

# The Magic Mix

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## Returning an American classic to its rightful reign.

by Laura Nelson

**A** little bit of magic goes into creating the perfect burger. There's a touch of it in the ingredients, in the technique, in the atmosphere.

"That's all part of the magic of Smashburger," says Tom Ryan, chief concept officer for the restaurant chain.

A touch of unexplainable enchantment may be involved in the phenomenal growth and success of the fast-casual burger joint, but it's certainly no smoke and mirrors. In the three years since the concept was launched, business has been booming. Started in June 2007 by Denver-based Consumer Capital Partners, it had expanded to 17 states and 94 locations by early 2011, with another 100 in store by year's end.

The trend isn't limited to one chain. A 2010 study by food-industry research firm Technomic Inc. shows a 4.5% annual increase in sales for fast-casual dining. That refers to the middle ground between fast-food and full-service restaurants, usually characterized by a combination of an order counter and seated service. The fastest-growing menu category among the top 100 fast-casual chains was hamburgers, with sales jumping 16.7%.

"We really fell into a sweet spot in the recession," Ryan says. "A lot of people didn't want to change the behavior of going out to eat, but they had to change their behavior of where they go out to eat."

It's all about creating a new definition of value. At an average ticket of \$8 per person, "we're not the cheapest burger on the market," he says, "but our goal is to lead the pack and set a new standard for the better burger category."



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### The ingredients

"The reason Smashburger is doing so well, despite the fact that you can probably throw a rock from one burger place to another, is because we set out to make Smashburger really differentiated," Ryan says.

To survive in the fast-casual scene, taste and quality must stand far and above the convenience counterparts and rival anything diners could find at their favorite night-on-the-town type of restaurant. That means starting with ingredients typically reserved for high-end kitchens.

"We did our homework around the industry to find out what people were looking for in burgers that they weren't getting," Ryan explains. "We screened through everything you can imagine: grass-fed, organic, even Kobe ... We looked at everything, and what we kept coming back to was something very, very magic about *Certified Angus Beef*® (CAB®). No matter how we try to replicate it with other things, *Certified Angus Beef* was what it was all about."

The restaurants source whole chunks that meet brand specifications, ground with CAB steak trim. People who believe ground beef is just ground beef, despite where it comes from or the quality of the rest of the carcass, probably have never had a CAB burger, Ryan suggests.

"There's something absolutely magic about the taste of a *Certified Angus Beef* burger on our grill," he says. "That's really what makes Smashburger one of the best burgers you can buy."

The value of such high-quality grinds played a big role in CAB's recent record-setting sales. Last year, grinds contributed more than \$13 million to total brand sales and added to the steadily growing category over the last 10 years.

In fiscal year 2010 alone, total ground beef sales increased 16% for the brand. That means more pounds of qualifying carcasses are readily marketable to companies like Smashburger that are willing to pay more for a product that differentiates it from its low-cost competitors.

### The technique

Of course, magic is nothing more than an exact science, perfected.

Ryan's lengthy professional and education background certainly plays a role in that science, with degrees ranging from a bachelor's degree in food science to a master's degree in lipid toxicology and a doctorate in

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flavor and fragrance chemistry — which basically equates to applied biochemistry in the food science department.

But the science has to start with a little flourish, Ryan says. "People are inherently curious about the name, so one of the first things we do when we open a store is put the sign up. Then everybody is driving by and talking about what they see, what is that going to be, what is a Smashburger?"

Then it really is as simple as the name makes it sound — they smash the burger. The grill is "painted" with butter; a one-third- or one-half-pound meatball is dropped on the hot surface, covered with parchment paper, and smashed flat as the cook maintains pressure with the "smashing tool," something of a cookie cutter with a flat backing.

"You hold it down so it sears the bottom on the burger," Ryan explains. "That causes a shell to form. Then all the juices in the burger, instead of cooking out, they percolate up. That preserves most of the flavor of the burger so it's a really juicy burger with a tremendous amount of flavor."

This isn't just for the "ooh" and "ahh" of a



fun presentation and great taste, either. It's a business strategy, too.

"It also spreads the meat out in a very non-compact way. That creates little pin holes in the meatball that heat can come through," Ryan says. "When the juices percolate through, it causes the burger to cook very fast. It usually takes 8 to 10 minutes to cook a one-third- or half-pound burger; we cook ours in 3. So it lets us cook to order and serve people in 6 minutes or less."

That plays back into speed and convenience for the restaurants, again creating above-average burgers in a time frame that can compete with fast-food's sometimes 90-second kitchen turnaround.

"It really helps our whole financial structure," Ryan points out. "It generates more profit for our franchise and shareholders; it provides consumers with a burger that they can taste in every bite; and it lets our operators turn out great food very quickly, which is what every operator wants."

Quite simply, he says, "That's the magic of smashing."

### The atmosphere

There's no grand illusion as to why customers love going to a Smashburger. They're modern and trendy, yet serve the most traditional American food. They're built for efficiency and speed, yet created to focus on exactly what people want out of a dining experience.

While 90% of the orders at Smashburger are burger-centric, there's still room for plenty of creativity. About 10%-15% of the menu is localized with special burgers, sides and recipes that fit those markets. Take the Tulsa, Okla., area, for example:

"We did our homework. We really worked to understand what every bar, bowling alley, mom-and-pop restaurant and local favorites were in Oklahoma. Fried pickles rose to the top, so we created the Oklahoma burger with

jack cheese, fried onions, fried pickles, lettuce, tomatoes and ranch dressing on an egg bun." It's our No. 1 seller in the Oklahoma market," Ryan says.

"It's just another great aspect of the Smashburger brand that is trying to find distinct ways to bring people's favorite food to them in a burger format."

The restaurants also typically sell beer and wine, mostly drawn from local vendors, to make the atmosphere of a nationwide chain feel a little more like home. Customers can also create their own if the local favorite doesn't hit the spot. That's the key to bringing in a wide audience for family nights, workday lunches, date nights, after the game, Sunday-after-church or for any other occasion or time of day, Ryan says.

"Our users are universal. We like to say it's a Noah's Ark: There's two of everything in there. You can be 2 or 102 and be a burger lover. Every size, shape, creed or color, but they all have one thing in common. They love burgers."

There is one target audience Ryan says he always keeps in mind — the magic number in his marketing equation is 32. He says it's the ideal age, fully settled down but still moving up. "If you target the 32-year-old, you will stay modern."

It's certainly a modern business plan put together with plenty of science, business sense, a flair for creativity and enchantment with an American classic.

"The magic part about being in the burger business is that people just love burgers," says Ryan. "Attracting and capturing an aspect of things they love is what we set out to do at Smashburger."

"It's just magic," he says with a laugh. "I use that word a lot, but it's true."



**Editor's note:** Laura Nelson is an industry information specialist for Certified Angus Beef LLC.



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