



The Denver Post / Glen Martin

Rachel Vaughn, left, and Liz Corey drink Maui Wowi smoothies during lunch break at Cherry Creek High School, where distributive-education students operate a cart in the Creek Cafe.

Franchisor's really going places with Maui Wowi smoothie carts

He's a former waiter who built the catering end of an area restaurant into a \$2 million business, so you might keep an eye out for Michael Haith's Maui Wowi fruit-smoothie carts.

They may spread faster than a jungle.

Right now, Haith has 24 franchisees who own 57 of the carts in five states. Ironically, the franchisees are largely in cold-weather climes where smoothies — icy concoctions usually offered in tropical-fruit flavors — might not be thought of as more than a summer treat.

But smoothies are hot. Dan Titus, a juice-bar consultant in California, estimates the smoothie industry was pushed over the \$1 billion mark in sales last year as established restaurants rushed to add the drinks to their regular menus.

Haith, who is also president of Pour la France Catering Inc. and whose second company was a



Haith

food-service consultant to arts festivals and other outdoor events, jumped into Maui Wowi because he witnessed people lining up to buy its drink time after time in Utah.

Jeff and Jill Summerhays of Salt Lake City developed their own smoothie recipe and traveled around peddling the drinks at festivals where Haith was hired as an adviser.

"They had the longest lines, they were having the most fun, they had the fewest employees and they were making the most money," he said. When the Summerhays considered franchising their cart operation, they and another shareholder in their company already knew Haith from his work as a consultant to the festivals. When he joined them, the elements of a larger company had come together.

Haith moved the primary franchising operation to Denver last August — although the carts and the drink mixes are still manufactured in Utah — and sales of the cart-businesses began in earnest. In 1999, the company posted \$300,000 in sales of

franchises, carts and drink ingredients.

The franchises are sold for two flat fees: \$4,500 for a single cart,

which may cost another \$5,000 to \$13,000 to equip, or \$20,000 for three carts, which could boost entry-level costs to \$45,000 to \$50,000. Drink ingredients are sold

separately, but they are the only tie that binds the franchisees to the parent after purchase of the equipment: no royalties, no rigid geographic territories, no oversight other than Maui Wowi's concern that its brand remains protected.

Titus, the consultant, said carts, compared with fixed retail juice bars, offer a niche that the technology of drink mixing has just now caught up with — specifically, how fast the latest machines can make really smooth drinks.

Three weeks ago, Haith launched a sideline of the business: providing a cart and drink ingredients to Distributive Education Clubs of America students at Cherry Creek High School, where students are selling smoothies in the Creek Cafe. The drinks are sold for about \$2.75 to \$3.25 each, although franchisees probably sell them for \$3 to \$5 each.

"It's 200 calories and no fat," Haith said, remarking on the healthy aspect of real-fruit fast

MAUI WOWI

39 Viking Drive, Englewood
303-781-7800, www.mauiwowi.com

Product: franchised fruit-smoothie carts

President: Michael Haith
Revenues: \$300,000 in 1999

Employees: five

food that appeals to cafeteria operators, parents and faculty who have watched Burger King and Taco Bell become in-school vendors.

Haith wants to take the DECA concept, which teaches students business and marketing skills, to other schools around the country, allowing clubs to raise money for other activities while Maui Wowi continues to sell its drink ingredients through the student outlets.

Last month, U S West named Maui Wowi one of its 10 small-business winners of a \$10,000 seed-money grant to help finance that project, which Haith also wants to sell to nonprofit organizations hoping to raise money at various events throughout their own fund-raising years.

"That could work," Titus said. So watch for more of those jungle carts.

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