

All Up In Your Business Episode 1: Kristy Kreme

Jay Socol: We're at Krispy Kreme. We're with Brian Davis. Brian, we're about to get all up in your business. Now, thanks for letting us come in. Tell us a little bit about your background, because, in terms of somebody putting a business in College Station, I don't know if you come through the typical route, because - am I correct? - you're not an Aggie.

Brian Davis: No.

Jay Socol: You weren't born and raised here.

Brian Davis: Nope.

Jay Socol: What is your story?

Brian Davis: So I'm from Michigan originally, and then went from Michigan to California. Got sick of the cold weather, couldn't take it anymore. I said, "I'm only living in hot places." So I went from California. I worked for the Lakers for about ten years out there. I have a sports background. I have a master's degree in higher education. So I've worked for a number of colleges and universities - UCLA, San Jose State, UC Irvine.

I then moved to Houston, because my brother-in-law at the time played for the Houston Texans. So he was a first-round draft pick.

Jay Socol: Do we need to know who he is?

Brian Davis: Travis Johnson.

Jay Socol: All right.

Brian Davis: So he was a first-round draft pick in 2005, and, believe it or not, my first day I got here, someone gave me a shirt, an Aggie shirt. I'm like, "Who are the Aggies?" All of a sudden, I became an Aggie fan.

So when the opportunity came around for Krispy Kreme, they had some open territories. They're like, "Where do you want to go?" I'm like, "Put me in Aggieland." So that's how I came to be here in Aggieland.

Jay Socol: So a shirt is responsible for us being here today?

Brian Davis: A shirt. A first shirt. So had they given me a UT, who knows? I'm just saying, who knows?

Natalie Ruiz: That is some shirt.

Brian Davis: But they gave me an Aggie shirt, and so that's how I became an Aggie fan.

Natalie Ruiz: Very nice.

Jay Socol: So what have you learned so far about this community?

Brian Davis: It's a very close-knit community, from what I've found. People are very friendly. They're very open. They're very excited about this brand. Everywhere I go, when they see my shirt, they stop me, and they start asking questions. But the community is outstanding. They are very inviting. They're very welcoming. The chamber of commerce has been outstanding as well, as being a member of that, and I'm just really excited to be here.

Jay Socol: So I wonder, why now? Why is now the time for a Krispy Kreme in College Station, Texas, and why this location? How did everything align for this moment?

Brian Davis: Sure. Actually, believe it or not, we've been in works for three years. It's taken three years to get this bad boy up and running. Our first location kind of fell through, which was going to be on Texas Avenue, due to some permitting and different things that were going on.

So we had to find a location that needed to have a drive-through, first of all, because the amount of traffic that comes through, we needed a drive-through. Texas Avenue, there are very few businesses that have drive-throughs and available space.

We also wanted a spot where if you're driving in on the highway, you could have an easy access to get off the highway, come in, grab some donuts and coffee, and then get back on. So that's one of the reasons why we chose the location.

Now the demand is here. When you think about it as a business owner and there's a demand for certain products, there's a demand here. But we just don't want to be here to come here and sell donuts, and we can talk more about that later, but our goal is to be integrated in the community, provide scholarships for students, donations. We want to be a part of the community. We don't just to be a donut shop that you come and get food and leave. We want people to feel like they have an experience when they come here.

Jay Socol: So we are going to get to that more.

Brian Davis: Yeah.

Jay Socol: We're recording this just a few days prior to opening, and we're going to talk more about that. But I'm going to try to swing it over here to Natalie, because what is happening here, this is going to change the way people travel to this certain area, right? I mean, the transportation impact ... There's going to be one, correct?

Natalie Ruiz: Absolutely. We were visiting earlier about when the red light comes on, and that was something new to me. I didn't realize that when there were hot donuts, the red light goes on, and you actually hurry and turn in to get your hot donut. But that's what Brian and I were talking about earlier.

So Harvey Road is an area where we've seen a lot of multi-family development, but we've also seen some commercial interest. So what I'm excited about is this being the start of more commercial development along Harvey Road and tying into the highway and changing those traffic patterns along this stretch of the roadway.

Jay Socol: So this can be for either one or both of you. I am assuming that Krispy Kreme is a bit of a destination location, a destination business. How has that played out in other markets?

Brian Davis: So Krispy Kreme, it definitely becomes a destination, and if you'll notice the new look now ... So if you look at some of the traditional stores, they had a different look and a different feel. You can see the softer tones in here. We also have wifi access here. If you look down at some of the counters, they actually pop up, and they're ports to plug in your computer, as well as the USB ports of a TV behind you that we're going to have the football games on.

So we want people to come here as a destination and kind of hang out a little bit.

Jay Socol: Interesting. Interesting. Well, so tell me more about just the logistics of moving people into this space and out of this space and having it all happen kind of efficiently, because I know that's at least part of the conversations that you guys had back at City Hall.

Natalie Ruiz: Well, certainly in terms of the layout of the site, the location of the drive-through, making sure that there's plenty of spacing for stacking cars that are coming off of Highway 30, folks that are lining up in the drive-through

or parking. All those are things that we looked at as part of the site planning as well.

I mean, this is a highly visible location, and Krispy Kreme is going to do very well here.

Jay Socol: So you mentioned parking. Brian, my understanding is you need almost 100 people to make this ...

Brian Davis: We do.

Jay Socol: ... location work.

Brian Davis: We do.

Jay Socol: So you're having to park employees in pretty decent numbers, but how in the world do you need almost 100 people to make this location work?

Brian Davis: Believe it or not, at each shift, it takes at least 20 people to run a shift of donuts. You have at least three, they're production members, and their job is to make the donuts. So they are in the back of the house. They have the dough, they have the water, and they're making the icing and making the frosting. Then that goes to the processors.

Processors make the donuts pretty. They put the sprinkles on them. When we have Christmastime, they make Santa bellies, and when we have Easter, they make the Easter egg bunny and different things like that. So they make different eggs. So you have at least three or four of them on a shift, making the donuts pretty.

You then have your coffee makers, who are making your coffee drinks. You have two to three of those. Your donut pickers, who are actually grabbing the donuts off the line. When that hot light comes on that you mentioned, they're grabbing them off, nice and hot, and giving them to the customers.

Then you also have your retail specialists and your drive-through and then people outside, directing traffic. So there's a lot that goes into making sure that everything is run efficient through the drive-through as well as when that customer comes through the door and they get their first look at what's called a donut theater. That's actually what it's called.

So it's an actually whole presentation, and that's why it looks like a big, long screen here, 'cause it's actually a theater. We want the whole

experience to be a donut experience. In fact, this light here, you can kind of ... It's kind of bright outside, but you can see it's a donut ... It's an arrow that lights up. Each donut lights up, 'cause it's pointing you on which direction to head to.

Jay Socol: So you talk like a guy who has been in this world for a long time. That's not the case.

Brian Davis: No.

Jay Socol: So how long has it taken you to be so knowledgeable in the world of Krispy Kreme and donut production?

Brian Davis: So I've been a franchisee for three years now, but this is my first store. But I had to train for six months. I had to go to four different stores all over the United States, and what shocked me when I was at the stores is that when you think of a donut shop, you think, "Okay, I'll go in the morning, get a donut, and then I'll eat my lunch and dinner and go home."

Well, at Krispy Kreme, I'm like, "Why is it 9:30 at night and there's a line of people out here, eating donuts? Okay, it's after 10 now, and people are still here. In the afternoon, it's 3:00. So I have to train all day at different shifts, because people come at all different times."

So to learn this brand, it's a lot of homework that's involved. It's a lot of training that's involved. It's not easy to become a franchisee, and, in fact, corporate has now been purchased by JBL. Now there are no longer any franchisees, no new franchisees. So, believe it or not, I am the last one. My partner and I are the last ones to be Krispy Kreme franchisees.

Jay Socol: Really?

Brian Davis: Yeah, the rest will be all corporate stores.

Jay Socol: Is there any difference in operating a location like this in a university community vs. a different kind of a market?

Brian Davis: It's very different - in fact, even going into where you place the store. So they had a Krispy Kreme in North Carolina that actually closed down. The reason being is that it was too close to campus.

Jay Socol: Too close?

Brian Davis: It was too close. So you have that student population that would go, but the community actually sustains your business. So the community couldn't get to the donut shop, because they had to deal with all the student traffic. So we were actually strategic in where we wanted to place this so that the community members could come, as well as the students. They could come and both be patronage of the business.

Jay Socol: You had mentioned how you were really focusing on integrating into the community and into the university culture. Talk more about that.

Brian Davis: Yeah. So when I think about the university, I have two master's degrees. One is in higher education administration, and one is an MBA. I grew up very poor. I come from a very poor, underprivileged background, and I needed help to be able to go to college and to go to grad school. That came through scholarships and someone helping me out.

So when I looked at a college town, I know that there are a lot of people who can't afford to go to college, and that's why I want to have scholarships for them. When I look at hiring employees, I told the college I wanted to set aside 10 to 15 jobs just for students to have so that they can have a work environment. I have a few students now who are in high school, and one of the things they ask me, they say, "I've had other jobs, but they weren't flexible with my schedule. They needed me to come in at a certain time."

I'm like, "Well, absolutely not here. We're going to work around your schedule, 'cause it's important that you start off learning a business right away, and you [inaudible 00:10:33] learning that we are looking out for you, not just as an employee, but as a family member."

Believe it or not, when I sent out my acceptance letters to all the ones who applied, I put in, "Welcome to the family," because that's what we want to be like, is an extended family for everybody. So that's important for us. We're in this community. It's not just about coming here and selling you a donut. We want to be able to give back to charity, and we want to be able to be a part of the university.

It's not just A&M, but also Blinn as well. I think sometimes Blinn may be forgotten about in this environment, but they're just as important, and then working with the churches and fundraising and just being a part of the community, because I feel like if you're a part of the community, people will come and they'll go, "You know what? That was a great donut, but you know what? I had a great experience when I came to that

shop, and they're good people that run that. They're looking out for the community." That's why we want to be a part of it.

Jay Socol: How often do you get to work with folks and recruit folks to come in and do this level of integration into the community?

Natalie Ruiz: As Brian said, we have a great community. Everyone's welcoming, and everyone pulls together to help each other. But to have someone fresh to our community just moving in and opening a business, it's very nice to hear that they want to be integrated in our community, because we are. We're supportive of our schools, both the ISDs, the Texas A&M University, Blinn College, our churches. We are one big family, so ...

Jay Socol: So how's your development experience been in College Station? Is it smooth or a little rough or ... It's a treacherous question, but honestly ...

Brian Davis: It is. It is, because there are ... So I had a business down in Houston, which is ... The processing and everything is very different. So the treacherous part, we were on Texas Avenue, and when the city looked at the traffic patterns and how Krispy Kreme would affect the traffic patterns, we would have needed to put in a right turn lane on Texas Avenue.

So we were going to go in, initially, where that Kroger used to be.

Jay Socol: Oh, right.

Natalie Ruiz: Oh, okay.

Brian Davis: Yes, and so, as you know, there is no turn lane that goes there. It's a right turn. So the city said, "Well, you're going to need to put in a turn lane, because the traffic is going to be backed up down the street." In fact, in Houston, when the Houston location opened up a few years ago, the traffic patterns went probably two miles down Westheimer, that it was backed up. People were in line. It was taking a couple hours just to get through the drive-through.

Jay Socol: Wow.

Brian Davis: It's that busy. So I understood the city's concern and the fact that the traffic would back up. So that one ended up falling through, and so we looked at this location, because if you look at here, the parking lot is huge. So it was an opportunity to snake the traffic around.

So this time around, it's been a lot smoother, in terms of getting our permits. The people in the permit office have been outstanding. They've been coming and letting us know, "Hey, this is not correct. Let's get this fixed." But they haven't been kind of ... In other cities, they can be kind of, "This is my world. This is how it needs to be done." They've been very professional, very nice. "Hey, just need to fix this up and make sure this is correct."

The health inspector came in the other day, and she was very nice about saying, "This is what needs to be done. I'll be back on Thursday," and just walking us through the process, because in different cities, the permitting process can be very different. But they've been very, very nice here. I've been very, very happy with them.

Jay Socol: Now, we're recording today when there's some training going on. Talk about what's happening with your staff today.

Brian Davis: Absolutely. So corporate flew in. Corporate Krispy Kreme, they flew in, I think, seven trainers, and they flew them in from all the corporate stores all over the nation. Because this market is so important and they know the impact that they can have here, they picked their best people.

So now their best people are training each of our areas. They're training the production members, they're training the processors, and they're also training the retail. In that training, they get seven hours of training every day for the next four days. So they're in every day, and they're making test donuts. We'll be bringing some out to the community, but they're making test donuts, 'cause we've got to make sure that the process is just right.

Believe it or not, there's a whole science that goes into making donuts, and, in fact, when you go to the corporate, they have what's called a bite machine. Did you know there was a bite machine?

Jay Socol: Tell me about a bite machine.

Brian Davis: The bite machine actually ...

Jay Socol: I'm intrigued.

Brian Davis: ... bites the donuts, because it has to make sure that they're the right consistency every time. So the machine ... It doesn't get paid. I could be the bite machine myself.

Natalie Ruiz: [inaudible 00:15:06]. Are you hiring?

Brian Davis: I need to be. I might be big as a house when I get done, but the machine literally makes sure the donuts are the right consistency. So when the trainers are here, they're teaching our employees to make sure everything is just right so that when you bite that donut, it is outstanding and it's delicious. That's our goal, to make sure that everything's done the right way.

Natalie Ruiz: Now, do those trainers stay on during your grand opening to kind of get you through that hump?

Brian Davis: They do.

Natalie Ruiz: Good.

Brian Davis: They're here for the first week. They get us through the hump then make sure everything is going right, if there are any mechanical problems, that the process is flowing, 'cause it can be a little nerve-wracking, right?

Natalie Ruiz: Right.

Brian Davis: 'Cause you're like the umbilical cord is cut, and you're like, "Oh my gosh. They're here," and then everyone's lined up. You want people to have a good experience, so you're like, "Okay. Come back, come back." But they're gone, and they're making sure that ... That's seven hours every day for the next week. It's important.

Jay Socol: How about your poor construction guys out here who are hustling along and they're smelling the training going on?

Brian Davis: So let me tell you a story about that, those construction guys. So the first day the machine came on ... Now, construction guys are manly guys. They're not like me. I'm not that manly. I don't have any hair on my chest or anything like that. But these guys are like manly dudes.

So we turned the machine on, and the first batch of donuts come out. They are giddy, and they are laughing. They get their cell phones out, and they were just like big kids, 'cause they were so excited to see these donuts come home. They took home a couple dozen each, and they ate the first bite - these big manly guys just smiling like a little kid, 'cause they were so excited to see the donuts come out and just to taste them. It was just amazing to see that sight. I actually have a video of it.

Jay Socol: That's a great reward.

Natalie Ruiz: Yes.

Brian Davis: It is.

Natalie Ruiz: Absolutely.

Jay Socol: That's an awesome reward.

Brian Davis: It is.

Jay Socol: Okay. So let's talk about ... and I understand that a lot of people will listen to this after you've already opened, but we're hoping to get this out ahead of that. So tell me about the hours, maybe a day or two leading up to the grand opening. What's going to happen?

Brian Davis: Absolutely. So on Saturday, this upcoming Saturday, will be the Friends and Family event, and we've invited the chamber and other members of the community to come out from 12 to 3 to try them out, just try the donuts out and kind of greet us and see the shop and get some donuts and coffee and etc.

Then we wanted it from 3 to 4 for our employees. We wanted to invite just their families, 'cause we want to reward their families, to say ... When you are a cook or a baker and you make a product, you're very proud of it, and sometimes your family don't get a chance to see that. So we wanted just their families to come in to see where their loved one is working and taste the product that they're producing.

So that happens from 3 to 4. Then on Monday is our big celebration. So the first 100 people in line get free donuts for a year and also commemorative t-shirts. So we expect a lot of people to line up. So we have food trucks coming. We have Harley Davidson, they're going to come with some simulators so that people can get on a bike and test riding on a bike. They don't get to ride it around the parking lot, but they get to at least rev up the engine.

We have Brazos Valley's video game center, they're going to come with some video games and have their whole mobile unit here. We have ... What else? We have all kinds of stuff planned for that day. We have a DJ coming. They're going to do some karaoke.

Then the days after, so one of the things that we wanted to do was partner with the community, and especially some of the smaller guys in the community. So we're doing what's called a 12 days of giveaway. So some of the community members have donated gift certificates or different items from their shop, and we're going to create a vendor table. So when a person comes through, we'll give them a raffle ticket, and then every day, they can win a certain prize.

That's kind of those vendors in the community, the smaller ones, a way to kind of showcase their business a little bit with some of the people coming through the doors and for us to be able to give back to the community as well.

Then ... Okay, you can tell me what you think about this idea. So I've got something floating around in my head. Who's watched Willy Wonka and the Chocolate Factory?

Jay Socol: Oh, yeah.

Natalie Ruiz: Absolutely.

Jay Socol: [inaudible 00:19:04].

Brian Davis: You remember in Willy Wonka they had the chocolate bar, and it had a golden ticket?

Jay Socol: Yeah.

Brian Davis: So what I'm considering doing is putting some golden tickets inside some of the boxes of donuts or on the bottom of them, so when a person gets it, they'll get a back tour of the donut shop. We'll take them back and let them see how the donuts are made and let them actually make some donuts themselves and decorate them themselves and kind of do like a golden ticket giveaway. That's what I'm thinking about, but I don't know. How do you think that would go?

Jay Socol: I love that.

Natalie Ruiz: I like that idea.

Jay Socol: Yeah.

Brian Davis: You like that?

Natalie Ruiz: Definitely.

Jay Socol: Yeah. I've got an 18-year-old boy who would probably be all about that.

Brian Davis: Okay.

Jay Socol: Yeah.

Brian Davis: That's great. So those are going to be up to 12 days afterwards, and then we want to continue to have different things every month as well.

Natalie Ruiz: Great.

Brian Davis: So those are some things we do have planned.

Jay Socol: That's terrific.

Natalie Ruiz: So the celebration is Sunday?

Brian Davis: It's going to be Monday.

Natalie Ruiz: Monday.

Brian Davis: So Monday, starting at about 5:00. I'm sure they'll start lining up early, but the first 100 in line get free donuts for a year. Then at 5, we'll have a DJ here, and they'll do some karaoke.

Natalie Ruiz: Okay.

Brian Davis: We'll have the food trucks. We'll have the other events that'll be here to kind of entertain them while they're here, up until about 9 or 10:00 at night.

Natalie Ruiz: Nice.

Jay Socol: So what did we miss? What do you want to make sure people know about you, about this location, and just this time for Krispy Kreme in College Station?

Brian Davis: Well, nothing about me, even though ... I'm like the least ... The thing that we just want to make sure people know about is that we have this great product, and our donuts taste outstanding, but come and hang out and have fun and be greeted and see this wonderful process of making a

donut, because it's a whole process. It takes an hour to make a batch of donuts.

So just see the process, come here, have fun, bring the kids. It's a family place. We'll be able to have seats outside if they want to sit outside. We have Internet if they want to study. Then we also plan on doing finals weeks, actually keeping the store open late so that students who need donuts late, coffee, or what have you, they can come by. So we'll have that, too.

Jay Socol: We really appreciate you ...

Brian Davis: Thank you for coming by.

Jay Socol: ... letting us come in here and get all up in your business.

Brian Davis: Absolutely. Oh, you were all up in it. I won't lie to you. You were all up in it.

Jay Socol: Brian, thanks a lot.

Brian Davis: Thank you very much.