



The Paper Prince

AN INTERVIEW WITH GEORGE ABIAAD OF ROYAL PAPER

Head-quartered in Santa Fe Springs, California, Royal Corporation is currently one of the largest nationwide distributors and servicers for the American theatre service industry. Royal Corp. specializes in paper supplies, sanitary chemicals, and food service disposables.

a low-paying job as a modest janitor to help support his family and pay for a degree in both Math and Philosophy. He also began to study and examine the cleaning service industry. By the age of 19, George gathered enough knowledge to start his own cleaning business and spent the next several years as a building service contractor. Over the years, Abiaad observed many areas of untapped potential by suppliers which induced him to move into distribution in 1987.

Since 1994, Royal has been owned and managed by its current principles: George, his wife Marianne and Michael Rashtchi. Early on the company expanded from janitorial and sanitary services and reached into the theatre market segment. Now Royal Corp. supplies over 700 theatres in the United States and Canada and incorporates several ground-breaking green initiatives.

During our conversation, George Abiaad talks to CSD about current issues in the Movie Theater Service industry.

KR: How has Royal Corporation differentiated itself in the theatre service industry?

GA: *"Customization" which seems a cliché; However through a collaborative effort which includes both the field team of our managers and theatre managers and the corporate management we develop programs that hit the mark and fulfill the exact needs and criteria. In order to do that, the approach has to be with no entitlement*



THE ROYAL TREATMENT
George Abiaad,
President of
Royal Corp.

Below, CSD interviews George Abiaad, the president of the focused industry success, Royal Corp. Abiaad's passion for customer service has been a driving force behind Royal Corp. a company which traces itself back to humble beginnings almost three decades ago.

In 1978 George Abiaad and his family came to America after fleeing a violent civil war in their home country of Lebanon. As a freshman in college, Abiaad took



INDUSTRY GIANT
Royal Corp.'s
warehouse in
Santa Fe Springs

and with genuine gratitude, allowing real dialogue and engagement to learn and listen to the needs as a whole and not as a snapshot. Early on we developed an appreciation for the wide range of issues the theatre management team has to deal with to attain good customer satisfaction such as employing high school kids and young adults who perceive that job as a temporary stage in their life. So we do not follow the standard path of farming out the program to brand names that might cover one aspect well and ignore another element, we start from the needs and customize solutions through many sources under a simplified uniform program that hits the mark for each particular theatre chain. The harder and more elaborate the effort on our end is, the simpler and easier the program would be for the theatre team to deal with.

KR: Royal Corporation seems to be actively involved in almost every aspect of the theatre service industry, from typical jan/san items to food service to projector maintenance. Have there been any disadvantages to being so diverse in your services?

GA: The diversity of our offering and services is predicated on the needs of our business partners. If we can fulfill an area of need efficiently within the framework of what we do, then we take it on and if not we will help find the best source for them. The key is open dialogue and transparency. Our goal is to be a long term partner.

KR: What has changed about the company as you grew to your current scale? Is there anything you miss about being a small company?

GA: We have been very blessed to experience substantial growth which has allowed us to expand the scope of our service capabilities. Yet, we strongly feel that the key that makes smaller business effective is speed in execution and personal touch. These traits remain at the core of what we do.

KR: Royal Corporation offers many green alternatives in its products; How widely has this green initiative been accepted and is the decision to "go green" made by you as a distributor or the end-user?

GA: In order to constantly bring value to our customer/partners we have converged their needs into what the cutting edge of the jan/san industry can offer. The green initiatives of source reduction and safety have been at the foundation of Royals programs. In like manner, CA has imposed very stringent regulations which have constantly pushed us to develop befitting products that are effective yet remain a good value. We are proud to be, since 2003, the preferred supplier for the City of Santa Monica, one of the first cities in the US to become totally "green," and equally significant we are the approved supplier for the University of California state wide. These partnerships have paved the way for us to utilize cross industry needs

and solutions that have kept us proactive in our offering to the theatre market.

KR: How has the country's economic recession affected the theatre industry? Does your role as a distributor cushion Royal Corporation at all from the economies fluctuations?

GA: During any economic challenges, consumers become more discriminating about value and that will fare well for theatres. *There is no doubt that the movie going experience is still one of the most economical forms of entertainment and from firsthand experience we know how hard the theatre management work to create a safe, pleasant and clean environment for its patrons.*

The same applies to Royal, theatres are looking for true value propositions that can help them improve their services and cost and it is our duty to keep exploring all avenues and means to create new options in every area we offer that help them achieve their targets. We never limit our efforts to policies but are driven by the concept of exceeding our customer's expectations within moral principles. That keeps us redefining what is "Value added."

KR: What problems do you see facing theatre management today?

GA: *The economic uncertainty creates ambivalence in moving forward with new and major projects such as Digital or expansions. Furthermore, the scarcity of capital makes these endeavors a more challenging undertaking. Certainly there is an increased cost of business across the board too, and capital investment needed to convert theatres to digital. There is also competition for spent dollar from other areas such as video games and more sophisticated home theatres.*

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KR: In this increasingly digital world how has Royal Corporation kept up with the changing technologies?

GA: *We have constantly utilized technology to augment our personalized service and to increase the speed and effectiveness of our response. Over 70% of our order processing, invoicing and payment are done electronically, whether on Cinema Solutions (an e-procurement built specifically for the theatre industry and who have been a great partner) or our B2B site. This gives our customers control of the ordering processing and live, on-demand information, affording our team more time to assist them in solutions on other issues outside basic processing.*



ROYAL REGIMEN
A phalanx of Royal trucks



From e-commerce, to our wireless- barcode scanning- warehousing, logistics and transportation management technologies, to our extensive customized reporting and training, all are great advantages leading to converging synergies.

Technology however, with all its facets remains only a tool in the bigger picture, it affords us and our customer's efficiency and speed, yet it cannot be substituted for the empathy of the human element which is the link to the lifeline of our organization.

KR: Drive in theatres used to be all the rage, these days digital and IMAX are very popular, 3D even seems to be making a comeback. What do you see as the next trend in the movie theatre experience?

GA: While 3D is definitely an exciting new trend, alternative content that is now becoming available such as concerts, operas, Broadway plays and live sporting events broadcast in 3D could be the

element that drives theatre's bottom line. As many of the potential patrons for these events are not the typical moviegoers and

they usually take place during off peak times and days.

KR: What do you think about the theatre service industry today, as compared to when you first became involved with it? What changes would you like to see in the suppliers and manufacturers?

GA: As the realm of offering expands and evolves with theatres, a pressing push is required from all its partners including film to venture outside the box and not rely on the "me too" approach. The United States of America is a country of empathy and hope and those are the prelude to creativity and innovation. In many cases you see technology used to replace the personal touch; on the contrary, we should employ all these advancements to enhance what made this culture great: its people!

KR: After over 22 years in this business, do you have any advice to others in the service industry, or for the theatre managers and owners themselves?

GA: It is imperative always and more so in challenging economic times for management to show patience in understanding and speed in execution. We see many companies are watching the clock and score and forget the game. It is all about taking care of the customer; you do that, it will take care of the rest. There are great companies out there in both the theatre and vendor sector with amazing pioneers and visionaries. I can only tell you what has worked with us. Always dealing with every person as end and not a mean, and develop, harness and guard an attitude of gratitude. No one wants to deal with an ingrate. People want to feel they make a difference in our lives and many have in ours! And for that we are thankful!

KING OF THE CASTLE
Royal Corp headquarters



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