

JAZZMAN'S CAFÉ

Upscale coffeehouse morphs into star of college campuses, hospitals, corporate dining

By Paul King

Here is a recipe for retail success in on-site foodservice: Take one music-theme coffee concept, add two men with entrepreneurial skills, infuse with cash from a multibillion-dollar corporation and bring to a boil, seasoning with various new elements to taste as the concept cooks.

Do all that, and you just might come up with a restaurant as successful as Jazzman's Café, the bakery-cafe conceived by Allentown, Pa.-based food management firm The Wood Co. and allowed to blossom by Wood's relatively new owner, Sodexo USA.

In less than five years, Jazzman's has gone from an idea sketched on a single sheet of paper to more than 100 units located on college campuses and in hospitals and corporations. More impressive is the fact that in 2002 Sodexo opened a freestanding storefront in Bethlehem, Pa., a rare development for an on-site operator.

Jazzman's easily has become Sodexo's hottest commodity, with the company receiving requests to install more locations outside of the typical on-site venues from such cities as New York; Orlando, Fla.; and Akron, Ohio.

In an industry where success can be elusive even for hard-core commercial restaurateurs, Jazzman's has become a force in the on-site industry precisely because its developers have taken the bold step of ignoring the fact that they operate in what many people still consider "noncommercial" foodservice.

"We're not thinking like an on-site operator," says Husein Kitabwalla, vice president of brand development for Sodexo's Retail Brand Group. "We're thinking like a street operator. A lot of on-site operators say they do retail, but actually executing retail is a lot different."

"When we embarked upon building this thing, it was truly to be an alternative to other street-front brands," Kitabwalla adds. "We wanted to have a product that our customers would perceive as commercial, and that has sort of been the engine behind what you see today. We're not just selling a product. We're selling an experience."

Damon Liever, senior vice president of the group, agrees.

"Part of the strategy behind the project was to give people the substance and quality that they would get from a national brand — or better — but also the flexibility to work in a lot of different business environments," Liever says.

Jazzman's started out as a specialty coffee-and-bakery concept that could be offered in three formats: a full-size operation, a kiosk or a portable cart. But over the years the concept has morphed into a cafe operation that also sells breakfast sandwiches, hot and cold luncheon sandwiches and six signature salads. The average check is \$3.49.

Sodexo executives say the concept has been a hit from the very beginning. Although Liever would not share revenue figures, he notes that year-over-year growth has been between 4.5 percent and 11.5 percent, depending on the unit.

"And the majority of our locations haven't even taken a price increase," he claims. "So revenue is growing because of customers, not because we've raised prices."

Students at Colorado College in Colorado Springs,



Jazzman's Café, the first of which was a 9-foot cart that opened in 1999, has grown to more than 100 units in three formats — a full-size operation, a kiosk or a portable cart — located on college campuses, in hospitals and at corporations.

Colo., where a full-size Jazzman's is located in the lobby of the Campus Center, are wild about the concept, school officials say.

"This is Sodexo's version of Starbucks, and it has gotten a wonderful response from students," says David Lord, vice president of student affairs at the 3,000-student college. "It has an image students respond to and product quality they're willing to pay for. There has been an astounding response to the baked items."

Although Jazzman's Café is known today as a Sodexo concept, it owes its birth and much of its success to the foresight of Mark Shipman, chief executive of The Wood Co. in the late 1990s. Shipman, a foodservice veteran who worked for more than 25 years with Advantica Restaurant Group, a former parent company of such family and quick-service restaurant brands as Denny's and El Pollo Loco, was recruited in 1998 by Wood chairman Robert Wood to improve the company's visibility in on-site foodservice.

When Shipman was hired, he promised to bring a retail focus to the contract management firm. As part of that effort, he brought Kitabwalla and Liever on board in 1999. Kitabwalla, who at the time was working for campus foodservice at Ashland University in Ohio, has extensive experience with the Walt Disney Co. at Disneyland

in Anaheim, Calif. Liever's résumé includes stints with Pizzeria Uno and Taco Bell.

When Liever and Kitabwalla arrived, they discovered some ideas for retail-style concepts sketched out on paper. The most intriguing, to them, was a design for an upscale coffeehouse with a jazz theme.

"It was Anita Bowers, in Campus Dining at Wood, who actually threw out the music idea, suggesting the syncopation behind various musical notes, saying we could have different flavors of products and have a show element by having a music system in all our build-outs," Kitabwalla recalls.

"The idea was basically encapsulated on one page, which had to become reality," Liever says.

So the men who eventually would become the leaders of Sodexo's Retail Brand Group began to work with a variety of partners to source the coffee and bakery products that would form the core of the menu. At the same time the team studied similar concepts, such as Starbucks and Corner Bakery.

"We tried to understand what made them stick, you know, what was the tipping point for them," Kitabwalla says. "Finally, we decided our thing was going to be the

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