

The Register-Guard

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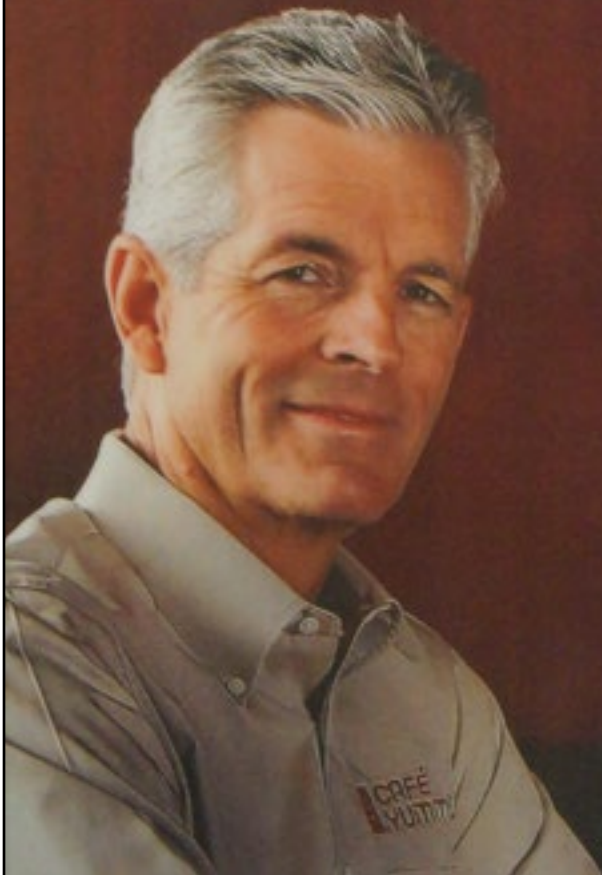
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Doing the
right thing,
Yumm! style

Restaurant chain's
core values go beyond
serving food

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Mark Beauchamp, Café Yumm! President and Co-founder
— January 7, 2013, reprinted in full

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Kevin Clark/blue chip

Co-founder Mark Beauchamp has helped grow Cafe Yumm! into an 11-restaurant chain with franchises.

SERVING FOOD WITH A SOUL

Café Yumm! Co-founder Mark Beauchamp is committed to balancing the financial, environmental and social aspects of the business

By Sherri Buri McDonald, reprinted from Blue Chip magazine, Eugene Ore. 1/7/2013

Over the past 15 years, Mark and Mary Ann Beauchamp have grown Café Yumm! from a tiny booth at Eugene's Fifth Street Public Market to an 11-restaurant chain, with 200 employees and annual revenue of \$12 million.

More growth is on the way in 2013, said Mark Beauchamp, 60.

Café Yumm! recently launched an effort to raise \$1 million for the expansion of company-owned restaurants. This year, Café Yumm! plans to open another company-owned location in Portland, plus a franchise location in the Portland area, and to make its first foray outside of Oregon, with a franchise in Vancouver, Wash., and hopefully in Seattle, he said.

Despite the 2008 recession and sputtering recovery,

Café Yumm! has continued to grow, although not as rapidly as Beauchamp had predicted before the economic downturn. Café Yumm! has made Inc.'s list of America's Fastest Growing Companies for five years in a row and Portland Business Journal's list of Fastest Growing Oregon Companies for four years in a row.

Through it all, the Beauchamps have held close to their mission and vision statements, which guide the company's decisionmaking, even when those decisions might not seem to be the most profitable route.

For example, Café Yumm! spent \$335,000 to install solar panels at its restaurant at 30 East Broadway in Eugene where it opened the first solar-powered electric-vehicle charging station at a U.S. restaurant.

The Beauchamps have a daughter, Jessica, 33, who is a sous chef in Portland. She previously worked as Café Yumm!'s production kitchen manager and still helps with R&D.

Question: [How did Café Yumm! get started?](#)

Answer: Well, part of it's a story of Mark and Mary Ann and our life together. We met in 1972 in Alaska. Mary Ann was born in Japan—her mother's Japanese and her father's family is from Kentucky—so right there you have

a blend of cultures. And, as her father was in the Army, they lived in Italy when she was young, and so she started gathering these eclectic flavors from around the world—Japan, Italy, and then I think they lived in the South for a bit and then off to California and then up to Alaska, something like that. You'd have to talk to her to get the exact story. She had this real fusion of flavors in her experience. In Alaska, she had friends who were Eskimos and ate that food and Norwegians and Koreans. And she has an amazing palate. She carries that talent and that experience with her, and she began cooking in her mid-20s just because she loved food, she loved creating things. And, on my side, I became interested in food when I was very young—what was, at that time, called health food. I went to health food stores finding out about diets and nutrition and started eating some unusual types of foods and experimenting and exploring. When we met, we brought these elements into our relationship. As we moved around the Left Coast, as I call it, from San Diego to Prudhoe Bay, Alaska, Mary Ann would work in restaurants, and my career developed into business and financial management, and hers was for the most part, in food service, either cooking or managing kitchens, and developing her skill set in Greek food, vegetarian food, East Indian food, Japanese cuisine. That combination of interests and experience and background brought us to 1991 where she got the opportunity to start her own small café. She was working at Oasis, in the deli there, and was approached by the owner of Friendly Market, who had this little café. All he needed was someone to come in and take ownership of that and buy food and start cooking. She was reluctant to do that, a little bit nervous about that opportunity. I told her, you know, "This is a turn-key, one-of-a-kind opportunity—if you don't do this you'll probably regret it." She had talked about having her own restaurant or café for years. That's how we got into the business, (and) out of that grew Café Yumm!.

That business was called Wild Rose Café. We moved in 1993 to the Fifth Street Market as Wild Rose Food Company, and that's when people started becoming very interested in what Mary Ann made for her own lunch. She'd scoop up rice, vegetables and put a sauce on it that she had made at home. People said, "I want what you have there." They'd take a bite, and they just always said, "Yumm! What is this?" Eventually, we said, "Well, we'd better formulate this thing and make it an actual menu item," which we did, and out of that grew the first Café Yumm! in 1997, which was in the Fifth Street Public Market. It had its own separate little venue; it was a 200-square-foot booth at that time, about 40 feet away from Wild Rose. That's where we started.

(I) was working downtown, managing a real estate company and doing the books and payroll for Wild Rose. And Mary Ann was doing her best to keep up with working virtually every day for years. So, I had this idea to start this organic, fresh-squeezed juice bar, and it just required more attention and put more pressure on Mary Ann, and it didn't work out well. After about a year, we had to come

up with a solution. And so we thought, "This rice and bean idea is popular, let's transform this juice bar venue—the 200-square-foot booth—into a location where we can focus on (it). The question, of course, came up, "What do we call this?" So, we said, "Let's call it Wild Rose Annex; let's call it the Rice and Bean Bowl." And then, one of us said, "Well, why don't we call it Yumm!, because that's what people say," and I thought, "No, I don't think I can call it Yumm! That's an embarrassing, silly name." We said, "Well, you know, it seems to resonate with people, so let's go with that." This was very experimental. So we called it Café Yumm! and came up with a logo and a menu of items, and it seemed to work. It was a focus concept, it was good value, it was nourishing, it was delicious, and it was something that people liked to eat every day. And, so the line began to form, and it was rather astounding to us that it became popular.

It became so popular that in 1999 we closed the little 200-square-foot booth, moved Café Yumm! into what was the Wild Rose space at Fifth Street Market, and Wild Rose was no more. But it still needed some development as a business model or a business idea. We now had a business that was a combination of what Wild Rose was and what Café Yumm! was becoming. So, that's part of the beginning of the story.

For people who aren't that familiar with Café Yumm!, how would you describe the food you serve?

Answer: It's actually a blend of cultures and flavors from Mary Ann's background. We call it uniquely Northwest, which says a lot of things and nothing real particular. There is no particular category that it fits real well in—beautiful, delicious, nourishing are the attributes—but, that, again, doesn't really describe it to someone who's looking for a particular type of food. It's adventurous, it's unique flavors, it's whole foods, much of it's organic—over 50 percent of the food we serve is organically grown.

How many restaurants does Café Yumm! have now?

Answer: We have 11.

How many are owned by you and Mary Ann, and how many are franchises?

Answer: We directly own three locations, and we also have the franchisor entity, Beau Delicious! International. It has two company locations, and being part owners of the company, we own those, too. We call those five locations our affiliated locations.

Are those all in Eugene-Springfield?

Answer: Those are the four Eugene locations and one in downtown Portland. And, then the other six locations are the third-party unaffiliated franchisees. Our relationship with them is a contractual relationship with a franchise agreement. But, we don't have ownership in any of those locations.

How has Café Yumm! grown over the years? Has it been slow and steady, or has it come in spurts?

Answer: We transformed Wild Rose into Café Yumm! in 1999, and later that year, we opened at the Meridian in south Eugene. We had looked for a suitable location for quite awhile. ... The financial part of the business was quite a challenge. We actually ended up stopping plans on a house that Mary Ann wanted to build to open up the Meridian location. We had gotten an SBA loan for the Fifth Street Market location, and we got another loan to partially fund the Meridian location. So, the businesses were struggling at that time. I was in business management in the real estate industry, so I had a pretty good salary at the time, and that's really what supported the business.

That's what we spent our money on, trying to keep this business going. It doesn't make a lot of sense when you think about it, and I guess Mary Ann and I both had this vision of what could be, this philosophical idea about how we could get better food out there for people in a way that makes it very accessible to them. We talked and dreamed about this idea of maybe someday, almost jokingly, there would be this sign on the freeway that says "Café Yumm! next exit"—and, in fact, we have a couple of those today.

In 2000, we had the two locations. Mary Ann now had two places to manage instead of one, which was already difficult. Neither location was performing well at all. So we had to make a decision of what we were going to do. It was to the point of were we going to continue with this business? One option was to close it down and pay off the debt. We couldn't afford to hire someone. So I quit my career. That was sort of flying on the wings of fate that there was something about the business that resonated with people and we were going to make a go of it. In August 2000, I quit my career and our income, and I fully immersed myself in the business to see if we could make it work. It took awhile, but fortunately it worked out.

In 2001, we got a letter expressing interest in having Café Yumm! in this newly developing shopping center, which had been known as the Oakway Mall. We had seen a little bit of what had started happening there, but it was astounding that something like that was being developed in the city of Eugene. In my mind, it was very visionary by the McKay-Korth family, what they were doing.

And, when we saw that opportunity, Mary Ann and I just thought, "We have to do whatever is necessary to open at this location." We had our two locations: One was in what was considered the basement of the Fifth Street Market, so it didn't have much visibility. Our other location was inside a newly developed building at 18th and Willamette. No one knew we were there unless they actually walked in. We didn't have signage outside, so we were sort of hidden. We thought this opportunity at Oakway Center was just something we had to do.

I had written up some business plans, and we decided

to keep moving forward, (although) we really weren't in a financial position that made it very bankable. This was in August 2001, and then the terrorist attacks happened in New York, right when we were trying to figure out how to do this, and the financial system of the world shut down. So, the only idea I could come up with was borrowing money. I wrote 30 letters to people just asking for a loan to open another café and was pleasantly surprised to get almost immediate responses from people to loan us substantial amounts of money. Our portion was selling the lot on the house that Mary Ann wanted to build.

Was it not an option to close one of the existing restaurants?

Answer: No, because of lease obligations. And what we needed was market presence. We needed visibility. And, we just needed time to build the business at the locations we had. We had a great relationship with Brian Obie and Fifth Street Market, a great relationship with all the owners at the Meridian. We got this money, sold the lot, and were able to finance this Oakway Center location.

Your question was, "How did you grow? Did you grow slowly, carefully?" We grew as kind of organically as we could. When (you're a) mom and pop—in the business called the single unit operator—and now you're going to open a second location, that's a really, really big decision. Layers of complications come into play.

We now had more than one location, and we felt confident that we could take that to three locations, although, three locations started creating other challenges. About that time, I started writing business plans because I thought we really needed to get to a larger marketplace, and that would be Portland, and how do we do that? Well, that was premature, but it was somewhat of a visionary idea.

In 1997, when we opened Café Yumm! in the little 200-square-foot booth, Mary Ann and I wrote two documents. One was called, "The Café Yumm! Business Vision" and one was "The Café Yumm! Business Philosophy." And, one of the things we said in the business vision was that we planned to open locations in the major cities on the West Coast of the United States. ... It doesn't make any sense, it's not rational, but that's why it's called a vision. You have this desire, this hope. You can imagine it, you can sense it, you can feel it, you can see it, you just don't know how you're going to get there. It seems impossible. But, we put a lot of ideas out.

So, now we've opened at Oakway Center, and that location really just put us on the map because of regional exposure, the level of business that was going on there, the sophistication of the business, of the location. And, I must say, the McKay-Korths, their vision was to make the building we're in, the Heritage Courtyard Building, to make what was the back of the mall into an entrance into this beautiful lifestyle shopping center. And, this was very visionary of them. They had some of the larger national chains up front, and then they invited local businesses

in, who are still there. That's not what the typical shopping center developer is going to do. And they created this beautiful courtyard. It was the first location that we had an interior designer work with us to develop. It took awhile, but once people found it, it just started transforming Café Yumm! into a very different business. All this time, we were changing ... adjusting the menu, seeing what people wanted. We were doing espresso and coffee drinks at that time, which is a different business. So, we started focusing on, "What is this delicious, beautiful, nourishing idea?" The slogan Mary Ann came up with back in 1997 was "soul satisfying, deeply nourishing." What does that mean? How do we deliver that to people? We started working with designers to create color schemes and make it look like a little more of a sophisticated business with clear messaging to people—who we are, what we stand for. All of that work we had done paid off, I think, as we opened up Oakway in that marketplace. People would come in and say, "Is this a franchise?" or "Is this a chain?" "Is this the only location?" because it had that kind of feel to it, that the systems were in place, everything was well done.

So, I was trying to figure out how do we take this to the next step. Mary Ann was still involved in the business quite a bit, working daily in the business, very much engaged in it. Our daughter Jessica was working for us off and on as she went to school and did different things, and she has become a chef herself.

I realized that we now had debt from three locations and we were not going to be able any time soon open up a new location. But we still had this idea, "How do we grow?" So, in late 2004, early 2005, I started talking with some people who had been in the franchise business. I started thinking more about that idea. I was in franchise denial, I say, because I had this idea that I wanted to feed people myself and own the restaurant. I was at that time washing dishes three times a week at Oakway trying to keep up on the three businesses, and Mary Ann was still cooking most of the time. I knew things had to change if we were going to grow. A few weeks went by. I called the people that I had talked with about franchising, and they said, "Happy to meet with you to talk some more. If you're really interested in finding out more about franchising," then they suggested, "go to the annual convention of the International Franchise Association. And, that happened to be in February in 2005 in Florida. It wasn't at the top of my list to fly down to Florida, but that's what Mary Ann and I did. That was very eye opening for me from the business perspective. I really started to understand what franchising is and got very inspired by that meeting. When we got back from that, we had a discussion and made a plan, a personal and business plan. We would find out everything that was necessary to start franchising Café Yumm! So, that's what we launched into in 2005. We had a very small office with a part-time bookkeeper, and we had a general manager helping us run the three locations

and managers at each store. We had a good basic team together, but we realized one of the things we would have to do is continue to develop a staff and a team that could go into this new evolution of Café Yumm!

The franchise idea is that you're buying a proven system. Somebody's figured it all out for you, has all the training, has all the formulas, recipes, processes, design, equipment. So, we started going down the road of figuring out what that takes, and it took a lot. It took design, it took training manuals, a lot of legal issues—legal securities issues because we were going to raise capital, and franchise legal issues because we had to write disclosure documents, we had to write franchise agreements. So, we started signing contracts for these kinds of things and developing Café Yumm! into a franchise model, and that took the better part of almost two years. We hired people in 2006 who are still with us who helped in the development and have helped with all the growth we've been in and continuing going forward.

We opened the prototype of the new design at Delta Center in July 2007, and then proceeded to open at the Broadway location, over by the University (of Oregon). And then, we opened the Gateway location, then Bend, Corvallis, Beaverton, and eventually, PSU—Portland State—and then at the downtown (Portland) location at Southwest Third and Southwest Morrison.

How about the PeaceHealth location?

Answer: Yeah, RiverBend, chronologically, I think, it's after Beaverton. So, that brings us to the 11 locations, and that brings us to what's happening in the future.

Let me ask you this first: Café Yumm! has made Inc.'s list of America's Fastest Growing Companies for five years in a row and Portland Business Journal's list of Fastest Growing Oregon Companies for four years in a row. What's driving that growth?

Answer: The business we're in is primarily franchising Café Yumm!. What's driving that goes back to that 1997 vision, which is we want to open more locations to get better, healthier, nourishing food out to people. That's the philosophical part that drives us. So, our primary business is franchising, but we're also in restaurant operations, we also have company-owned locations. We will continue to open company locations, but the focus is on franchise locations. We also have retail products (sauces and dressings) in stores. We're in about 100 grocery stores in California, Oregon and Washington. And that continues to expand as we open more locations. We also do warehousing and distribution and purchasing for the (franchisee) system. We don't do all of that, but we do a significant part of it. Those are all ways that we control the products, we have product assurance, sourcing. And those are also all revenue centers for us, which isn't typical for a restau-

rant. A restaurant doesn't normally do distribution, warehousing and retail and franchising and own restaurants. So, as new restaurants open up, there are a variety of areas where that impacts us as far as our business operations. It's not just a restaurant opening up.

Do you anticipate that pace of growth will continue?

Answer: Well, it's interesting, when we raised capital, we had a particular business plan in place in 2006 that was a five-year plan. Unfortunately, what I didn't see coming, what most people didn't see coming, was the great recession of 2007, '08, '09, '10, '11 and so forth. The impact of that recession was that franchising globally just vanished. Two reasons: People that had the money to open businesses were cautious and were just holding on to their money. And people who didn't have the money had to get credit, and there was no credit available. We continued to grow during the recession, both opening new locations and with what's called same-store sales, year-to-year growth in each location. That was a good sign for us. (But the recession) definitely slowed us down quite a bit. It slowed down most businesses quite a bit. What's happening now is that many people, I believe, are getting a sense of stability in the economy, a little bit of comfort in the economy, that things aren't going to be a total disaster now. People are feeling comfortable about opening businesses, investing their money in businesses, and, so, we're realizing a renewed increase in the franchise opportunity. This started probably a year, year and a half ago; the phone started ringing and people started inquiring about franchise opportunities. So, we have people in that application process right now. As we grow, as more people see Café Yumm!, more people eat at Café Yumm!, more people also are interested in Café Yumm! from a franchising perspective. They become guests, they say, "This is something, unique, new, different." And, it's people that have similar values often. They say, "I want to be part of a company that does what I think is the right thing, and Café Yumm! is doing the right thing"—what I call a shared vision of business.

So, will we see the number of restaurants grow pretty soon here?

Answer: The 11 will continue to grow, yeah. We are, in the next couple of weeks, going to launch another round of private equity raising for qualified investors. We're registered in Oregon, California, Nevada, Washington and Idaho, and we're doing franchise webinars now. You can go to our website, cafeyumm.com, and the franchise page and see that information.

So, that private equity raising for qualified investors, what will the money be used for?

Answer: That is raising capital for continued expansion of Café Yumm! company stores.

How much are you trying to raise in this round?

Answer: \$1 million is what we're shooting for. We are negotiating for a location in Vancouver, Wash., right now. We will be opening a company location in the Portland metro area in 2013, and we'll be opening another franchise location in the greater Portland area in 2013.

So, that's a company location and a franchise in the Portland area?

Answer: Yes, and a franchise is in Vancouver, Wash. We're focusing also on the Seattle market and believe there will be a location opening there in 2013. So, those will be our first locations outside of Oregon. And, that means a lot of different things—when you cross borders, a lot of different things happen, new opportunities and challenges as well.

This seems like a real indicator of better economic health to have this activity again.

Answer: That is definitely the message I'm getting. And, we're getting that from other business owners. You see other businesses expanding here in Eugene now, you see it in Portland.

Will you also have to expand some of your support system—warehousing, distribution?

Answer: We will. We've purchased larger vehicles for distribution. We've bought a warehouse in Eugene—we've had that almost a year and a half now—in preparation for this. We have contracts with farmers, contracts with suppliers, distributors. The recession allowed us the luxury of time to start getting this in place.

How many employees do you have now?

Answer: In our system I think there's a little bit over 200.

What do you anticipate as far as growth in employment by adding these new locations?

Answer: Well, depending on the size of the location, it's about 20 employees per location.

Do you share annual revenues?

Answer: As a system, I would say it would probably be about \$12 million.

Have you done any growth projections for where you might be this time next year?

Answer: Looking at next year, we plan on opening the four that I mentioned. We're looking to triple the number of locations in the next probably three years, so the growth will accelerate a little bit.

What skills did you bring to this enterprise and what did you have to learn? And of those that you had to learn, how did you go about doing it?

Answer: That's a great question, and I think about it a lot. In looking back at my life, it's kind of an eclectic mix. I had this interest in food. In school, I studied chemistry through college. About 30 years ago, because I was in business management, I started using computers when there were no manuals, so you had to figure it out yourself. So, I had that technology background. One of my functions in the real estate business was as the IT person. I did music performance, so I'm comfortable talking with people, which I think helps, doing presentations to the Oregon Restaurant Association or to university groups, or speaking in interviews. When I was young, I did construction jobs, so I had an idea how equipment works and materials. I was a financial officer for a resort company, so I got involved in hospitality, food, restaurants. I had, from being young, this idea of health and well being, and meeting Mary Ann with her passion and her warmth and her eclectic sense of food and experimentation—the combination just seems to have worked well. The financial aspect definitely helped understanding, although there's particular knowledge you need in the restaurant business. The fundamentals are the same, but the application is different. Communication to guests—communication, in general, and marketing, in general, is a very unique set of skills and ways of doing things. That was a big challenge for us in growing. As you grow past what people often call the mom-and-pop stage, employment issues from a business perspective become just very, very important. You can't overemphasize how important the relationships with our team and the training and the regulations are, how important doing those well becomes. That is also related to the legal requirements of everything—food safety, the food sourcing contracts, contracts with franchisees, lease contracts on restaurants, construction contracts on building, design contracts—it's very legal intensive.

For those skills that you didn't know, did you go to seminars, or did you talk to people?

Answer: In the beginning, we had legal counsel and law firms. One of our key hires is Ed Gerdes, who has been a lawyer for many years, in business law. He was really (key) in starting that franchise process. Café Yumm! requires that everybody be willing to do whatever it takes to make this company work. One of the great things about Ed is that he's the kind of person who jumps in and is willing to learn new things. To the extent that he manages marketing as well as the purchasing and distribution, some of that was a learning curve for him.

What jobs do you do, and what jobs does Mary Ann do?

Answer: Mary Ann's primary function really is more on the research and development side. She's not full-time

employed with us any more. She has the luxury of being sort of retired you might say. (But) we talk all the time. A friend of mine told me many years ago that her business was a "lifestyle choice," a "lifestyle business." This business is our lifestyle. We do what we believe in, and it's an expression of our beliefs, our philosophy. We talk about it all the time. Wherever we travel, it's about food, it's about business, it's about what's happening, why is somebody choosing to do it that way, what's new and interesting. It just has always been that way.

When you have to make decisions as a company, what's the decision making process?

Answer: We are what is called a mission-driven company. A mission-driven company means that there are aspects of the business that are as important as the bottom line. Those drive the decisions. We have our mission statement—you can see it there on the wall. It's in all of our restaurants, it's in our office, I talk to our managers about that, I talk to our staff about it. It's a living idea. It is the way we do business. Everything we do has to answer to that mission statement. Along with the mission statement, we have a set of core values, which is the way that we go about doing business, how we treat people. Once again, these ideas come from our life and our philosophy about life. The core of the mission statement is the triple bottom line—balancing the financial, the environmental and the social aspects of the business. When we evaluate (employees') performance on the job, the mission statement, those values are part of that. Any new product, service, feature, we always consider it in light of the mission statement and the core values.

Are you the final decision maker, or Mary Ann, or how does that work?

Answer: I used to do all the hiring, but I don't any more. I used to ask people sort of the trick question of, "Who's responsible for everything that's going on over at our restaurant right now?" And, I still ask people this when I get the chance, and they say, "Well, it's me, it's the employees," and I say, "No," and they say, "Oh, it's the manager," and I say, "No." Then they start running out of options, and they say, "Well, I don't know, the rest of the guests," I say, "No." The person responsible for everything that happens in every restaurant is me—I'm the one responsible. And, I point that out just to tell people that nobody's going to get upset or mad at you for making a mistake because I'm responsible. What you're responsible for is living up to this mission and values statement, and that's not easy. That's a lofty goal. But, yes, I'm responsible for everything to answer your question. The final decision is mine. Ed and I collaborate a lot—we work together. You've seen our office. It's a very open office. Everyone can hear what's going on.

What are some of the biggest challenges that you face moving forward?

Answer: Hopefully, anywhere we see a challenge we see an opportunity. All these challenges come from the end user, the consumer, our guests, and the marketplace out there both locally and nationally. There's the nutrition aspect, which a much, much larger market has become aware of. And I think part of this has to do with another challenge, which is technology. There's nutrition in the strict sense of calories and vitamins, minerals, things like that; fat, protein, carbohydrates and what's in the food. But, it's also for us the organics, and it's whole foods, allergen issues, intolerances with certain ingredients in food. We're always working on development of better and better products and better sourcing. How do we get more local, more organic. The nutrition is a challenge because there are so many different views of that—what it should be, what it is, what it shouldn't be. Our (market) is getting to be quite a broad demographic. That's a challenge.

So you want your food to be nutritious, but the definition of nutritious is different for every guest?

Answer: A lot of what we do to answer that is we have options. We have three sizes of bowls, that's unusual. That makes our operations much more complicated than if you had one size. It makes training, inventory, explanation, all of that more complicated. But people really appreciate that. Most of our customers customize their product, that's one way of doing it, with education and options.

We had to be careful in the beginning, telling people that something was organic, because 20 years ago, organic meant it must not be very good quality. You didn't have the products you have in some of the grocery stores now. You know, the apples were bruised. You'd find critters sometimes in the greens. Back in the Wild Rose days, we didn't use the word "healthy." Once again, people thought, well, if it's healthy, it must not taste good.

Things have changed quite a bit in the last 20 years. Now, our message to people can change a little bit, we can say, "Yeah, it's good food, it's nourishing food, it's healthy food—beautiful, delicious, nourishing." Mary Ann used to say, "If you want health food, we don't have it here. We have great delicious food that happens to be good for you."

You mentioned technology also.

Answer: Yes, another challenge is technology, and that's everything from LED menus, online ordering, all the smart devices that are available now. We have a mobile guest base. Everybody's at a computer no matter where they are—in their car, on vacation, traveling, at their desk, at their TV. There are more and more information systems in food service, so we have real time financial information, real time product information, always moving forward, al-

ways challenging. It's expensive, it's complicated. That becomes a challenge. We have those systems in place, (but) we're always looking at new opportunities. Food safety is the No. 1 issue for us. It's safety whether it's our team working in the kitchen or the food we serve or sell in the grocery store or serve in the restaurants. This is a national issue. Regulations are becoming more and more stringent, particularly with the global supply chain, so we're more and more local sourcing. I've met the farmers that we deal with and visit the farms, we know their operations. Local manufacturers, we go to the plants, we meet the people, we know the products.

When you talk about local sourcing, as you move into Washington and perhaps beyond, do you try to get local sources for those locations?

Answer: We will. And, it's interesting once again because as we grew, that was part of our model. It's difficult for some larger systems that are already in place to start changing everything that they do on a national basis. In some cases, it's probably virtually impossible. When you're sourcing things from 25 different countries around the world, that's hard to change.

This is one of the reasons we do distribution, and we do warehousing. Some products we source, it's a very small quantity, and distributors don't want to distribute very small quantities of things. So that's why we have distribution. It started from opening the second location. As a mom-and-pop we went and shopped ourselves. We didn't have a distributor that distributed the products we wanted. We'd go to grocery stores and buy it, whether it was the Asian products or whether it was African kinds of spices, we had to go find them. Once we had the second location, we had to deliver (products) from one place to our little warehouse, our little storage room, and it just has been part of the system that we've developed. So, going forward, how far does that go? I don't know. That's one of the reasons we're focusing on the West Coast. We get calls all the time from you name it—Texas, Colorado, New York, Florida, Arizona—saying, "I want to open a location." An important part of what we do is the distribution system—that sourcing and distribution—and we can't just go instantly make it happen in Texas or somewhere.

You've been involved in the local farms and supporting reintroduction of some crops to the Willamette Valley. What strides have been made in trying to connect your need for certain ingredients to what can be grown here?

Answer: There's several elements in that discussion. One is just bringing back the ground to fertility to grow edible crops. There used to be, I've heard, anywhere from 20 to 40 food processing plants in the Willamette Valley. A couple of years ago, I think there were none. Today there are a couple developing.

But, those food processing plants need the food to be grown, and a lot of (the land) went to the grass seed industry because it was a valuable crop, easy to grow, had a big market. Transitioning that land is not an easy process.

The knowledge about what grows in the Willamette Valley to a great extent was lost, not just what types of products, but what varieties of those products can be successful. And, you have farmers now, on a small scale—this is labor of love and passion—experimenting with beets, beans, potatoes, squash, you name it ... because they are wanting to bring that back. And, you go to the Farmer's Market, you see it happening.

It's quite extensive what's going on, but it's not going on in a huge industrial way, it's going on in a grassroots way. We're part of that. We're involved with the organizations, the Farm and Food Coalition—we support them. We're working on the same interests—how do we become more organic? The transition of farmland from the grass seed to edible food is one thing. The transition from edible food to organic food is a whole other step. So, there are farmers that are into the transitional phase. They're growing according to organic processes, but the ground cannot be certified for three years. And, these patches of ground are continuing now to come under cultivation. Part of that idea is getting a message out to the community to support transitional farming because they can't be certified organic until that ground has been under organic methods of cultivation for three years. And, so you'll see things labeled as transitional. It's more expensive to grow than conventional, but you can't say organic; so they're in a real squeeze if they don't get the support. And, you're seeing some of these products show up at the farmer's markets and at the local grocery stores.

What have been the pros and cons of growing this business in a place like Eugene.

Answer: One of the reasons we moved to Eugene is this eclectic lifestyle. We moved here in 1987, from Seattle. For Mary Ann's way of thinking, and the type of food that we wanted to serve, I think it was a perfect fit because there was that market of people who wanted organics, who wanted elemental food, who wanted whole foods. In the early days, she would make a soup, and somebody would say, "Oh, I'm vegan," so she would make a vegan version of it. Maybe it was a chicken soup, and then she'd make a vegetarian version of it. She'd make a dairy-free version of it. She'd just drive herself crazy with wanting so badly to feed everyone something that they would really enjoy. And, so, that's a foundation of this business.

That was embraced, albeit early on, on a small scale. But these days it's on a larger scale, because people are more aware of those issues, which is why I think our demographics have grown. So, I think Eugene was a perfect place to start this kind of business.

The question many people had as we started expanding was, "Sure, it works in Eugene, but what about Portland?

What about somewhere else?" Of course, that was a question for us, too. But, we felt that there were enough population similarities in Portland that there would be a market there. How big the market is, we don't know. I always felt that Café Yumm! was really a very strong Oregon concept, it's a strong Pacific Northwest concept, and it's a strong West Coast concept.

What's unique about the Pacific Northwest can be found in other cities around the country, there's no doubt in my mind. But we're just not ready yet to go there. We have six locations in the Eugene-Springfield area, a market size of say 200,000 to 250,000, and the Portland metro area is 10 times that size. So, I've been asking myself for 10 years, what does that mean, and I still don't have an answer. But, that's the path we're going down. And, when you look at Seattle, it's the same thing—it's 10 times the size of the Eugene market area and vertical populations and lots and lots of neighborhoods.

As you talk to national groups, is it OK that you started in Eugene, or do they kind of take a second look to make sure you've got the stuff?

Answer: When you talk about national groups, Oregon is really off anybody's radar. We're not in the hub of the food world. Certainly, everyone's familiar with the very large companies that have grown out of the Pacific Northwest, but not when you're a small chain starting to grow. ... It is starting to get on people's radar because of the Inc. 500 and the lists we're on.

If you had another chance to found and grow the business, is there anything you would do differently?

Answer: I guess I would say no, and the reason I would say no is I often say, "You don't know what you don't know." There are some new and different things we'll be doing here in the next year. I think I know what's going to happen, but I don't know what's going to happen. We never know what we don't know. But that's the innovations, the adaptability, solving the problems as they arise, putting together a great team so you have the skill—having a team not only on our staff in our office but resources for architects, contractors, designers, manufacturers, trainers, all of that.

Last year, Café Yumm! opened the first solar-powered electric-vehicle charging station at a restaurant in the United States, on East Broadway. Why did you want to do that, and what kind of payoff is there, if any, for the company?

Answer: There's a couple of different aspects of this. One, going back to that triple bottom line part of our business. When we first looked at that location at East Broadway, it was closed. It had been for lease, I think, for over a year. When we first looked at that location, I just said there's no way. It's a huge building—it's 5,400 square

feet, twice the size of most Café Yumm!’s, and it has a huge parking lot. But, I love looking at restaurants. I love looking at manufacturing facilities and warehouses. I just imagine things, see the potential, I see the idea somebody had, I see maybe where it could go. And, we went into this building. It was really amazing. The restaurant was set up as if it had just closed down the night before. It was all clean, set up, all the dishes, everything was there, and it had been closed for a year, a year and a half. And, I walked through this place, I was just shaking my head until I went into the back, and there were two kitchens. There was the front service line and there was the back production kitchen, and I went, “Wow!” This is another gift in the history of Café Yumm! because what we needed was a larger production facility. We had outgrown the facility we had, and we were looking, and there it was. And, that really worked well for us and that allowed us to have a use for that building while the restaurant got up and running. So that was a strategic location for our system growth.

I said, “Hey, this really looks viable.”

At one of our management meetings we had a UO professor, Michael Russo, talk to us because he’s involved in the sustainability in business over at the UO and he had written a book, “Companies on a Mission.” He talked about sustainability in business. It was great because it was exactly the kind of thing that I think about all of the time. (One of the things) I thought about is solar needs to be here. I didn’t ask how much it costs, I said solar needs to be here. That was a \$335,000 project. I could have opened two new restaurants. (But) somebody’s got to drive these ideas. They don’t just fall in place by themselves.

You see some of the best corporations in the world doing this. Somebody in the organization is driving this, making these innovations happen. So, first thing is, that’s what I wanted. The next thing is when does it happen and how do you finance it and how does this all play out? How does it work? Tell me how to make all this work together because solar energy is not my expertise. Why would you put in an electrical vehicle charging when there’s, at the time, like six in the state of Oregon? That corner affords Café Yumm! an opportunity to say not only this is what we stand for, but, everybody, this is real. This is not only coming to a corner near you, it’s here now. So many of these things we hear about and read about, they happen in the desert somewhere. They happen in an industrial location. They happen underground inside a building. You don’t see the things. Here you have tens of thousands of people driving by here every day saying, “There is solar right there. There’s actually a building with solar on it. This exists in our community.” It makes it real for people. The same as eating brown rice makes it real: “Oh, that’s brown rice.” It’s the same philosophy—showing people that there’s a different way of thinking and living. That’s the heart of Café Yumm!, whether it’s solar power or whether it’s brown rice, or whether it’s being kind to people. It’s a way of thinking and living, and that’s the heart of Café

Yumm! We’re in the food business, so that’s a way that we can serve people, nourish people, give to people, care for people. Now I’m going into our core values—service to humanity.

Was it the same thinking that went into having your restaurant up in Portland meet the LEED standards?

Answer: Yeah, and the reason you don’t see these things done more often is when you look at it from the financial point of view, it’s a no-brainer. You just don’t do it. There’s no reason to do it. People don’t do it unless they’re philosophically inclined toward a different way of thinking about business. So, the solar, what’s the payoff? I don’t know that there’s any payoff for Café Yumm! It generates electricity, you know, so it’s saving money on electricity, but it doesn’t pay for it. The LEED certification is very expensive. Probably the total cost of that was \$80,000 for that location. We have the certificate right over there up on the wall. Does it sell more Yumm! bowls? I don’t think it does. But it’s showing what we stand for. Yeah, there is a reason I did it. It’s because I believe in it. It shows that we do things differently, and that is our brand, that is our mission statement, that is our values. Everything we do I want it to be distinctive in that way and be the best we can at what we do.

When you mentioned earlier \$335,000 for the solar project, was that what Café Yumm! contributed alone or was that the total?

Answer: That’s the cost of the project, yeah. I mean, we had a bank loan for it, but we have to pay it off, make payments on it. Nobody else built it or participated in it—it’s a Café Yumm! project.

Do you have a succession plan in place for the business?

Answer: What’s happening with Café Yumm! is we’ll get to the point where we’re ready to expand eastward. I don’t know when that will be, probably not in the next few years. Then, the question for me becomes what is my role, what do I want my role to be? And, I can see a place for me as we go forward continuing on. I don’t have an exact answer for you—is that going to be in three years, five years, 10 years? How long are you going to work for the company? Right now, it’s going to be at least for the next five years.