

Bring On the PIE

Straw Hat Pizza has been chosen as our 2009 Pizza Industry Enterprise (PIE) Award winner.

By Liz Barrett



Straw Hat Pizza president Jonathan C. Fornaci

This year's PIE Award decision came down to three deserving candidates: Little Caesars, Famous Famiglia and Straw Hat Pizza. However, the combination of Straw Hat Pizza's sales and unit growth—including growing beyond its own goals—teamed with its ability to stay on top of trends affecting today's consumer, put the company ahead of the pack, leading us to name Straw Hat Pizza as the winner of PMQ's 2009 Pizza Industry Enterprise (PIE) Award.

Recently named the fifth fastest growing pizza restaurant chain and one of the hottest franchises by America's Hottest Franchises (AHF), Straw Hat grossed more than \$40 million last year and has grown from 38 units at the end of 2007 to 63 units since president Jonathan C. Fornaci came on board in January 2008. "Our plans are to have more than 100 units open by the end of 2010," says Fornaci. "So far we're on target to meet—and possibly exceed—that goal."

Begun in 1959, that the 100% franchised company runs only one corporate store, dedicating all of its energy to helping its franchisees, Fornaci says. "We hold extensive training programs and send out



The Stats:

2009 Pizza Industry Enterprise (PIE) Award winner: Straw Hat Pizza

Headquarters: San Ramon, CA

Owners: C-Corp, more than 200 shareholders

President: Jonathan C. Fornaci

Year started: 1959

Website: strawhatpizza.com

Total units: 63

Franchise units: 62

Average annual sales per location: \$680,000

Average number of seats per location: 100-120

POS system: Diamond Touch

Ovens: Lincoln

Dine-in, delivery, takeout, online ordering

Drivers per location: 6-7

Employees per location: 14-18

Biggest selling point: Family-friendly, fun and great food

Best marketing tool: Brand equity of 50 years in operation and word of mouth



separate teams that help with marketing and sales," he says. "We use a national distributor that helps guarantee that everything is fresh; our dough is made every day in the stores, vegetables are cut fresh, and because we've used the same recipes for 50 years, none of our menu items have ever contained trans fats."

Because Straw Hat is a family-oriented pizzeria, it has fared especially well during the recession. "Even during a recession, people will not stop having parties for their kids," says Fornaci. "We've always offered a family fun place—focused on family and good food—with a party and game room. We even offer flat-screen, controllable TVs in every booth."

And while every Straw Hat store carries the California theme throughout its interior, nothing has stopped the company from expanding into new territories and taking a little bit of the Golden State to other parts of the country. Recently, stores have been cropping up in states such as

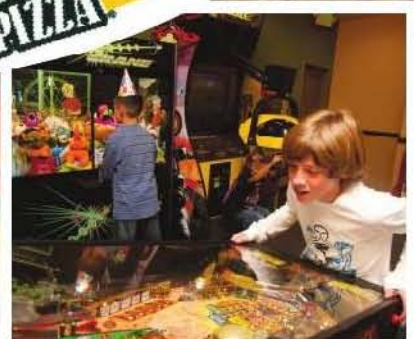
Nevada, Oregon and Arkansas, with future sites planned for New Jersey, Florida and Texas. "No matter which state we choose to offer franchises in, we'll always stick to Straw Hat's family fun concept and its California theme," says Fornaci.

And with new stores comes fresh new thinking in the Straw Hat concept. The Straw Hat Grill was recently launched as an upscale version of the pizzerias, offering an expanded menu, including the signature Straw Hat pizza with gourmet versions and toppings alongside burgers, pasta, specialty salads, steaks and Straw Hat's own barbecue ribs. On the opposite end of the spectrum is the new Straw Hat Pizza Express concept, offering core menu items in a smaller space and designed for take-out and delivery only.

Straw Hat Pizza is a lesson in perseverance and flexibility, showing that after 50 years in business it can still adapt to changing times while staying true to its core values and customer needs.

As this year's PIE winner, representatives from Straw Hat Pizza will accept the PIE award at a future PMQ trade show in the presence of hundreds of their industry peers. 🍕

Liz Barrett is PMQ's editor-in-chief.



See page 82 of the April 2009 issue of PMQ for a look back at Straw Hat Pizza's 50 years.