

Maui Wowi's Hawaiian Smoothies and Coffees make big splash!

Laid-back smoothie company rolls onward

By Janet Forgiveve
ROCKY MOUNTAIN NEWS

GREENWOOD VILLAGE - A straw hat doing double duty as a candy dish sits next to a stack of surfing magazines on the lobby coffee table at Maui Wowi's Greenwood Village headquarters.

The room is decked out in rattan and palm trees. A waterfall provides a relaxing background sound as visitors check out the bright, mouth-watering poster of berries, kiwi and mango.

The very "don't worry, be happy" setting carries over to the coffee-and-smoothie company's carts and stores, said "Big Kahuna" Michael Haith.

"Everybody loves Hawaii," Haith said. "Our target is folks who don't go to Starbucks - younger kids and mothers with kids, people who just want an oasis for 15 minutes."

Since buying into the natural food smoothie company nine years ago, Haith has expanded it from one cart to a network of 300 franchisees running almost 400 locations nationwide.

Coffee drinks, both hot and frozen, have become staples alongside the signature smoothies, and Maui Wowi "hot koko" drinks coming this winter.

Haith, 44, grew up in Colorado, graduating from the University of Colorado in 1984 with a degree in advertising and journalism.

But times were bad and advertising jobs were few. So he chose another path, becoming a franchisee for Pour Le France! Restaurant Group and starting Pour Le France! Catering in Denver. Later, he began a consulting group for event concession planners.

As a consultant, he worked with festivals here at home, trying to find the healthy alternatives people said they wanted, even as they lined up to buy onion rings and buckets of fries.

Haith said he was ready to retire in 1997; then he stumbled across Jeff and Jill Summerhays running their one and only Maui Wowi cart at a Utah festival.

Long lines for the fruit smoothies seemed promising, and he soon partnered with the Summerhays to expand Maui Wowi beyond their one cart.

In 1997, Haith, along with his investor dad, paid \$100,000 to acquire one-third of the business. The following year, the pair became majority owners, and Haith has run the company since.

Maui Wowi operates through a franchisee network that still sells products largely through carts and kiosks, both at permanent locations like airports and at special events.

Additionally, franchisees in other states run 22 permanent retail stores. Denver will get its first bricks-and-mortar store later this year, when franchisees Stan, Noreen and Rick Gardner open a shop at 216 16th St.

Brothers Stan and Rick, who operate Gardner Turfgrass, joined Stan's wife, Noreen, late last year when they signed on to become "Empire Builders," an agreement that allows them to have up to 10 Maui Wowi locations.

Currently, the franchisees operate carts at the CU Events Center and City Lights Pavilion at the Pepsi Center. The plan for future growth will likely include four carts and six retail stores, Stan Gardner said.

It's a highly competitive field, with big smoothie players including Jamba Juice as well as a slew of coffee sellers.

U.S. retail sales of smoothies, juice drinks and frozen desserts are expected to reach \$2 billion this year as consumers look for healthier treats, according to California consulting firm Juice Gallery Multimedia.

The Gardners checked out some competitors and also looked at setting out on their own before signing with Maui Wowi.

"When we got into Maui Wowi and started talking to them about it, we just enjoyed the people and found them good to work with," Stan Gardner said.

The Gardners own one of about 300 franchises in 43 states, including 10 in Colorado. Later this year, Maui Wowi expects to add its first international location, in Japan.

The company plans to grow by about 50 carts and 50 stores in 2006, Haith said, and hopes to



grow that number to between 1,000 and 2,000 locations in five years.

Instead of paying franchise royalties, Maui Wowi franchisees pay for proprietary products that go into making the smoothie and coffee drinks they sell, he said.

That way operators, who often sell only at specific events, pay based on what they use.

-Address: 5445 DTC Parkway, Suite 1050, Greenwood Village, CO 80111

-President, CEO and "Big Kahuna": Michael Haith

-Business: Privately held. Franchiser of coffee and smoothie carts and retail stores.

-Fees: From \$65,000 to \$417,000 to buy in, depending on how many units the franchisee wants to operate, their location and whether they're carts or permanent retail stores.

-Web Site: www.mauiwowi.com