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# From basement whiteboards and closet offices to national reach: The story of Snooze

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When Snooze an A.M. Eatery opened in April 2006, Becky Fairchild spent a lot of time explaining to Denver customers the concept of chef-driven breakfast foods served both for breakfast and lunch. And the restaurant's marketing director jotted ideas for such explanations down in her office — the closet she got in the original "headquarters" in the loft above that Ballpark-neighborhood restaurant.

Last month, Snooze opened its 26th location, and it's preparing for entry next year into two new markets, including its first location on the East Coast. Eatery entrepreneurs constantly try to reproduce the food and feel of the place to start their own restaurants — Fairchild can remember a copycat restaurant from outside of Colorado that offered a menu that nearly was a mirror image of its offerings — but Snooze continues to boom, even with weekend brunch wait times that can reach two hours at its busiest locations.

After a record six new openings in 2017, the chain is on pace for eight new restaurants this year and 12 in 2019, when it goes beyond its current four-state footprint and debuts in the Kansas City and Charlotte areas. It would open at an



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Snooze CEO David Birzon and Marketing Director Becky Fairchild at the Union Station location. The chain plans to open eight restaurants this year.

even faster pace if it believed it could staff the locations in these personnel-crunched times, CEO David Birzon said.

But the growth isn't as impressive as the fact that, 12 years after brothers Jon and Adam Schlegel birthed the restaurant, Snooze is credited by many with creating an entire new segment in the industry — the hip, foodie-centric breakfast place where people wait longer and pay more but come away with an experience rather than just a plate of eggs and a cup of coffee to go.

"We try to throw a party in the morning. Jon loves a morning party," said Fairchild, who attended Chatfield High School with the Schlegels and remains one of the five original employees still with the chain. "I love a party. We're morning drinkers."

To put Snooze's success into perspective, consider that the company has never had a quarter of same-store sales declines, even during the nadir of the Great Recession. The privately owned company finished 2017 with gains in the "high single digits," and some of its newest stores, particularly those in Texas, are recording higher average unit volumes than anywhere else, Birzon said.

Birzon, who joined the chain in 2012 around the same time that the Schlegels brought on San Francisco-based venture-capital firm Weston Presidio as an equity partner, likes a different statistic even more. When the chain opened its Denver Tech Center location earlier this year, it received 350 applications for 55 positions — before it even advertised for the jobs.

"We're somewhat of a lifestyle aspirational brand, and people aspire to be our servers," Birzon said.

Both Fairchild and Birzon argue that the staff is the biggest reason for Snooze's success. A company foundation helps workers who need extra money for life necessities, and executives have given wait staff and others the ability to "pickle" any customer that they think needs a treat. Fairchild pointed to the time a worker got his roommate to drive a customer to the airport, or another instance in which a Southglenn server took over the kettle for a Salvation Army worker next door and treated that bell ringer to breakfast.

Such offerings help to explain why people would wait two hours for a table to get the chain's signature Pineapple Upside Down Pancakes, or its chili verde benedict —

a wait that creates a double-edged sword in the minds of the chain's leaders.

On one hand, Fairchild believes the long lines help to attract millennials who want to be a part of an experience. Snooze opened a satellite bar at its Denver Union Station location to give customers more before their table opens, and she for one is concerned that if the lines disappeared, so would some of the brunch seekers.

"We always have called it the Cadillac of problems," she said.

But Birzon said that having people wait for 90 minutes or more — the number-one complaint about the restaurant on Yelp — shows a lack of both saturation for the brand and efficiency in its operations. And he is spearheading several efforts to deal with it.

At Snooze's California restaurants, for example, the chain is testing a system to let people put their names on the wait list from home, so their time spent sitting or standing near the restaurant is minimized.

And at other new locations, the shape of the tables are changing. Customer data found that 52 percent of parties request seating for two, but just 30 percent of the tables in original locations are two-tops instead of four-tops, Birzon said. So, at least 52 percent of tables at new locations now are two-tops.

Finally, Snooze leaders are filling in the gaps between restaurants to ensure people don't have to travel as far and wait for as long, Birzon said. Last year, the restaurant opened a Westminster location to bridge the crowds between Boulder and Denver. This year it is putting in a place at 144th Ave and Interstate 25 so Fort Collins fans don't have to travel as far. And it's on the lookout for a possible site in west Denver.

The key to continued growth may be ensuring that the chain doesn't feel like a chain. The company continues to eschew cookie-cutter designs and set up differently depending on the city and the available space. Birzon said the biggest complement he gets is when people are surprised to find out there are Snooze locations in other states.

To be sure, though, growth is coming, in many different forms. In addition to building out new sites, for example, Snooze just partnered with Williams Sonoma to offer three pancake mixes to be sold in the upscale retail chain's catalogs, on its website and in its stores in the United States, Australia and Mexico.

“We really do believe we can be a billion-dollar restaurant brand,” Birzon said.

“Snooze really is a concept ... We believe we invented this space, and we want to be a leader in this space.”

Fairchild thinks back to the white boards in Jon Schlegel’s basement that laid out the original concept, even as people questioned whether chef-driven, drink-added breakfasts were a concept that people would want. Now all of the champagne served at the chain comes from the vineyard in Piedmont, Italy that Jon bought following the equity sale.

“It was not smooth, but we did it,” Fairchild said while munching on a sweet potato pancake recently. “There’s a lot of places now that are doing twists on breakfast or doing something exciting ... I really feel like we were the original.”

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