

Zoup! expansion on front burner



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SOUTHFIELD'S ZOUP! ON TRACK FOR GROWTH



Photos by Robin Buckson / The Detroit News

Store manager Rozalynn Johnson dishes out soup at the Zoup! in Novi. Chain owners plan to expand from 25 locations to 100 by moving east to cities such as Washington, D.C., and Boston, and as far west as Denver.

EXPANDING ONE LADLE AT A TIME

Company hopes to have chain of 100 locations by 2014

BY TIM DEVANEY
The Detroit News

After 12 years of success in Metro Detroit and the Midwest, Zoup! is heading west — and farther east — with its menu of more than 100 soups.

The Southfield-based chain of restaurants plans to add to its 25 franchises by opening 10 more locations by the end of the year and quadrupling its reach to 100 stores by 2014.

The chain, which has 13 locations in the state, is a bright spot in a beleaguered Michigan economy that has made it difficult for local companies to thrive and expand.

"When the economy's bad, it makes an already tough in-



From left, Teri Leonardo of South Lyon eats with her family, Nathaniel, 11; Noah, 13; Alexis, 6; and Sami, 15, at Zoup! in Novi. The chain has 13 locations in Michigan.

dustry that much tougher," said Andy Deloney of the Michigan Restaurant Association. "So for a Michigan-based company like Zoup! to be moving forward with plans certainly is great news."

During the recession, "financing really tightened up," Zoup! founder Eric Ersher

said, "and it became much more challenging to get these franchise owners financed." Still, Zoup! managed to open 10 locations in 2009.

The company plans to build on its Eastern franchises in Pennsylvania, New Jersey and Connecticut by expanding to cities such as

Washington, D.C., and Boston. Heading west, Zoup! will add stores in Chicago and Denver. The company also plans to establish international franchises in Canada.

Zoup! offers 12 soup options that rotate each day and caters to special dietary needs with low-fat, vegetarian, dairy-free and spicy varieties.

This style tailors to health-conscious East Coast cities, said Ken Dalto, a Farmington Hills retail consultant. But the "refined taste" may not work as well out West where "people want more meat and potatoes," he said.

"They appeal to a relatively sophisticated group of diners," he added.

Ersher says timing is right to expand, especially since soup elicits "thoughts of comfort, family and well-being."

Please see Franchise, Page 8B

Franchise

Continued from Page 7B

“From a franchise perspective, it’s new and unique,” he said.

Ersher got the idea for Zoup! when he noticed what he considered a lack of high-quality soups in restaurants.

“It seemed as if soup was an afterthought,” he said. “We started asking around, and the consensus was clear that good soup — really good soup — was hard to find.”

So Ersher tested recipes and started Zoup! in 1998. He built five restaurants by the start of 2003 and then decided to start franchising.

Now he projects Zoup! will have 50 locations by late 2011 and 70 by late 2012.

While the restaurant won’t catch on as quickly as more popular fast food alternatives, retail consultant Dalto says Zoup! will do well in a year.

“If McDonald’s comes to town, they’re going to have people on day one,” he said. “A place like Zoup! will be day 365.”

“They will do well because they did well here, but they’re going to take twice the time.”