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A Smashing Success

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SMASHBURGER EMPHASIZES CORPORATE CULTURE AND SELECTS

EXPERIENCED PARTNERS TO DRIVE SUSTAINABLE GROWTH

When Smashburger burst onto the betterburger scene, the market paused to take notice. Its Co-Founder and Chief Concept Officer is Tom Ryan, a very well known and respected food industry veteran, famous for his menu innovations at big-name restaurants. He is the inventor of Pizza Hut's Stuffed Crust Pizza and McDonalds' McFlurries, Yogurt Parfaits, Dollar Menu and McGriddles.

Rick Schaden is Smashburger's Co-Founder and Chairman. A natural entrepreneur, Schaden and his father opened a Quizno's franchise after he graduated from college and grew the brand to more than 5,000 locations.

Together, they created the Smashburger concept for burger lovers who crave high-quality ingredients and are cognizant about where they are sourced.

"Tom felt customers were settling for mediocre burgers, and America's favorite food was falling to the wayside," said Christine Ferris, Director of Public Relations and Social Media at Smashburger. "He wanted to put burgers back into people's lives."

Since the first Smashburger opened in Denver in 2007, it has become a leader in the better-burger revolution. It is one of the fastest-growing fast-casual restaurant concepts in history, reaching the 200-unit milestone faster than any other brand. Currently, there are more than 360 units across the globe, with restaurants in seven countries, including Saudi Arabia, Kuwait, Canada, Costa Rica, Panama and Bahrain. This year, Smashburger restaurants will open in the United Kingdom, Egypt and Dubai.

The company expects to maintain 20- to 25-percent unit growth per year.

"This year, we're focusing growth growing in our large designated market areas markets such as Denver, Phoenix, New Jersey and Houston to grow penetration," Ferris said. "The brand is still looking for experienced franchise partners to grow the presence in new markets but will be focusing on penetrating its existing markets to grow brand awareness."

While there are no intentions of slowing down, the company will ensure that it is growing at a sustainable pace.

The Smashed Difference

Every burger begins as a fresh, never frozen, loosely packed meatball of 100- percent Certified Angus Beef, one of the highest-quality beef from cows that are pasture fed and corn finished. The meatballs are hand-balled daily, and each one is weighed to achieve the perfect-sized burger. A Kid Smash, a regular Smashburger and a Big Smash are made with 3.2, 4.5 and 6.4 ounces of ground beef, respectively.

"We researched and tested 80 different beefs before choosing Certified Angus," Ferris said. "Our menu research chose it for its quality and taste, and it was the only beef option that worked with our cooking technique."

As the company name suggests, the meatball is smashed using a proprietary hand tool on a hot-buttered flat-top grill for 10 seconds, metal to metal. This creates a sear that locks in the juices so the burger is basting in its own juices. The burger is then seasoned with a secret blend of spices, flipped and cooked for four to five minutes until perfection, which is half the time of the competitors.

"You see the caramelized layer—what we call 'meat candy'—and it is super juicy and super delicious," Ferris said.

New restaurants, such as the Smashburger on Renner Road in Richardson, Texas, have both the flat-top grill and an automatic presser grill, called the SmashDaddy. It has two presser arms that automatically lower to smash the burgers. Each arm can press four burgers, resulting in the same sear and flavor, but in half the time. The new grill allows restaurants to serve more guests faster, with the same quality burgers.

"Smashburger is growing phenomenally; that's what brought me here," said Cary Watson, General Manager of the Richardson Smashburger. "Our products are exceptional. We offer a higher quality beef, and our toppings are prepped fresh daily. If I'm going to put my heart and soul into a business, I want to know we're delivering an awesome product."

The menu also features grilled and crispy chicken sandwiches, which are smashed piccata style. This allows them to cook in the same amount of time as the burgers, and gives the chicken a wider surface area for seasoning and enhanced flavor.

There are also veggie burgers made with black beans, fresh salads, gluten-free buns, and unique sides such as sweet potato fries, haystack onions, fried pickles, veggie frites and hand-spun Häagen-Dazs milkshakes. The kids' menu features the Kid Smash, hot dogs and grilled cheese sandwiches, as well as healthier options such as grilled chicken strips, apple sauce and organic drinks.

"Our menu variety is another aspect that sets us apart from our competitors," Ferris said. "Our competitors have some menu variety, but we have more."

A Regional Feel

Though Smashburger is a global brand, it wants its guests to feel at home in their local restaurants. Each restaurant aims to capture a regional feel by serving ingredients inspired by popular local tastes and flavors and employing native designs.

Each market has its own regional burger, with toppings and ingredients popular in that area. There are more than 50 regional burgers across the globe. One of the first regional burgers that was created was the Texas Burger, a classic burger with mustard, American cheese, lettuce, tomato, onion and pickles on an egg bun. And every regional burger has its own origin story written by Ryan. The Texas burger story states: "Simple, timeless and beautiful. Texans have a love affair with mustard and nothing else. Texas mustard burgers are their own category. This is a great burger with fresh produce and the taste of mustard."

Last year, the company experimented with offering the regional Colorado Burger—served with grilled green chilies, melted cheddar cheese, pepper jack cheese, lettuce, tomato and mayo on a chipotle bun—nationwide for a limited time.

"It was fun because people across the country could try our regional burger," Ferris said. "We plan on doing more of these limited-time offers in the future."

Regional décor includes wall murals of popular area symbols. For example, Colorado restaurants have images of the Rocky Mountains, the Red Rocks and the state flag. In Texas, the restaurants have images of Bluebonnet wildflowers, cowboy hats and the Texas flag.

"We want to unchain ourselves from feeling like a chain restaurant," Ferris said. "With the menu and the store's look and feel, we want our guests to feel like they are in their hometown Smash."

While all restaurants offer local craft beer, 13 markets have partnered with local craft brewers to create beer and burger pairings. For example, in Colorado, the New Belgium Sunshine Wheat pairs well with the Spicy Jalapeno Baja Burger, which has fresh jalapeños, guacamole, pepper jack, lettuce, tomato, onion and chipotle mayo on a spicy chipotle bun. Guests also receive information cards on why the pairings work well together.

Each market offers a local craft beer, and Smashburger hopes to continue the expansion of craft beer pairings across the country over the next several years.

"We'd like to offer this in markets that are more built out, with at least three restaurants," Ferris said.

This year, the company also plans to expand its presence in non-traditional spaces, such as casinos, airports and college campuses. The fast cooking technique allows Smashburger to serve people who are on the go and in a hurry, and the nimble and compact kitchen design enable the concept to fit a wide variety of sizes and spaces.

Currently, Smashburger can be found in two casinos: Caesar's Palace Las Vegas and the Choctaw Casino Resort in Durant, Okla. In the spring and fall, Harrah's Laughlin Casino and Hotel in Laughlin, Nev., and the Rio All-Suite Hotel and Casino in Las Vegas will also open a restaurant. The brand also signed a 10-year deal with Denver International Airport in its hometown, where it will offer a full-service bar.

In addition to the regular menu, the casino locations will offer breakfast options.

"As we continue our rapid expansion into markets across the country, non-traditional locations like casinos are an important addition to the pipeline," President and CEO Scott Crane said in a press release. "Providing casino visitors with great made-to-order burgers in a fast and efficient manner is exactly what we're built for. After seeing the success we've had at our other casino locations, we knew these two new locations were a great fit and we're excited about the opportunity they will bring to our brand."

In 2011, Smashburger opened its first airport location in Newark International Airport in New Jersey, followed by Salt Lake City International Airport. Since then it has added new franchise airport locations in Dallas, Philadelphia and San Jose, Costa Rica.

“Airports and casinos give us a lot of brand awareness due to the high foot traffic,” Ferris said. “It’s a great way to get our brand in front of a lot of people.”

Working as One

One of the drivers of a leading brand’s success is the people. That’s why Smashburger strives to build a “One Smashburger” culture to bring its employees—both corporate and franchisee—together. The company has a number of committees that host events to make the workplace fun and engaging.

The Best Place to Work committee organizes volunteer events at Food for Thought, whose mission is to ensure no Denver child goes hungry over the weekend by providing Powersacks to The Boys & Girls Club, which seeks to inspire and enable all young people to realize their full potential as productive, responsible and caring citizens.

The Social Committee organizes monthly activities, such as happy hours, bowling nights, Super Bowl parties and holiday parties. And on summer Fridays, the office grills out on the patio and enjoys the sunshine. There’s also a franchise conference held in Colorado to rally and energize the franchisees.

“Between all the committees, there is something going on once or twice a month,” Ferris said. “Scott Crane believes happy employees work harder, which grows a great brand.”

Attracting and keeping talented and quality employees is also top of mind for Crane.

Crane has initiated various programs aimed at attracting and retaining high-potential employees who want to advance their career within the company. In the majority of its markets, Smashburger pays above the federal minimum wage and offers competitive benefits such as 401k and vacation packages. To recognize good work, employees can win Smash Cash prizes and gift cards.

A leadership program called TRiP reflects the company’s core leadership competencies. It stands for Thought, Results, Influence and Personal Leadership. TRiP helps Smashburger leaders develop and practice these core competencies as well as learn company procedures, standards and routines.

The Step Up Program offers professional development for team members. A training team from the corporate office travels to restaurants to talk to team members about their career and internal opportunities.

“We believe in promoting from within, so we want to make sure we’re giving employees all the tools they need to advance their career,” Ferris said. “The retention rate before Scott joined the company was between 30 to 45 percent. Now it is up to 60 percent. Our goal is 70 percent.”

Another important part of Smashburger’s success lies with the franchisees. The company prefers to partner with seasoned multiunit operators who know how to run restaurants. This frees the corporate team to spend their time fine-tuning restaurant development rather than training them on how to be franchisees.

The company has also honed its real estate model. It now has a very efficient site-selection process in place.

With these programs and processes in place, Smashburger can continue growing its brand strategically and sustainably.

Partners to Affect Change

At the helm of Smashburger’s facilities department is Cha Nye Farley, Director of Facilities and Procurement. She leads a three-person facilities department that manages the corporate restaurants. Since the company partners with experienced franchisees, the facilities department trusts them to run their own restaurants but is a resource to them whenever they need help, typically with recommending vendors.

While the corporate restaurants use ServiceChannel to manage work orders, the facilities team is very accessible to the operators.

“The operators have our cell phone numbers and know who exactly to call, especially for emergencies and capital projects,” Farley said. “Communication is crucial. We want our restaurants to know that facilities and operations are partners.”

Farley, whose background is in restaurant design and construction, enjoys managing facilities. She likes the interaction between the different teams, being on the ground in the various markets and problem solving.

Most of her career has been in male-dominated industries. As a female director of facilities, Farley believes women offer a unique perspective.

“While women in male-dominated professions may not have the multiple years of experience as their male colleagues, we’re not afraid to ask questions; we’re not afraid to not know the answer,” she said. “We also communicate better. There are many female facility managers who do a great job because of the skills they bring.”

To other women who are interested in facilities or want to advance their careers, her advice is to think about the big picture.

“A facility manager is typically a task-oriented person, but to affect change, it’s also important to strategize.”

Smashing Up the Competition

There is fierce competition within the better-burger market, and Smashburger has consistently been one of the leaders in the industry. The brand secures a top spot by sourcing high-quality ingredients, delivering exceptional customer service and having processes and programs in place that foster both employee growth and restaurant expansion.

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