

Growth Tools

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A bigger piece of the pie

Crazy Dough's Pizza

Innovation, location are key ingredients

BY SEAN MCFADDEN
JOURNAL STAFF

Doug Ferriman wanted to create “the ultimate stop for pizza.”

Step into one of the five Greater Boston locations for his **Crazy Dough's Pizza**, and one of the first things that will likely strike you is the pizzeria's wide selection. About 20 varieties of pizza are on display at any given location. There are traditional favorites, such as cheese and pepperoni, but there are also a number of eclectic gourmet variations, such as potato bacon cheddar and the company's signature Nutty Tuscan, the toppings for which include pine nuts. Then there's its patent-pending “Crazy Dough Bowl” — salad served in a seasoned bowl of dough.

Another selling point for this fast-casual culinary concept, Ferriman said, is that Crazy Dough's dishes out three different styles of pizza — brick oven, Sicilian and fire grilled.

Product innovation, it turns out, is as much a vital ingredient of this business as the high-quality cheese the company sources



Crazy Dough's Pizza owners Doug and Melissa Ferriman

from Wisconsin.

“There's a pizza shop on every corner, so the question is, how do you make yourself different,” said Ferriman, 38, who co-owns the business with his wife, **Melissa**. “We want to have something for all people and palettes.”

Revenue for the 11-year-old company, which employs 36 people, has grown from approximately \$2.5 million in 2009 to projections of \$3.4 million in 2010.

Ferriman said the stores' business is pretty evenly mixed between customers who sit down to eat and those that place orders to go. He also said Crazy Dough's is looking to grow the catering portion of its business: “That's one of our big focuses going forward.”

Peter Christie, chief executive officer of the **Massachusetts Restaurant Association**, said, “The Ferrimans have done a great job with

their places of satisfying the traditional while differentiating and appealing to those wanting more bold flavors.”

As important as product innovation has been to its strategy, however, so has location. Each Crazy Dough's store is situ-

BY MARG BERISAU / BUSINESS JOURNAL

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ated in a high-traffic urban area. That includes Boylston Street in Boston, Harvard Square in Cambridge and a new location that was opened this August near **Boston College** on Commonwealth Avenue. Flexibility with the locations also has been key: In addition to the stand-alone stores, the company operates a location inside the food court at City Place in Boston. It has also opened its first kiosk-style location this year — at **TD Garden** on the North Station platform in Boston.

"Finding the right location is critical," said Ferriman. "We sell a lot of pizza by the slice. So, we can't open up on a street that's not heavily trafficked."

But, competition for such space is typically intense, Ferriman added: "They're all prime locations, so there's a lot of competition. You're basically selling your brand to the landlord first."

Obtaining the necessary capital to expand is also a challenge, but Ferriman has found a way around that obstacle, too. After using angel investments from family members to open the first two locations on Boylston Street and Harvard Square in 1999 and 2003, respectively, he took a different tack with the locations at City Place, which was opened in 2009, as well as the one at Boston College: He brought in two to three "strategic investors" per location, gleaned from his inner business circle — including an electri-

cian, a contractor and an advertiser.

"They provide services to me already. So, it's a no-brainer to have them invested in the brand," said Ferriman.

He said the location near BC cost about \$275,000 to open, which covered everything from marketing to legal fees.

The location at the Garden is Crazy Dough's first licensed store. Through a mutual business contact, Ferriman was introduced to the licensee, **Jack Mahoney of Landmark News Group and Concessions**, who had obtained the space at the Garden with the intent to open a pizza shop. Under the agreement, Ferriman said Crazy Dough's has licensed the use of the brand, menu items and operating system to Landmark. Crazy Dough's receives an annual royalty fee from the licensee.

"We want to grow and (licensing) was a mechanism to do that, along with achieving great exposure in that space," said Ferriman.

Licensee Mahoney said there are a couple of key factors that stand out about Crazy Dough's: "It's all about the quality of the products and the branding. And, Doug puts a lot of heart and soul into it."

Ferriman said Crazy Dough's is currently in negotiations with another potential licensee — this time in the Middle East. To further grow the brand, Ferriman said the company is also in the process of devel-

oping a franchise program, which it hopes to launch in 2011.

Ferriman admits he had very little firsthand experience in the pizza industry when he launched Crazy Dough's.

After graduating from **The University of Massachusetts Amherst** with a degree in communications, he sold computers for a short time. After that, Ferriman worked for three years at **Boston Harbor Hotel**, while simultaneously writing a business plan and researching the market for pizza — which he felt had long-standing appeal for consumers.

When he finally launched Crazy Dough's in 1999, he said, "I went out and recruited some good pizza makers in the city and convinced them that I knew what I was doing," Ferriman said.

Immersing himself in the business, Ferriman said he often worked "110 hours a week, trying to do everything."

There were some major lessons learned along the way: He didn't initially build out the Boylston Street store with an eye on its future growth and found it necessary to do a costly retrofitting project several years ago. He also brought the company's delivery operation back in-house a year ago after outsourcing it for a time to another company — and ultimately feeling like he had lost too much control over it.

Today, Ferriman said Crazy Dough's is well-positioned for future growth, especially since he's spent the last several years fine-tuning its operational systems.

"There's a system and protocol for everything now," he said. "Every hour of the day is accounted for. I made it simple enough to be highly replicable."

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Growth chart

Company: Crazy Dough's Pizza

Business: Pizzeria chain

Based: Boston

2009 revenue: Approximately \$2.5 million

Principals: Doug and Melissa Ferriman, owners

Website: www.crazydoughs.com