

Part of the Neighborhood

Sherleen Mahoney

Each Corner Bakery Cafe has a unique way of enriching the neighborhood in which it resides. The charming architecture, with its iconic black-and-white striped awnings, enhances the look of the neighborhoods; the ingredient-inspired menu offers healthy, fresh and delicious food choices; and the people behind each Corner Bakery Cafe are passionate about giving back to their communities and bringing neighbors together.

Founded by Lettuce Entertain You Enterprises in 1991, Corner Bakery was created to bake handcrafted artisan breads for the first Maggiano's Little Italy in Chicago. Soon, the bakery developed a loyal following of its own, and by 1995, Corner Bakery had expanded to five locations in the city.

Today, Corner Bakery Cafe has more than 160 restaurants from coast to coast in a wide range of neighborhoods, including suburban shopping centers, regional malls, downtown office buildings, train stations and airports. Out of the 110 company-owned Corner Bakery Cafes, six locations are still adjoined to Maggiano's restaurants. All cafes serve their neighborhoods with signature sandwiches, homemade soups, hearty pastas, fresh salads and bakery-fresh sweets.

A Pillar of the Community

Each Corner Bakery Cafe has a unique way of enriching the neighborhood in which it resides. The charming architecture, with its iconic black-and-white striped awnings, enhances the look of the neighborhoods; the ingredient-inspired menu offers healthy, fresh and delicious food choices; and the people behind each Corner Bakery Cafe are passionate about giving back to their communities and bringing neighbors together.

The first step to opening a Corner Bakery Cafe is finding the perfect location. Corner Bakery's Real Estate Team works with local real estate brokers to conduct extensive market research, carefully analyze demographics and adhere to a multi-point qualification scheme, which is focused on weeding out risky sites to find the most viable locations.

Once a location is identified, it is presented to a real estate committee for review and approval. If approval is granted, the Development and Facilities Teams perform onsite assessments and drafts a preliminary budget. The real estate committee then reconvenes and determines final site approval by considering the location, feasibility of the site and return on investment.

Keeping it Local

Once the site is approved, the design process begins. Often, the buildings are second- or third-generation spaces, such as a previous restaurant or retail space.

"We're not afraid of third-generation spaces because we can turn an ugly duckling into a beautiful Corner Bakery," said Mike Snyder, Senior Director of Development and Facilities at Corner Bakery Cafe. "We'll take an old Blockbuster, for example, with a low elevation, and we'll add tower features to create an upscale presence."

Working with existing spaces can be challenging though. Length and width dimensions and the shape and column placement of each space are critical in determining the overall square footage needed for proper cafe design. With the appropriate amount of space, the design team is able to configure the interior components into a plan, called a schematic plan, for each new bakery cafe.

"You give us a shape, and we fit everything into the shape," Snyder said. "No restaurants are exactly the same; no kitchens are exactly the same. With more than 160 cafes that are all unique in every aspect, we really have to know how our brand functions."

The interior decor is designed with the neighborhood in mind. Local murals and photographs of nearby parks, schools and notable street signs capture the feel of the neighborhood. The goal is to make Corner Bakery Cafe the community's go-to gathering place.

To benefit the community, the company hires as many local vendors as possible. Local architects and general contractors often design and build the bakery cafes. And when the restaurants open, local vendors are tasked to maintain and support the brand. The company uses some national services for life safety services and for regulated services, but the majority of vendors are local providers.

Giving Back Begins Early

To reinforce the brand's commitment to its neighborhoods, Corner Bakery Cafe starts giving back to its communities before the doors officially open.

"One of the first things we do as we go into any market, or any new neighborhood within an existing market, is to identify what organizations, groups and charities are important to the people in the community and reach out to them to develop partnerships," said Laura Roundtree, Senior Brand Manager at Corner Bakery Cafe.

Prior to opening day, a Corner Bakery Cafe will often host a practice party where invited guests have the opportunity to make donations to a local organization. Corner Bakery will match the amount raised by guest donations.

Even after the Corner Bakery opens, restaurant employees continue talking with guests to determine other groups and organizations that are important to them.

"Being part of the community is extremely important to us," Roundtree said.

In 2013, Corner Bakery sponsored more than 850 local events, such as 5k races and fundraisers for schools, libraries and animal shelters. At many of these events, the neighborhood Corner Bakery Cafe sets up a branded tent or table to provide food samples to event volunteers and participants.

"This gives us a chance to talk to and build relationships with the participants," Roundtree said. "It isn't unusual to see a lot of the same people at different events, which helps increase our brand awareness and shows that we are committed to being a part of our communities."

One very important partnership is with Share Our Strength, a national organization working to end childhood hunger in America. Share Our Strength's Dine Out for No Kid Hungry campaign raises funds to provide free school breakfasts, after-school and summer meals, and groceries for local food pantries. For the past six years, Corner Bakery Cafe has partnered with Share Our Strength to raise funds for the campaign.

Every September, guests who donate \$1 or more to the campaign receive a free freshly baked sweet on their next visit. Guests who donate \$5 or more receive a booklet of special Corner Bakery Cafe offers valued at more than \$25.

Last year, Corner Bakery also held a special fundraising promotion that featured its all-natural Old-Fashioned Lemonade and new Hibiscus Lemonade. From July 29 to September 30, participating Corner Bakery Cafes donated a portion from every special-edition 16-ounce tumbler purchase to No Kid Hungry. Guests who purchased the new custom-designed tumblers also received lemonade refills for \$1 on return visits, with a portion of those proceeds going to No Kid Hungry.

Share Our Strength established close ties with the restaurant industry at its inception, and the organization continues to build upon those relationships today. When the Dine Out for No Kid Hungry initiative was created in 2008, Corner Bakery Cafe was one of the original participants. The company has been passionate about helping the organization ever since.

Last year, Corner Bakery Cafe raised more than \$250,000 for the Dine Out for No Kid Hungry campaign. Since 2008, the company has raised more than \$1.2 million for the program.

"Our guests have been incredibly generous in supporting our partnership, and our staff looks forward to the program every year," Roundtree said.

A Growing Brand

Corner Bakery Cafe's established success makes it an attractive brand for franchisees. The company launched its franchising program six years ago, but with 50 franchise locations and growing, Corner Bakery has spent the past two years streamlining its franchise support model.

Shifting from a corporate to a franchise mindset challenged the tenured staff to think, design, operate, train and market differently. They had to consider how to best work with franchisees who don't have a history with the company.

"Our support team was built around a corporate structure," Snyder said. "Every entity within the company has had to adjust its focus. At first, you feel protective over the processes that we've strategically put in place over a number of years, but then it evolves into a partnership with the franchisees, and we realize that there are other ways to accomplish our goals."

Currently, Corner Bakery has agreements with 26 franchise companies, with commitments for more than 300 units. The company plans to open 25 to 30 bakery cafes this year and is on track to double its number of locations in three years.

"We're not growing the overall unit count by fives anymore; we're growing by twenties," Snyder said.

To prepare for this explosion of growth, Snyder and his team have been soliciting insight and feedback from the franchisees. In addition, he is researching how work-order management systems can help him better manage equipment warranties and repairs and maintenance.

"I've had to develop two sides of my brain," Snyder said. "One side is corporate, the other is franchisee. Its like having kids; they're all different, so there are different ways to manage each one—some are totally independent, while others want direction."

Retrofits and Remodels

As if Snyder and his team aren't busy enough, they're also working on retrofit and remodel projects in 2014.

One aspect that makes Corner Bakery Cafe unique is the full kitchen in each bakery cafe. In the first half of the year, many locations will be adding flat-top grills and holding cabinets. These additions will allow the bakery cafes to expand their hot food offerings, which will further separate Corner Bakery Cafe from its competitors.

In addition to the retrofit initiatives, Corner Bakery also will remodel several of its end-of-lease bakery cafes this year. These locations are 15 to 20 years old and will receive a complete makeover, from all-new equipment in the kitchens to new floors and seating layout in the dining rooms to the exterior, including the signage, awnings and patios. New mural shots of the neighborhood will also be taken.

These remodels benefit the landlords as well as the brand.

"It's like having a new tenant, which is what [the landlords] want," Snyder said.

In return, the company can remodel an existing location in a proven market for materially less than the cost of opening a new store. Everyone wins.

For the remodels, the company, once again, relies on local vendors.

"These cafes are 20 years old; they've been retrofitted and remodeled a lot, so the people who know the cafes the best are the local vendors who have provided service for them in the past," Snyder said.

Lastly, a group of bakery cafes will receive patio enclosures this year. Several cafes that have recently been upgraded with enclosed patios have experienced double-digit sales growth.

"We picked restaurants with trending positive sales growth, but limited interior seats," Snyder said. "Enclosing patios can really make a difference for cafes that are capacity constrained because of limited seating."

Poised for Success

It's an exciting and busy time for Corner Bakery Cafe, and the people behind the brand wouldn't have it any other way. Every day, they work hard, serving the needs of the brand, the guests and their communities, as well as the corporate operators and franchisees. Accomplishing all of this with a small but dedicated corporate staff, Corner Bakery Cafe's President Gary Price likes to say, "We get through our days with hustle, muscle and charm."