

Late-Night Cookie Cravings

Sherleen Mahoney

Insomnia Cookies broadens customer base during pandemic

When soft, warm cookies entice late-night cravings, Insomnia Cookies—open from 9 a.m. to 3 a.m.—has a satisfying variety of cookies, brownies, cookie cakes, ice cream and even cold milk ready for pickup or delivery.

The cookie chain was developed with college students in mind in 2003 by then-college-student Seth Berkowitz while he was attending the University of Pennsylvania. In 2006, the first brick-and-mortar store opened in Syracuse, N.Y. Two years later, the company added food trucks. It continued steady growth. In 2014, it celebrated the opening of its 50th store in New York City, followed by its 100th store in 2016. Krispy Kreme acquired a majority stake in 2018, and today, it is a nationwide chain with 184 stores in 42 states.

Insomnia Cookies are fixtures on or adjacent to college campuses. “More than 75% of our stores are on or near college campuses,” said Terri Caramenico, facility manager at Insomnia Cookies. “If there is availability, we prefer to be on the ground floor of a dorm. And every four years, we have brand new customers, whom we call Insomniacs.”

Expanding Delivery

When the pandemic altered daily life in March 2020, the company’s priority was to continue serving Insomniacs no matter their location.

“Our core audience is college students, but we’re also popular with people who enjoy bar districts, and we cater company meetings,” said Dallas Warble, vice president of operations at Insomnia Cookies. “In March, campuses, bars and offices closed, but what benefitted us was that we are a delivery company.”

The company quickly launched curbside pick-up for the stores that were required to close walk-in and dine-in services. The company also devised a plan to ramp up nationwide shipping as a way to stay connected to college-student Insomniacs who were sent home due to the pandemic.

Before the pandemic, nationwide shipping offered a limited menu of five products from three shipping bakeries. The company expanded the shipping menu to more than 30 products, including vegan and gluten-free cookies and bake-at-home kits. The expanded menu required operations to dramatically scale up.

At a time when many food-service brands were closing stores and furloughing workers, Insomnia Cookies was purchasing extra equipment and hiring to prepare for the influx of shipping orders.

“We were constantly hiring,” Tim Walls, director of sales for Insomnia Cookies said. “We adjusted hours when bars and restaurants were closed because there was no need for us to be open late, but we never closed.”

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Once operations was ready, it was time to communicate with Insomniacs.

“Our messaging through emails and social media conveyed to our Insomniacs they still had access to our cookies even though they weren’t close to one of our stores,” Walls said. “About 75% of the country can get our cookies in one day or less. So, when Insomniacs think about us today, by tomorrow they can have our cookies at their house. We even added our products on Google Shopping, which is something we had never done before.”

Insomniacs responded. Within days, the company saw an increase in nationwide shipping orders to all 50 states, and sales have sustained.

The cookies are individually wrapped for freshness, and heating instructions are included to achieve a fresh-from-the-bakery experience.

“December is typically a big month for client and employee gifting, but we also saw an increase in November,” Walls said. “Companies were sending cookies to say thank you to employees and clients. This year, more than ever, people were willing to share home addresses. In previous years, people would say, ‘Just send it to the company.’ But with everything happening, people were willing to share home addresses, which is an interesting trend.”

In 2021, Walls projects nationwide delivery to remain a significant part of the business, especially since the pandemic helped broaden the Insomniacs base.

“We’ve introduced ourselves to people who didn’t know about us,” Walls said. “With many college students at home and ordering our cookies, now their household knows us. And people who live in cities without a store or one close by now know us thanks to nationwide shipping.”

Walls wishes he could see customers’ reactions when they receive deliveries.

“We’re delivering cookie magic,” he said. “I wish there was a camera in every box so you could see their reaction when they’ve been gifted a giant box of cookies with all different flavors and a special message inside for them. That feeling someone gets from our cookies is really what makes it worth it, and we need more of that, especially in 2020.”

Cookie Innovation

Last summer, Insomnia Cookies launched CookieLab, a research and “doughvelopment” space for bakers to play with ingredients to create unexpected flavors.

Insomniacs can expect cookies that push the flavor boundaries, as well as classic favorites from their childhood. Its first cookie creation was the nostalgic Fluffernutter cookie, made with marshmallow fluff and peanut butter. The Big and Little Dippers, an homage to the 90s Dunkaroos, have been among its best-selling products. It is planning to release red velvet, chocolate-covered strawberry and new cookie cake options for Valentine’s Day, a line of limited-time products for St. Patrick’s Day and something extra special for 420.

CookieLab reinforces the brand’s ‘cookievation’ spirit and invites Insomniacs to join in the fun.

"We're always trying to create the next cool thing," said Justin Rentzel, Insomnia Cookies' creative director. "We want to create all these fun products that people not only want to eat but also talk to their friends about and immerse ourselves in pop culture."

Leveraging Technology

As a late-night operator, Insomnia Cookies' unique facilities challenge is finding vendors who can provide service in the wee hours.

"Most of our locations are open until 3 a.m.," Caramenico said. "If an oven goes down, we need service immediately because the after-hours crowd is where the majority of our sales come from."

In metropolitan areas, such as New York and San Francisco, Caramenico has vendors on standby who can be on-site within 30 to 45 minutes. In smaller markets, such as Hattiesburg, Miss., and Oxford, Ohio, she relies on mom-and-pop vendors who can be onsite within three to four hours.

When facilities issues occur, store managers use a customer support software called Freshdesk. It is linked to an internal website and assigned to one of three facilities specialists. If it's an urgent ticket, it is escalated to Caramenico.

"The facilities specialists are divided by states so they can build better relationships with their vendors, store managers and directors," Caramenico said. "When they have an issue, they know exactly who to call."

Additionally, field directors visit stores each month and send photos to the facilities team, who study them for defects.

"We proactively enter service tickets when we see something that needs attention," Caramenico said. "If we're looking at pictures of the ice cream freezer, and we notice the sneeze guard is cracked, we will order a new one."

In the first quarter of 2021, Caramenico will be partnering with a CMMS.

"We increased our stores by 75 within the last five years," she said. "We're at 184 now, and we're looking at upwards of 30 more locations by the end of this year. A CMMS will be life altering."

She estimates the automation will improve ticket close time from two days to eight hours and looks forward to tracking work orders in real time and gaining insight into expenditures.

"What excites me the most is the asset management," she said. "We're in the process of opening new stores, and we have all the warranties. We're using an Excel spreadsheet to track warranties now. A CMMS will tell me how often assets and parts fail and if we need to switch manufacturers."

"After 5 p.m., it's on me," she said. "But I love it. I knew this before I joined, and I love joining a growing company because I enjoy setting up processes. A CMMS will assign an after-hours urgent work order to a vendor, and in the morning, I can verify that everybody is good to go."

She credits her team's ability to manage so many stores without a CMMS.

"My team members are heroes," she said. "They've been managing more than 180 stores without

advanced technology. It's amazing that they're able to run those tickets all day, every day."

Being a RFMA member aids her day-to-day responsibilities as well.

"If I need a vendor, I'll review RFMA's vendor list," she said. "If I have questions, I go to the scope-of-work area. It's helpful to bounce ideas off other facilities professionals who are working on the same issues day in and day out."

Insomnia Cookies is in the process of rebranding its stores with new signage, colors and fixtures.

The rebranding began in June 2020. The new store design was finalized in October, and 40 stores will be remodeled each year. The initiative is slated to be completed in the next few years.

Caramenico works with the renovations manager to decide the priority order.

"We base the decision on age, sales and the number of work orders," she said. "The ones that need the most work will be remodeled first."

The work is completed between 3 a.m. and 10 a.m., and the stores rarely close unless the floor is part of the remodel. A typical remodel takes approximately four nights to complete.

Caramenico loves her job. It challenges her each day.

"Each day is different," she said. "There's always some kind of crazy issue, and hopefully you can rely on your past experiences to figure out a solution. You're never bored; there's always something to do."

Feeling the Support

Insomnia Cookies' culture resembles a proud, tight-knit community; a family.

"When people are hired, we do entrance interviews with the entire team," Caramenico said. "Lately, we've been doing it over WebEx, and it's just as good. The interviews go from the CEO down to call center personnel."

The company emphasizes open lines of communication.

"I can always pick up the phone and talk to Seth," Caramenico said. "Even if it's something bad, you're not scared to talk about it. You're never left on an island alone. The support is unending."

Walls marvels at how well the company runs round the clock.

"Our stores are open 22.5 hours a day if you count east and west coast times," he said. "Then the customer service center is open all but an hour and a half a day. It's amazing to see how it all comes together and the teamwork that's involved in ensuring that everyone has a great experience. On the sales side, I love selling a product that people love."

During the pandemic, the health, safety and well-being of team members, guests and the communities is a top priority. To this end, the company implemented a COVID-19 exposure prevention, preparedness and response plan to ensure compliance with the directives of relevant

state and local government authorities. The plan provides for, among other things, social distancing standards, enhanced sanitary and cleaning protocols across the system, employee health screening prior to each shift, return-to-work protocols for employees who become infected or come in close contact with a confirmed COVID case. In addition, the company has installed plexiglass partitions at each bakery to create a physical barrier between customer and cashier, provides its employees with face coverings, which are to be worn at all times as part of their uniform, and has transitioned to cashless and contact-free delivery.

Insomnia offers a robust paid sick leave policy. Employees diagnosed with COVID-19 or those who are exhibiting symptoms are told to remain home and will receive paid sick leave.

“It is a testament to the operations team in making sure that we were taking safety precautions and making sure everyone there is healthy and safe and not putting anyone at risk,” Walls said.

Additionally, the company sought to lend its support to essential workers. It released promotions that included free cookies and free deliveries to hospitals and schools to thank healthcare workers and educators.

“It was the year of making sure everyone was taken care of, and I think we helped do that,” Walls said.

‘Doughminating’ the Market

While there are regional cookie-delivery chains, Insomnia Cookies is the only nationwide company with more than 180 stores in 42 states.

“We’ve had clients reach out and ask if we ship internationally,” he said. “The FedEx and UPS rates to ship internationally are not pleasant. So right now, we don’t have a great offering for them, but it could be in the cards in the future.”

The focus is to grow the U.S. market.

“We have a lot of opportunity in some big areas that we are not currently serving,” Walls said. “The goal is to determine how we get to those locations and do what we do best: delivering warm cookie magic to Insomniacs.”

Sherleen Mahoney is a staff writer for Facilitator.