporate Award from the National Federation for Just Communities of WNY. He is a member of the Young Presidents' Organization (comprised of 9,500 business leaders from 75 countries). Robert joined the company in 1981.

Gayle and Robert Denning married and have four children: Leah, Paige, Lindsay and Noah.

While Marcia, Tom and Marilyn's youngest child, worked part-time during her summers and participated in other Perry non-operating enterprises, she earned a university degree in horticulture and plant science and pursued a career outside the family business. Marcia and her husband Al Rodriguez have three daughters: Claire, Lauren, and Rachel. Marcia and her family have no ownership stake in the company.

As this fourth generation tackled various jobs within the family business, Tom understood that in order for them to assume company-wide leadership roles, they would have to earn the respect of their colleagues, so he started them "at the bottom." Tom was intentional and thoughtful about matching the next generation with assignments that complemented their interests and abilities and helped them develop. His foremost concern, however, resided firmly with assuring the strength and sustainability of the company.

Transitioning Leadership to the Fourth Generation

By the early 1990s Tom, as the G3 CEO, began seriously thinking about leadership succession to the next generation, but he was not sure G4 was ready. Having previously seen the benefits of external non-family expertise (in Art Lowder and Jonathan Hauck, for example), Tom sought an experienced leader to assume company management as he groomed G4 to lead the company. In 1994, he appointed George F. T. "Geff" Yancey Jr. to serve as a transitional President, a position he held until the end of 1999. Yancey, of nearby Heluva Good Cheese, came with extensive dairy industry and family business experience.

As Yancey handled key management responsibilities, and G4 immersed themselves in day-to-day operations and learning the company from the ground up, Tom continued his succession planning efforts in conjunction with the G4 members. In addition to formalizing certain requirements, such as establishing a minimum requirement that family members (including spouses) have an MBA in order to hold a senior leadership position, Tom also brought in a local business consultant and industrial psychologist who helped with next generation leadership development.

By the late 1990s and into the early 2000s, Tom was ready—and believed G4 was ready—to make a number of changes to move family members into more substantial leadership roles. Robert was promoted to Vice President of Administration in 1998, and during the last semester of his MBA program, was named President and CEO in January 2000, allowing for Yancey's departure (Kline, 2015). Shortly thereafter, Gayle Denning joined the company, bringing extensive experience in marketing from nearby family-controlled Sorrento Foods. Brian was appointed Vice President of Operations in 1998 and served in that role until 2002 when he was named Executive Vice President and Vice Chairman, ultimately assuming the title of Executive Vice President and Chairman in 2015. Tom, who had served as Chairman since 1994, was named

Chairman Emeritus in 2015, and served as strategic advisor to the Board and Family until his passing in 2017.

With a keen understanding of the value of outside perspective, Tom cultivated a strong working relationship with the company's Board of Directors, assuring that this leadership transition was supported by the governing board. In fact, the Board itself continued to evolve and strengthen as they refined their roles and articulated expectations for future Boards. Over three years, the entire Board cycled out and new outside Directors were identified and recruited who could add value and support for the next generation. The new Board brought critical expertise to the table and included regional business peers with whom they had developed valuable collaborations. The Board transition was handled professionally and transparently; and former Board members have remained willing to support the family and the company.

While non-family leadership has been valued by the Perry family—as evidenced by the many high-level executives, committed Board members and outside contributors in Perry's history—Tom had realized that outside presidents who focused on financial gain (incentives exclusively aligned for short-term success), rather than long-term sustainability, resulted in a cultural mismatch. He took great pride in making the necessary investments (in family as well as in the business) and knowing when to step aside, to successfully transition leadership to G4. Although it may have been more financially advantageous for Tom to have sold the business, he made sure it remained within the family.

Today, the family leadership and ownership consist of Robert Denning as President and CEO, Gayle Perry Denning as Vice President of Strategic Branding and Sustainability, and Brian Perry as Executive Vice President and Chairman. Following Tom's death, Robert and Gayle share ownership with Brian.

LOOKING FORWARD TO GENERATION FIVE

Generation 5 consists of eight children ranging in age from 13 to 22, as indicated in the Genogram Table (Appendix III). The eldest grandchild has graduated from college and is working outside the family firm. Gayle and Robert's children and Brian and Jayne's child stand to inherit their parents' ownership shares, while Marcia and Al's children are not included in ownership succession.

The Roadmap to the Future

Robert Denning and the fourth generation gathered, codified and drafted the policies that formed the basis of a document they called "Sustaining Generations" (Appendix I) intended to "give family members a realistic preview of what an opportunity to work within the business would look like, if they so desire." (Denning, 2018) Denning characterized the document and its developments as one which "relied on policies that were established over years of collective experiences working in the family business. (G4) applied lessons learned over the prior three generations during times when there where challenges in maintaining family harmony. It is based on the guiding principles to have a formal policy in place that clearly outlines the requirements for being employed within the family business including entry, management development, promotion, pay and termination. Next, it's important that family members understand the rules of engagement in terms of their roles in the family business. Meaning, they need to 'earn their keep' in terms of performance, and clearly be one of the hardest working team members to gain the respect of their peers." (Denning, 2018)

Denning also felt it was critical to address the following:

- Generation 5 needs to have clear expectations about the path to entering the business: "with clear expectations we won't fail each other," per Denning.
- G5 members need to be well-prepared to pursue their desired opportunities—whether in or out of the family business.
- G5 needs to have a process to determine future leadership of the company.
- The roadmap needs to encompass Tom Perry's philosophy in the planning efforts. Tom often said: "I can't guarantee it will be equal, but it will be fair."
- Finally, Denning felt the governance document should reflect thought and research into what other family businesses have learned about succession planning. Learning from just Perry's family history may not yield the roadmap that produces the best results.

Reflecting on the value that outside expertise had brought to the company, and as a result of valuable relationships he cultivated with family business experts at his neighboring colleges, Robert envisioned one final step before finalizing the company's succession plan. He felt the document need "fresh eyes" and expert scrutiny, so he shared it with his faculty colleagues and their business students for a case study assignment. Rather than simply an instructive exercise for the class, he intended for the feedback to inform the process.

CASE STUDY ASSIGNMENT

Appropriate for both undergraduate and graduate-level classes, the case study provides a compelling exercise in applying theory to practice and interacting directly with current family business leaders.

Preparation

1) Students should review the relevant literature in family business governance and leadership transition planning.
2) Students should study the "Sustaining Generations" document and familiarize themselves with its content.
3) The class should be divided into small (3-4 students) diverse working groups as the case study is designed to provide additional insight into group dynamics and decision-making processes.
4) Each group should have a thorough understanding of the expectations and be prepared to present their thinking and rationale to the G4 family leaders.

Considerations

1) What are some ownership scenarios that could cause potential problems as the company attempts to transition to G5?
2) Is there a chance that outside leadership might be needed in the next transition? What are the pros and cons of using "outsiders" in a family-owned business to shape the leadership and strategy of the company?

3) What are the greatest strengths that will create opportunities for this brand to continue to flourish as the next generation takes over? What are potential weaknesses that may threaten the continued success and continuation of this family business?
4) Are these themes unique to the Perry family, or transferable to other family businesses?

Outcomes

1) Each student consulting group will submit a document that summarizes learnings from past generations, looks to issues, opportunities and/or risks that may need to be faced in the future, addresses the topics outlined above, and provides actionable recommendations for strengthening the "Sustaining Generations" draft.
2) Following review of the group submissions, the class will prepare a joint executive summary highlighting the major recurring themes and specific lessons learned, addressing potential areas of concern that could threaten succession to future generations, and forwarding the most compelling recommendations for a strengthened transition plan.
3) The class is then tasked with preparing an exhibit (Power Point or similar) suitable for presentation to the G4 family leaders and designed to provoke discussion on the feedback and recommendations.

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APPENDIX I

Sustaining Generations

Welcome to the Family Business

Years ago, you were welcomed into the family as a newborn. We have enjoyed watching you grow and are proud of the young adult you have become.

As you know, we have chosen the path of stewardship in our family business. Carrying on the traditions is a wonderful opportunity that has afforded our families many benefits. Those benefits are equally balanced with commitment, responsibility and risk.

At this time in your life you are planning and making choices that will shape your future. Like always, we are here to help you in this next phase of your life. Part of our responsibilities as the current generation stewards of the family business is preparing for the future and we want you to know the many possibilities and opportunities that the family business can offer. Just like us though, the choice to participate in the family business is yours. Our role is to educate you on the possibilities and how you may transition to a career at Perry's.

This is a very exciting time for all of us. We are looking forward to seeing where your path will take you and celebrating your successes along the way. Remember, your future is yours. We are here to help and guide, but the decisions, choices and outcomes are yours.

Since you may have an interest in joining this business, we've created this document to help guide us on this journey so that we may remember and learn from our successes and challenges and avoid disappointments of the past. We'd like to share with you the following information so you will be prepared with clear expectations should you eventually join the organization.

At any point, should you wish to discuss your plans for the future and how they may coincide with the family business, please reach out to any one of us. We are open to discussing the many possibilities for a future that includes Perry's. Remember, regardless of whether you choose a career at Perry's or elsewhere, you are and will always be family first.

Bob, Gayle, Brian, and Jayne

Perry Family Mission

As members of the Perry family, we commit to provide the vision and leadership that drives the growth and perpetuation of the family business. On our journey, we will uphold our family's tradition of quality, exceeding the expectations and standards of today. We will develop ourselves and each other through love, support, accountability and candor. We agree to give more of ourselves than we expect of others and to maintain confidentiality and discretion regarding business related issues. As confidants, we will listen, empathize, appreciate and affirm each other. We are proud of our past and committed to our future.

Our Commitment

In accordance with our Family Mission, we commit to representing ourselves, our family, our community and Perry's in a manner consistent with the high standards, values and ideals from which our family business was founded.

Integrity:	Maintaining honest, high moral standards based upon mutual trust and respect.
Dedication:	Giving our individual best efforts for the sustainability of the business.
Fairness:	Treating others in the same way we like to be treated.
Growth:	Supporting planned, profitable growth without compromising the quality of our products & services.
Perpetuation:	Proactively strive to develop our knowledge and professional characteristics to better position ourselves for long-term involvement, opportunities and succession.
Relationships:	Actively work toward building long-term partnerships with non-family management, based on common purpose and maintain them through mutual trust, respect and communication.

Our Fundamental Philosophy

The needs of the business will come first and be an integral factor in our ongoing decision making. We do recognize and appreciate that as family members, we will be afforded some clearly defined benefits and opportunities to enrich our personal and professional lives. A few examples may include extended career development, advanced education, and industry specific enrichment opportunities.

Sustainability of the Family Business

Guidelines for compensation, training and development opportunities support our goal of sustaining the family business. Benefits, compensation and training afforded to family members are afforded in the spirit of succession planning rather than based on protected classes under federal and state statues.

Family Eligibility

These guidelines apply to all immediate family members of current owners. Immediate family members are defined as child or their marital spouse.

As an equal opportunity employer, family members are subject to the same regulatory requirements in application, selection, and employment as a non-family member.

Initial Entry

If and when a family member has an interest in entering the family business, seek out an active member of the 4th generation to discuss the endless possibilities from a stable job to a life-long career.

Prerequisite Conditions

Outside employment and/or internship experience is strongly encouraged prior to engaging in a regular position in the family business. With the involvement of human resources, we will treat selection for open positions and accompanying pay, benefits, promotion, and corrective actions solely from a business perspective as outlined in the specific job description and company policies and procedures. We will try to accommodate individual interests, skills and preferences where feasible, yet business needs are first.

Non-Management Roles, Part-Time

- Entry will occur when a need exists for a legitimate position within the existing organizational structure and the family member has the potential skills and abilities that matches the organization's needs.
- New position openings will occur by natural attrition that adheres to standard organizational practices, or openings due to business needs.
- No family or non-family incumbent will be removed to "make room" for a new family hire.

Non-Management Roles, Full-Time

- Entry will occur when a need exists for a legitimate position within the existing organizational structure and the family member has the potential skills and abilities that matches the organization's needs.
- New position openings will occur by natural attrition that adheres to standard organizational practices, or openings due to business needs.
- No family or non-family incumbent will be removed to "make room" for a new family hire.

- If availability does not occur after 6 months, a customized developmental position will be prepared. The family member will rotate through an approved training program created by the HR Director & Department Director until an opening exists. The training plan will be communicated to and endorsed by the Board.

Management Roles*

To enter the Company in a full-time management position for the first time, family members must have:

- signaled desire and commitment to a manager-in-training (MIT) program at least six months in advance;
- communicated an initial career plan to the Board of Advisors;
- achieved a four-year college degree;
- completed one year outside experience and/or received a significant promotion;
- three to five years outside experience preferred and encouraged; and
- active engagement in a target sponsor organization and/or completion of a MIT.

* *It is strongly encouraged to declare intentions for managerial operation of the business by age 35. MBA is an additional requirement for President/CEO position.*

Availability of Position

When entering the business for the first time seeking a management role, family members agree that:

- Entry will occur when a need exists for a legitimate position within the existing organizational structure and the family member has the potential skills and abilities that matches the organization's needs.
- New position openings will occur by natural attrition that adheres to standard organizational practices, or openings due to business needs.
- No family or non-family incumbent will be removed to "make room" for a new family hire.
- If availability does not occur after 12 months, a customized developmental position will be prepared. The family member will rotate through an approved training program created by the HR Director & Department Director until an opening exists. The training plan will be communicated to and endorsed by the Board.
- Management developmental programs will be designed to last a minimum of 12 but no longer than 36 months, dependent upon job opportunities available and successful progress within the program.
- The goal is to match your career objectives, the key learning of the development program, and the organization's needs.

Compensation

Based upon ongoing successful performance to objectives, family team members will be compensated by the upper half standards of their current position.

Training and Development

We firmly believe in making the effort and utilizing all of our resources to prepare future generations for leadership.

To obtain additional training and/or development, family team members will:

1. Write out a formal request, which includes the nature of the activity, why it is desired, and how it will benefit both the person and the company.
2. Take the request to the Department Director then to the HR Director who may present to the President/CEO for review and consideration. Depending on scope, cost and time frame the Board of Advisors may be engaged.
3. After the development & training, family members should share their experience and learning with their departmental leader and other family members in the business. If appropriate, they will share with colleagues.

Standards of Performance – Performance Reviews

Family team members will be treated no differently when it comes to the level of performance in their specific jobs. Performance reviews are to occur formally, based on company guidelines and practices and the family member is expected to consistently perform at or above expectations. During the initial phases of a developmental plan, it is understood that ALL job requirements may not be met.

Goals and Objectives:

As with all team members, family members are to have specific goals and performance expectations for their jobs. The procedure will be identical to the current HR practices and procedures, including:

- specific performance expectations for the current position;
- developmental objectives advancement and training;
- expectations for supporting the values and culture within the organization; and
- the HR Director will regularly meet with family member to review developmental plans and objectives

The Board of Advisors will be apprised of job performance and/or developmental plan performance of individual family team members on a minimum of an annual basis.

Developmental Plan and Performance Review Procedure:

If family members or spouses feel unjustly reviewed in the advancement procedure or as part of their regular performance review, they are to utilize the HR Director as a mediator. The HR Director will review the process and attempt to arrive at an objective and unbiased resolution. If resolution is not achieved, the President & CEO will review to reach resolution, if not, then the Board of Advisors will be consulted to review the alleged grievance to make recommendations towards resolution.

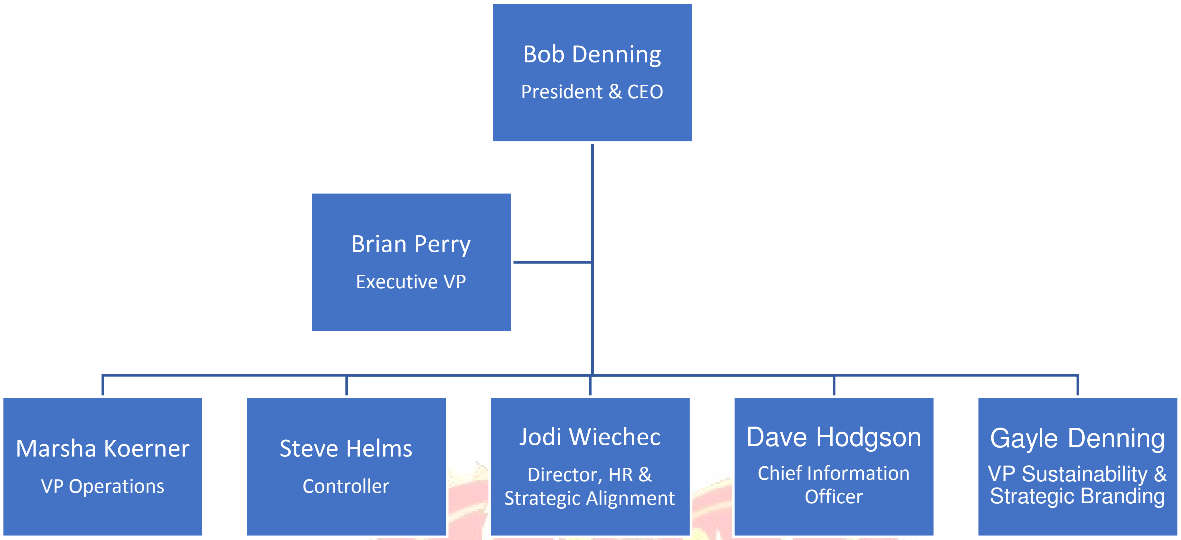
Guidelines for Significant Career Advancement

Family members wishing to be considered for advancement must take proactive steps to be engaged and take ownership in their career development plan by:

1. Having successfully performed in their current position for at least two years and have achieved exceptional, documented job performance from their leader.
2. Announcing an interest in a specific position or a partially defined position (manager, director, VP, other) to the Board in conjunction with the HR Director.
3. Beginning a dialogue with their leader and HR Director to formulate a developmental plan to achieve the qualifications necessary for the desired position.
4. Submitting the plan for advancement, including significant accomplishments, to immediate leader, HR Director and Board for endorsement:
    - If amended or approved, your individualized and accountable developmental plan begins.
    - The HR Director will regularly meet with family member to review developmental plans, discuss performance to objectives and obstacles to success.

While your leader, the HR Director and Board are here to support and encourage you, the success of this plan depends upon you.

Leadership Organizational Chart



Disciplinary Procedures

Family members are accountable to themselves for ensuring that the standards and expectations set forth in the Code of Conduct are being adhered to. In general, the job-related discipline of family members is handled according to existing company policies and procedures.

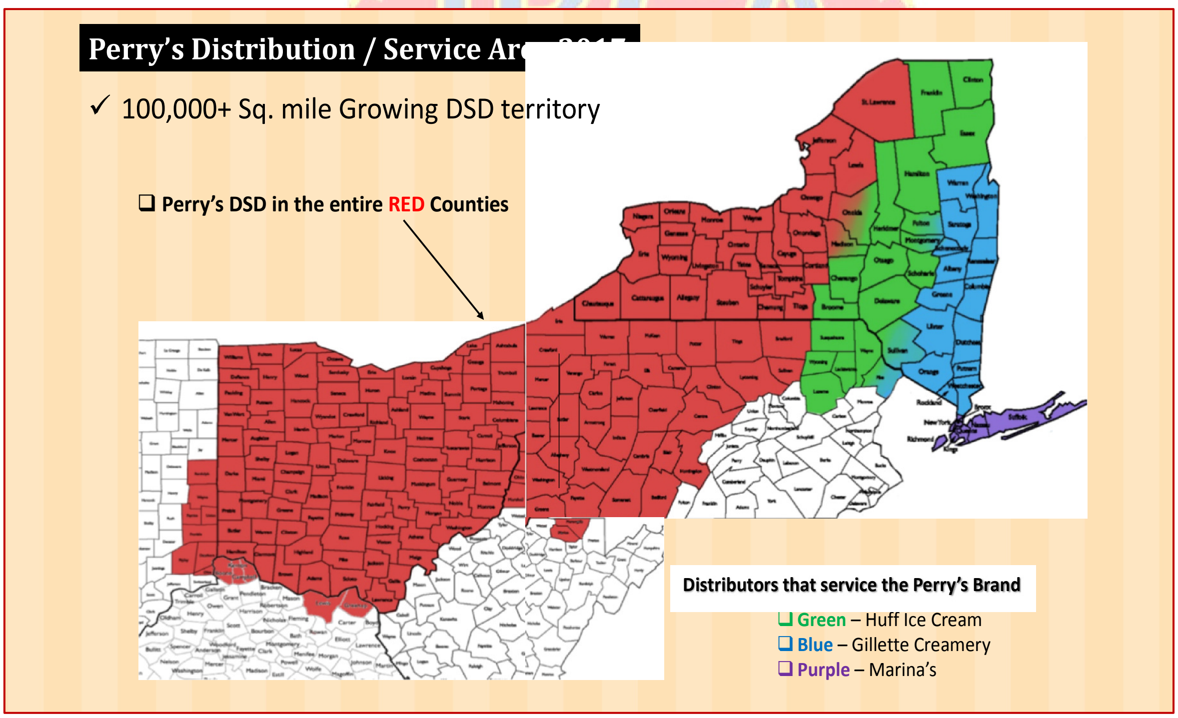
If a family team member is performing at a level which could threaten his or her job status (i.e., termination), the family member will be notified by HR and their Leader that there is evidence that the family member is in some way violating the principles of the code of conduct of the company or has inadequate job performance. Following, the Department Leader and HR Director will notify the Board of the situation as part of the preliminary investigation & determination process. Management and the Board will determine next steps.

Termination

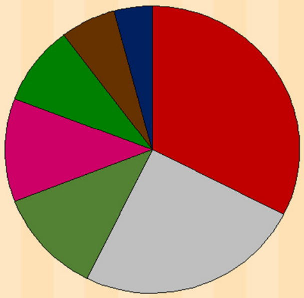
After reasonable attempts to rectify the performance situation, the standard policies and practices for termination will be followed. Family team members will be terminated for continued violations and/or 3 consecutive unsatisfactory annual performance evaluations.

APPENDIX II

Company Overview



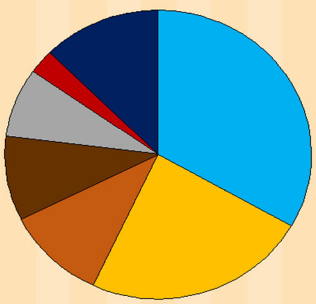
Upstate B/R/S Family Size Category, All Products
$62M Category, -1.9% Growth, 52 Wks. PE 12/2/17



Brand	$ Share	$ Chg.	ARP
Perry's	32.5	+3.8%	$3.69
Private Label	24.8	-1.2%	$2.71
Turkey Hill	11.8	-6.2%	$3.46
Friendly's	11.7	-11%	$3.04
Breyers	8.9	+21%	$3.64
Edy's	6.1	-22%	$3.88
All Others	4.2		

Source: ACNielsen, Buffalo/Rochester/Syracuse, Grocery, FDM

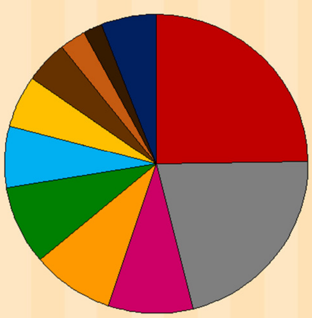
Upstate B/R/S Pint Size Category, All Products
$19M Category, +24% Growth, 52 Wks. PE 12/2/17



Brand	$ Share	$ Chg.	ARP
Ben & Jerry's	33.2	-1.7%	$4.18
Halo Top	23.8	+261%	$5.01
Haagen-Dazs	10.6	-1.1%	$4.19
Talenti	9.4	-3.2%	$4.29
Private Label	7.8	-7.6%	$2.89
Perry's	2.7	+28%	$2.98
All Others	12.5		

Source: AC Nielsen, Buffalo/Rochester/Syracuse, Grocery, FDM

Upstate B/R/S Ice Cream Category, All Sizes
$80M Category, +2.4% Growth, 52 Wks. PE 12/2/17



Brand	$ Share	$ Chg.	ARP
Perry's	24.8	+2.0%	$3.68
Private Label	21.3	-1.8%	$2.82
Friendly's	9.0	-7.3%	$3.07
Turkey Hill	8.8	-7.8%	$3.45
Breyers	8.2	+16%	$3.75
Ben & Jerry's	6.7	-4.1%	$4.09
Halo Top	5.6	+261%	$5.01
Edy's	4.6	-22%	$3.87
Häagen-Dazs	2.8	+4.6%	$4.46
Talenti	2.0	-7.1%	$4.30
All Others	5.9		

Source: AC Nielsen, Buffalo/Rochester/Syracuse, Grocery, FDM

APPENDIX III

Genogram