

Outrageous Fortune

Howard Epstein's love of packaging revolutionized Chinese takeout.

When you order Chinese takeout, you probably don't think much about those ubiquitous little soy sauce and mustard packets that come with your Hunan chicken and pork-fried rice. And even if you do, you'd certainly never guess that the prime mover behind those quintessentially Asian condiments is actually a Jewish guy from the Bronx. That guy is Howard Epstein, the founder of Kari-Out, the largest condiment supplier in the Chinese-restaurant biz. You may never have heard of Kari-Out, but you've undoubtedly used the company's packets. With their familiar panda bear logo and occasional maddening refusal to open cleanly, they've become part and parcel of the Chinese takeout experience.

Howard Epstein's tale began in 1955, when he started working for his father's tea bag business. Howard wanted to diversify the operation, so he bought some new equipment and began packaging dry soup mix and flavored freeze-pops. It turned out to be a formative experience: He soon became fascinated with small-unit packaging technologies.

Epstein left his father's business around 1964 and, like so many budding entrepreneurs, embarked on a series of false starts. First, emboldened by his burgeoning enthusiasm for small packages, he tried selling travel-sized toiletries to hotels, but his distributor went bankrupt. Then he developed packaging ideas for the chemical company American Cyanamid, but he found the firm's corporate structure too limiting. Eager to work for himself, Epstein purchased a tiny company that supplied popcorn to movie theaters and soon turned it into a thriving business. "But I hated it," he recalls. "I mean, I was into packaging--this was just popping corn all day long. It was the pits."

It was at that point, around 1968, that Epstein was approached by a Chinese salesman who worked for his father's company. "He said, 'Listen, I'm selling tea bags to Chinese restaurants for your father. Why don't I sell them soy sauce for you too?' You see, my father wasn't really interested in selling much more than tea. But this was my chance to get back into packaging." Indeed, Epstein quickly realized that the plastic sheathing he'd used years ago to package freeze-pops would be perfect for soy sauce. It turned out to be ideal timing--the small



Would egg rolls be the same without Kari-Out?

packets arrived just as Chinese takeout was becoming a phenomenon in suburban America. Epstein wasn't the first to supply condiment packets, but he appears to have been the first to push them nationally, and he soon followed up with duck sauce and mustard. By 1972 he had sold off his popcorn business and was focusing solely on condiments under the trade name Kari-Out. He'd finally found a successful entrepreneurial outlet for his packaging

obsession.

Over the next decade, as Epstein outhustled his rivals by flying around the country and meeting with customers face to face, Kari-Out became synonymous with Chinese takeout condiments, and it remains so today. The privately held firm won't divulge sales figures, although the near universality of Kari-Out packets testifies to the company's huge market share, which has also allowed it to branch out into wholesale restaurant-supply distribution for items like napkins, chopsticks, and cardboard containers.

Epstein's son Paul is now the company president, but Howard still goes to the office every day. Is he sick of Chinese food? "Believe it or not," he says, "I always go to a Chinese restaurant for lunch. I figure it's good to keep in touch with the industry." No word on how much soy sauce he uses.

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Look Back



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