

Brian Sheehan: 0:04

Welcome to Retail Intel, the podcast where we dive deep into the dynamic world of commercial real estate. I'm your host, Brian Sheehan, and I'm thrilled to be your guide on this journey through the bustling streets of retail, the aisles of shopping centers and the world of commercial property investment. With me today is Bennett Maxwell, founder of Dirty Dough. Bennett has an inspiring story of entrepreneurship and innovation in the retail space. Dirty Dough is known for its delicious stuffed cookies that have taken the market by storm. Bennett and his team have created a unique brand that combines indulgence with creativity. I'm excited to learn more about his journey and the story behind what's powering the growth of Dirty Dough. Bennett, welcome. How are you?

Bennett Maxwell: 0:52

I'm doing really good, Brian. Thanks, how are you doing?

Brian Sheehan: 0:54

Excellent, so I'd love to start with your background. Can you tell us more about your career journey and what led you to start Dirty Dough?

Bennett Maxwell: 1:03

Yeah, background is in sales. I did Cutco Knives right out of high school for a few months, got some amazing training on how to ask for referrals and unapologetically. Then I went on a two-year Mormon mission to Tijuana, Mexico, which is two more years of sales. Came home. I grew up in Utah and, because of the Mormon culture here and so many missionaries, you have all the largest door-to-door companies in the world in Provo, Utah, right next to Brigham Young University. So you get home from your mission and you have like 10 people trying to recruit you. So you're not applying anywhere. You're like trying to negotiate a better pay. You feel like a hotshot.

Bennett Maxwell: 1:42

Anyway, I got into that, did that for five years. Every year I transitioned industries. I did pest control, then I changed to satellite direct TV, smart home systems, solar, and then solar was the best out of all of them. I loved them all and then I started a solar company with my brother. This was just in 2020. We ran it only for 18 months, sold it.

Bennett Maxwell: 2:04

I purchased Dirty Dough when it was one store at the beginning of 2021 with the intent to franchise it. So a lot of sales. I think that's the most valuable skill that you need in business. Maybe not sales, but persuasion, communication, however you want to call it. So yeah, that kind of led me up into Dirty Dough. I've been running that for the last three

years. Just until last month I sold out to Craveworthy Brands out of Chicago. It's a restaurant portfolio company. We partnered with them at the beginning of the year and they fixed all my many mistakes. I mean not all of them, they haven't fixed them all. They fixed most of my many mistakes that I've done. So I got the company up. We've opened up 80 stores in the last two years We've sold 450 franchises. But I'm not the guy to fulfill on that. I know my limits. And working in a restaurant and managing and hiring I mean I suck at hiring people. So that kind of fast forwards me to where I'm at today.

Brian Sheehan: 2:56

Well, that's such an incredible background One. I didn't realize that we have a shared background in solar. I didn't know. You did solar Sweet, and I kind of want to come back to that in a second. So, thinking back to when you were looking at different types of businesses to acquire, to grow, what was it that attracted you to Dirty Dill? How'd you know about them? What made you think you know you could turn that into 450 units?

Bennett Maxwell: 3:22

Yeah, I mean, I didn't ever think I could. My goal was to open up 30 stores in five years. That was the goal and I would have been happy with that goal. I'm sure I wasn't looking for a business to buy. I'm always interested in, you know, investing whatever. I've invested in some cryptos and a handful of real estate properties, and I just listened to a podcast that said true wealth is built by investing into real estate, and I'm kind of like check, at least you know some real estate and buying businesses. Well, I'd never considered buying a business.

Bennett Maxwell: 3:49

Within a few weeks of that happening, I found out that Dirty Dough was wanting to sell. How I got involved with Dirty Dough before it was a guy that I went to high school with moved to Arizona. He wanted to be the first gourmet cookie company in Arizona. So what do you do? You start selling them out of your apartment because it doesn't cost any money to start up. And then he posts on Facebook saying, hey, I want an investor to open up the first storefront. So I actually invested with him in 2019. And then, at the end of 2020, I'm like, dude, let's franchise this, I'll be your first franchisee in San Diego. And he said no, I'm actually thinking about selling.

Bennett Maxwell: 4:27

And that scared me because I'm like well, who are you going to sell it to? Am I going to lose all of my money? Am I going to lose my investment? I have no background in food or franchising restaurants, whatever, but I did figure that the same principles would apply and I kind of already not kind of. I definitely had that mindset from door to door

sales, because you have people knocking doors that make a million dollars a year and it's like, well, what are they doing that I can't learn? You know that that mentality really helped me with sales and I believe the answer is pretty much nothing. It's just an acquired skill. So I applied that to business. What is it what? What is crumble doing? What is Mrs Fields doing that I can't learn or hire somebody to know? So I kind of just rolled the dice. That's, that's my personality. Jump in and then figure it out.

Brian Sheehan: 5:03

Hold the dice, that's that's my personality Jump in and then figure it out. That's incredible.

Bennett Maxwell: 5:11

So didn't know anything about cookies, other than maybe some experience with like a Mrs Fields and a shopping mall somewhere or crumble or yeah, I mean just buying cookies never, never making them, never on the on the restaurant side, just eating them, just on the eating side.

Brian Sheehan: 5:23

Well, so what is it that you love now that you've been doing this since what? 2019, what? What have you found that you love most about this category generally and, like that, operating environment?

Bennett Maxwell: 5:37

Maybe a little bit more broad, if that's okay. I mean, just talk about franchising, because I had a solar company. It was doing well. I mean, first year we did a few million dollars, but I could never see it becoming like a national brand where franchising. So I had a solar company. It was doing well. I mean, first year we did a few million dollars, but I could never see it becoming like a national brand when franchising. I was watching Crumble do it. I'm like man, they're a national brand in one year. How Well?

Bennett Maxwell: 5:54

There's all these people that want to own businesses but they don't want to come up with a product. They're like me, right, they're not a baker, but they know how to maybe run a business. So they want a game plan and a brand and a product that already works so they could go to McDonald's or dirty dough or crumble whatever. And it's like, hey, I have the money and I'm willing to work. Can you help me out on the business model? And they say yes, so it's a great way to go. You go find a hundred franchise partners and then you go open up a hundred stores, rather than going and raising \$30 million and doing it yourself. So by having all of these partners on the franchising side. It's such a

win-win that they are expanding. Every franchise that opens it helps the entire system with brand awareness, you know, economies of scale and all of our purchasing. So I've really liked that.

Bennett Maxwell: 6:41

Food and cookies the best part absolutely is that I could show up anywhere at any time with a box of cookies and everybody will receive me. I'm not even joking, I could. I could go to the governor's office today with some cookies and talk with who I need to talk to, cause if you show up with warm cookies to a secretary and just you know, shoot the shit with her for a little bit. It's like everybody's so welcoming to you. So I really, really enjoyed that being the cookie guy.

Brian Sheehan: 7:07

That makes perfect sense. You know, when I got started in commercial real estate, that was your way to open doors in this world was to bring some cookies or donuts and some donuts and cookies.

Bennett Maxwell: 7:20

Yep.

Brian Sheehan: 7:20

Cookies opens doors. I mean, there you go. Well, you mentioned about the business model and let's dive in there a little bit. And there are some competitors in the space, but you guys seem to have a kind of a unique niche in it. But for anybody that's not familiar with Dirty Dough, how do you explain it to them?

Bennett Maxwell: 7:38

Yeah. So there's two cookie models that have been around. One that's been around since 1977, both Mrs Fields and Great American Cookie Company started in the same year and they make all of their cookies in a centralized production facility and ship them out to be baked fresh on site. Now they're plain, you know small cookies, they don't have anything on top, but you know just a plain regular cookie. But that's the model that's lasted almost 50 years.

Bennett Maxwell: 8:06

So centralized production that's what I need to do if I want to withstand the 2008 recession and the dot-com. So I knew I wanted to do the centralized production. But what Crumble was doing was they were opening up a brand new market of these large gourmet cookies that you could sell them for \$4.50, right. But what they were doing is

everything is done by hand. Every franchisee has to order their own flour, sugar, butter, hire, teenagers and college kids that always mess up on your batches. There's tons of waste. And then, after you mix everything and hopefully it was done correctly then you have to weigh it by hand and portion it by hand. It just takes so long and with labor these days especially, like in California, they just passed that law \$20 an hour minimum. If you have over 50 units, which we do like, how are you going to survive?

Bennett Maxwell: 8:53

But I knew I wanted to compete with crumble in the gourmet cookie category. So dirty dough is a marriage of the two models. We found machinery that could mass produce a third of a pound cookies with that that are stuffed, or three layer cookies, so it's like a fudge dough on the outside with a chocolate chip dough in the middle with a caramel injection. That's our Brookie cookie. So it gives us the a very unique product for us and our franchisees, while giving us the economies of scale and the quality control of these robust models that have been around for several decades. So, consumer-facing, we're competing with Crumble, but back-end, we're competing with those other guys and it seems to really have come together and attract a lot of franchisees to that.

Brian Sheehan: 9:37

What a great innovation, right, this business model that had been proven over many number of years. That had been proven over many number of years. And then recognizing the inefficiency of a startup in the space and how you could create a strategic advantage roughly Right.

Bennett Maxwell: 9:53

Exactly. And again, sales background. Before I franchised it, I asked a hundred people hey, this is what I'm doing, what do you think, you know? So I'm kind of pre-selling and it's like, and the business model changed a hundred times during that. You know, market research, let's call it. But by the time I was ready to franchise it, I had the feedback from the market and the feedback was I want it as low risk as possible, right, Obviously.

Bennett Maxwell: 10:16

So what's more risky? Signing a 10 year lease on a 2000 square foot spot or 500 square foot spot, right? So how do you get the square footage down? We'll take out a lot of the equipment. How do you take out the equipment? Well, you have to centralize it. So in order for us to do all of that, now it's allowed franchisees. You can operate at a 500 square feet, one oven, one employee. So, as the economy goes up and down and food is

always cyclical, as we hit those downturns, can we keep our lights on? Do we have the lowest break, even in the gourmet cookie category, which I think we do?

Brian Sheehan: 10:48

That's awesome and I want to talk more about some of those specifics, but I guess I want to go back to just the concept generally. How do you decide on flavors and you know different options at Dirty?

Bennett Maxwell: 11:02

Dough yeah, that's, that's been fun. I mean, sometimes we get social media involved. You know different options at Dirty Dough yeah, that's, that's been fun. I mean, sometimes we get social media involved. You know having people vote on flavors. We've had people create their own flavors and we've named it after them, which is fun.

Bennett Maxwell: 11:14

There's so many different things you can do with cookies, and then you're also always looking at the competitors in the space or donuts Like what do you put on a donut? Can we do the same things on a cookie? And then you taste test it. I think a big advantage for any business owner is especially if it's in the food space or in any space don't be emotionally attached to your product. If your grandma's recipe isn't as good as the baker's recipe that you hired according to your target demographic, then get rid of granny's recipe. Luckily, I didn't have any of that emotional attachment because it was just a company I bought, so we redid everything since I bought it, other than the name Dirty Dough. Logos, color branding, messaging, mission statement, taglines, layout, every recipe it's all been redone.

Brian Sheehan: 11:59

Well, that was going to be my next question is how do you ensure the experience remains fresh and engaging for repeat customers? You know, understanding that maybe there's seasonal flavors or there's certain things that you can do with the menu, but it sounds like you've really been innovative about kind of the entire footprint.

Bennett Maxwell: 12:16

Speaking on the menu. I think that is a big thing. Every week we have four new cookies and then, aside from that, we're transitioning away from a cookie store into a cookie-inspired dessert store. So we're adding edible cookie dough. I think we just added dirty sodas to 20-something stores last week, which is like Dr Pepper, you could put coconut cream in a raspberry puree or something like that. So we're looking at a

handful of these, these other products. So when a customer comes in, it's not just a cookie, it's something that maybe pairs better.

Bennett Maxwell: 12:47

And the overall arching, I guess, goal of adding different types of products is how often, brian, do you want to eat a 600 calorie cookie? Right, not that often. You're not going to come in every day, you're not going to come in every week. So, but do you drink coffee, soda, maybe cookie dough, ice cream, sandwich, a shake? Right, then it's. Let's keep everything as simple as possible, but expand the product line. So if I first thing, I did, we added chocolate and vanilla ice cream and then we have our cookies. Rather than throwing away our day old cookies, we keep them, reheat them, put it in a bowl, put two scoops of ice cream. If I'm offering eight cookie flavors and I have two flavors of ice cream. All of a sudden, I have 16 flavors of what we call the dirty scoop. And then we introduce shakes. Same thing I didn't need to introduce anything other than a blender and now I have 16 shake flavors, and I'm using day-old cookies in order to do that. So, as I'm talking about, like product expansion, we're expanding while keeping the simplicity that we've been pitching ourselves to the franchisees Like this is one of the most simplistic food franchises to operate.

Bennett Maxwell: 13:56

I send you a cookie dough puck, you put it in the oven and press start. Ovens are programmed. Every cookie is the same. You put it in the oven and press start. Ovens are programmed. Every cookie is the same. You could walk into any Dirty Dough today across 25 states and do what I just told you Grab some cookies, put it on a cookie sheet, press start. So that's really what we continue to try to advertise ourselves as, because that's what people want, right? People want simplicity, easy to follow. At least I do.

Brian Sheehan: 14:20

It's incredible. I want to ask you about some of your challenges. But it sounds like and I still do but it sounds like it's a really sustainable business model in terms of you've got this dead stock inventory call it or product that went unused, and so you're finding creative ways to build that into another product offering that you know eliminates waste stream. I mean, that's amazing.

Bennett Maxwell: 14:46

Yeah, again, this, that was probably I don't even remember who, but that was probably somebody else's idea when I'm like, oh yeah, but what about waste? So I'm like, wait, what about waste? And then I had to identify. I'm like, okay, where's the waste

happening? Well, there's like your raw ingredient waste. Well, we've eliminated that because there's not raw ingredients anymore, right, we're bulk. And then there's the oh shit, I messed up a batch waste, which we've eliminated that. And then there's the what do I do with my leftover cookies? So we just had to eliminate that last piece of waste. And I'm sure that was an idea from who knows somebody else, right? I don't want to say I'm coming up with all these ideas because I'm smart or anything. I just ask a lot of people and I take their advice.

Brian Sheehan: 15:23

Yeah, smart enough to listen to them. What are some of the other big challenges that you face when running Dirty Dough, building it and operating?

Bennett Maxwell: 15:33

it Not being able to sleep, being killed with stress lawsuits. Okay, so, before we got acquired, up until about July, and we had a few million dollar investment come in in preparation for the acquisition June of 2022, till let's call it June of 2024, we were spending \$200,000 more than we were making every single month. That is stressful because you're always raising money and you're always a month or six. Well, you know, I'm always within six months of cashflow and it's like, okay, well, what if we run out? Well, you have to go raise money again. Well, what if you can't raise money? Well then then that's it, you go bankrupt. And what if the company goes bankrupt? Then I go bankrupt because I have so many personal guarantees.

Bennett Maxwell: 16:15

So that was probably the biggest is is just the finance side. I just explained the whole franchise model, which is great for the franchisee, and the reason why crumble or these other cookie companies. I don't think do it because isn't it way easier just to say Brian, here's my recipe go buy everything, go make every, hire everything, do it all yourself, right? That's way easier. I had to invest a few million into this before we even had a freaking store open. I'm trying to get the infrastructure and everything in place.

Brian Sheehan: 16:40

That's really why you were in this mode of constantly needing to raise capital, because you had such a major investment at the outset to centralize production and be able to support the growth of your franchisees around it, right?

Bennett Maxwell: 16:55

Yeah, and I'm glad we did it because it keeps out competition, right? Who else is stupid enough to go spend \$2 million before you open up a freaking store, right? Only me. So

with doing that, it's like okay, I took a big risk, but then luckily it did end up paying off because we have the infrastructure there and it was all about let's serve the franchisees. And I hear that like, oh, that's so cool that you're focusing on franchisees and you're not selfish or whatever. And I'm like sure, or I'm just long term selfish and I know that if I take care of my franchisees short term, then long term it's going to be most beneficial. But the advice that I've always received is your franchisees will make or break your business, so take care of them first. If you have to give up equity by raising capital, do it. If you have to do whatever you have to do to provide them more support, do it. And by no means we've been perfect in doing that, but I think we've done a mighty good job for the rate at which we've grown.

Brian Sheehan: 17:47

Curious. So from the outset you're a step back. You've got one location, you're coming up with the vision for how you're going to expand this concept and this brand and early on you realized if I make that investment in centralized production, if we really focus on eliminating waste in every store, every unit, that's going to give us a strategic advantage in the long run. You had a long-term vision for this business, exactly.

Bennett Maxwell: 18:15

And my goal wasn't to centralize the production per se. My goal was to streamline portioning of the cookies, because that's the highest turnover in the cookie industry, I think, is. We call the position the baller. You come in and you ball dough for five hours and your back is just slightly bent over, just enough to make you quit after two weeks. Yeah, so my goal is how to get rid of that. So we paid somebody to like custom make. It was like a big clamp, metal clamp that you had clamped, put all the dough and anyways didn't work, made another version, didn't work. Then I went okay, now we need an actual machine. And then we found the machine. And then the thing was I'm going to sell franchises in groups of five. You buy the first one and it's a bigger facility and you buy your own machine. And then you buy a truck and then you open up the other five and you're making all the cookies and then you're distributing it to yourself. Right, as a franchisee, you have to buy five, and that's how it's going to work.

Bennett Maxwell: 19:13

And then I spoke with Jeff Fenster, the owner of Everbull. I just hit him up on Instagram. He owns Everbulls. It's another snack dessert space, 100 locations. He met up with me and I said hey, dude, I'm so excited this is what I'm doing. And he said you're an idiot that's going to fail. He said you can't expect these guys to buy a \$200,000 machine, know how to run it, maintain it and then forget about having them do their own deliveries with a freezer truck. Are you kidding me on the liabilities? So instantly I had to

change my whole business model again. So there was a lot of different iterations and it was just pivot pivot, pivot pivot, which I think comes back to. They don't become emotionally attached to any one thing, right? I don't care what works, as long as it works, let's just go test.

Brian Sheehan: 19:57

That's incredible and kudos to you for being nimble enough to say hey, you know, like you said, I'm not so wedded to this model that I'm going to force everybody to go that route.

Bennett Maxwell: 20:10

Understanding, you know, based on the experience that you heard from with Everbull, yeah, and I think it's a little bit more inherent if you don't have a background, right, Because I'm coming in here and I'm like this is my plan and he's like that's a terrible plan. I have a hundred locations. I'm not going to be like, well, no, I used to work for Buffalo Wild Wings and we did it this way. You know, it's just like okay, okay, I'm not valuing my opinion that much because I know it doesn't hold any weight, because I have no experience.

Brian Sheehan: 20:34

Well, let's talk a little bit about the locations. So, from a store design kind of point of view, when you start planning, or the franchisees are planning locations I'm not sure how you guys, how much involvement you have with them in that but what are some of the key elements you focus on to ensure that you know it aligns with the brand's vision?

Bennett Maxwell: 20:52

Yeah, we have all of the metrics of. You know we want middle to middle upper class. Even though everybody loves the product, you know you need a community that is willing to pay for it. You need to have enough population around it. We're looking at foot traffic. If we can anchor ourselves next to a Target or a Costco amazing, that's our Target demographic right there. So we're typically in a strip mall.

Bennett Maxwell: 21:16

End units are amazing but we really never get them because what I'm after is trying to operate out of 500, 800, 1,000 square feet and anybody on an end cap wants you to take 2,000 square feet, 4,000 square feet. So it's really trying to get that lease as low as possible by focusing on a small square foot space but getting prime real estate. We're looking for B plus A minus A locations on the real estate side and we don't want to get too involved with the franchisee because of legality of if a store doesn't perform as

expected franchisees. I guess you know they'll come out to corporate and say, hey, corporate, you approve this. So, like the language, you don't ever approve locations. You respond to them and say we have no objection, like all these little things, because I guess it's just there's lawsuits in every franchisor community. So it's a lot of it is lawsuit mitigation and some of that stems from the, the selecting territories.

Brian Sheehan: 22:10

What are some of the metrics that you find are most important in measuring the success of those individual dirty design locations?

Bennett Maxwell: 22:19

Foot traffic or street visibility would probably be the number one thing that I would look for. I mean, obviously you know how. I forgot what our metric is on household income 80,000 or more, something like that. If people try the product, they'll like it. So if I can step outside of my dirty dough and there's a 200 cars parked in the target parking lot and I can give out free samples, what better advertising is that?

Bennett Maxwell: 22:41

You know here's a 200 cars parked in the target parking lot and I can give out free samples, what better advertising is that? You know here's a little tiny cookie. If you want more, walk over to the store. I'll wait, I'll give you a full cookie. If you just download our app and plug in your information, go get a full cookie over there. And now you get somebody in your store and you're paying, you know, a \$12 an hour employee to go hand out samples. Or you go flyer the parking lot Free cookie with app download, right, it's just how do we get people in the door? So having busy parking lots and foot traffic with a product that's so easy and relatively cheap to give out as samples has proven to be the most successful.

Brian Sheehan: 23:12

How important is the app in the global sales? View of Dirty Dough.

Bennett Maxwell: 23:18

It's important we're not pushing it as much as. So. There's the, the app, and then with the app, is the loyalty point. So one of the metrics that we're monitoring obviously is app downloads per week. And then the other thing is loyalty percentage points applied, or percentage of people that use loyalty points. So that way I can then measure if my employees, when I'm not in the store, I know if they're saying hey, are you a loyalty member? And if they say no, oh, let me sign you up. All I need is your phone number, I'll

give you a free cookie. Or they say, yes, I am, and they say cool, what's your phone number? Let me make sure you get points.

Bennett Maxwell: 23:53

So if I know one employee is at a 30% attachment rate and another employee is at a 10% attachment rate, then I can make the decision do I need to retrain that employee or do I need to find somebody else? Right? But I think loyalty percentage points is huge because those are your loyal customers and you're monitoring them. How many times are you a member of Chick-fil-A? You go to Chick-fil-A. They don't ask. You don't use your loyalty points. So the other thing is like a lot of people are loyalty members but they're just not using them and anytime that you use them, and then you get that free cookie with every 10th purchase.

Brian Sheehan: 24:24

You know it builds that, I guess, greater fan following the incentive's critical, and it's really as simple as just asking the question, yep.

Bennett Maxwell: 24:34

Asking the question and then setting up the monitoring so I know which employees and which stores are actually asking it or not.

Brian Sheehan: 24:40

That's amazing. If there's one thing that you could snap your fingers and change about your stores, what would it be?

Bennett Maxwell: 24:49

We're adding quite a few products and I wish we would have added those from the beginning. How often does somebody want to come and buy a 500 calorie cookie? It's not every day, so how do you get them in with other products? Right now we're adding dirty sodas, which is like a Dr Pepper with a coconut cream and a raspberry puree. I think 20 stores just went live with that, but we had to retrofit them. And now we're doing edible cookie dough and ice cream sandwiches. So I would snap my fingers and have all of the stores up with the new products that we're really excited about.

Brian Sheehan: 25:21

You talk about how often somebody is buying and consuming that big calorie cookie, and I think about my experience as a kid the only time you had a giant cookie was when you had one for your birthday that you were going to share with your friends and I think about how far we've come since then, because every time I go buy a Dirty Dough there's

a number of customers in the store. I've never been in one when it's completely empty, and it makes me think people are buying these cookies a lot more often than I would have guessed.

Bennett Maxwell: 25:50

Yeah, but there's also the. I don't know where are you based? Out of which store have you seen?

Brian Sheehan: 25:55

Cincinnati, Ohio, but I mean I travel all over the country and you guys are popping up everywhere, so I think the last one I was in was in.

Bennett Maxwell: 26:03

Dallas. Okay, yeah, we have a handful in Dallas, but, like Cincinnati, several million population, you know, and within a door, dash, delivery radius, we, you know, you have several hundred thousand people. So I still think that and you go into a store and it's busy, but I don't think we have a ton of repeat. I mean, I know our repeat numbers and it's not crazy high because of it's just a, you know, it's more of a novelty item. So we're moving more towards everyday items on the dessert side, but while keeping it cookie inspired.

Brian Sheehan: 26:34

I guess talk about your growth goals now that you're transitioning into this new role. Where do you want to see Dirty Dough be over the next five years.

Bennett Maxwell: 26:44

So we need to open up another 350 that we've already sold and haven't opened yet. And there's a lot because we're pivoting to a little bit more of the dessert concepts. We're talking with a lot of other brands to bring in different types of dessert products, which is super fun. My goals, more on the personal side, is Craveworthy's other brands. Nobody's really pushed them to sell franchises, so I would love to get all of those other brands going. It works really well because it's a whole platform. So the Dirty Dough owners in Dallas maybe want to expand, but there's no more room for the dirty does, right, so now you could put a Genghis grill in there or a wing it on or a bud long. I would love to get successful franchisees to own multiple franchises in their same territory because typically, again, if it's only one brand, you fill up your territory. Then you're like now what do I do? Do I move? Do I hire somebody? But this way it allows you to stay local and continue to expand through.

Brian Sheehan: 27:44

So because of the way the menu was built from the beginning and now it's transitioning, but you've got this relatively large radius around existing Dirty Dough's that five stores can service a large metropolitan area. Is that going to change over time as you massage and add more items on the menu?

Bennett Maxwell: 28:06

Maybe probably not. There's so much territory in the country that, like what I've heard several dozen times on complaints about our competitors crumble, is they oversold territories? And I think we did the same thing here in Utah, such a saturated market. We looked at the competition, saw how many stores they had opened, and opened a few less than them, but it was just still too much. So we want to be overly cautious on providing more area than less and then the strategy is okay. After a year or so goes by. If that store is crushing it and they want to open up a second territory in their market, go ahead. But what we don't want to do is throw somebody else two miles down the street and then have them compete.

Brian Sheehan: 28:51

That sounds like great advice. What's some other advice you would give to someone that wants to start a food business or jump into the retail industry?

Bennett Maxwell: 29:00

Yeah, I would get some good advisors and if I can give you the practical advice on that real quick, because I didn't even know what an advisor was a few years ago these are not a board of directors. They make no decisions in your company, they're just advisors. And the industry standard to get an advisor is you give them a half a percent to a percent and a half of equity. So when I did this, my company was worth nothing. I didn't even rent one store. We were losing money because I started hiring corporate employees and anyways, I got the first guy to be my senior advisor, gave him a percent and a half. His company IPO it was called Infospace for \$31 billion. So I'm like, how the hell would this guy help me for percent and a half of nothing? Well, why did he do it? Because I pitched him on my idea, right, and I sold him on that. And then he brought in the second advisor, Steve Hart, the owner of the largest property management franchise in the nation. So now I have a franchise expert, I have a business expert and I kind of started with that. I also hired an experienced CEO, which you can't always do right off the get-go, but you can with these advisors and the expectation is like an hour a week roughly. And the cool thing is you also set them up subject to vesting a two-year vesting schedule every six months, a quarter of their equity vests. And what that means is if I hire somebody as an advisor which I did and I gave him a percent equity and he was an

all-star for a month and a half and then he stopped responding to phone calls, I just sent him an email and said, hey, sorry, it's not working out. He doesn't get any of his equity because six months didn't go by. He doesn't get any of his equity because six months didn't go by, he didn't fulfill his agreement. So you can get these all-stars for very little percentage points of your company and still subject it to a time-based performance.

Bennett Maxwell: 30:36

I think that's the biggest thing because, aside from the advice you're going to get, if you're trying to expand and raise money, sell franchises whatever. Nobody wants to invest in Bennett Maxwell. Nobody wants to buy a franchise from Bennett Maxwell, but maybe they do from John Richards because he's done a \$30 billion company, or Steve Hart or a Jill Summer Hayes, who's the founder of Maui Wau. You know our current CEO has been the CEO of Jimmy John's during their rapid growth. Those are the types of people that build confidence in your prospects. So, aside from the advice, it's a very good leverage point from a sales perspective. It's a very good leverage point from a sales perspective.

Brian Sheehan: 31:08

That's incredible. What great advice. How many locations are there currently?

Bennett Maxwell: 31:14

Around 80. I think there's 70 brick and mortar stores and 18 food trailers.

Brian Sheehan: 31:23

And we have, I don't know, another 30 or so under construction right now. How many more will open in 2025? 75. And you talked about the size requirement. I just want to get through a couple of the nuts and bolts here so you can go as small as 500 square feet. 1200 square feet is kind of max.

Bennett Maxwell: 31:39

Yeah, I mean, but it's sometimes it's hard to find spots, even 1200 square feet, but yeah, I mean, I would say 800, if you found 800, perfect. However, it's just really hard. So, yeah, some some franchisees will sign leases 14, 1500 square feet and then throw like a little office space in the back or something like that. We try to get them to be able to double utilize it if they have another business or something like that.

Brian Sheehan: 32:01

Okay, and the plant? It's a hundred percent franchise or are you going to open some corporate locations going forward, Do you think? I think we have eight corporate locations.

Bennett Maxwell: 32:10

We're not going to open up a ton more. Eight is a good amount because we do have them spread across four different states. So now we could test, you know again we were adding dirty sodas. Well, we tested those first, you know, and cookie dough and coffee and all those things. So not a big expansion plan on the corporate side.

Brian Sheehan: 32:26

Okay, code-tenants, you talked about Target, costco, so grocery anchored centers sound like a good fit. Any other?

Bennett Maxwell: 32:33

25 to 55 year old females. Where do they go? So Starbucks up there, right, that's a great one to be next to as well.

Brian Sheehan: 32:41

I wonder if, oddly like, being next to fitness is somehow a good co-tenancy.

Bennett Maxwell: 32:48

I think. So we gained a big fitness following in Arizona. For whatever reason, bodybuilders after their shows, this is the cheat meal. They don't care, they want something huge and delicious and filled with calories, especially if they're bulking. So yeah, we've done CrossFit shows and they love that. So that's not something that we suggest the franchisees per se, but it is something that I have, I guess, seen anecdotally work.

Brian Sheehan: 33:15

And then are there any other location requirements that you haven't already talked about?

Bennett Maxwell: 33:21

Yeah, population as well. Like we need ideally 100,000 people. Now there's stores doing good in populations less than that thousand people. Now there's stores doing good in populations less than that. And I'm talking like if it's an isolated spot, right, and it's not Plano Texas, but that's part of the Dallas Metro. I'm talking Chickasha, Oklahoma, with

15,000 people, nothing within a 30 minute drive, cause we tried out that market and just you have to have 10% of the freaking population buy from you every month.

Brian Sheehan: 33:50

So population is a big one. So you really, you know, keep in mind a hundred thousand population.

Bennett Maxwell: 33:56

When we're going to metros, it's, it's. I shoot for 200,000. So if it's a million, you know we'll put four or five stores, but kind of the lowest we'll go on. The smaller ones is what we're. We're. We're typically right around a hundred thousand.

Brian Sheehan: 34:13

And Ben, what's the easiest way to submit a, you know, a shopping center, like if I've got a shopping center with a space available or there's a broker that's listening to the podcast that wants to submit a site. They think Dirty Dough would do well there.

Bennett Maxwell: 34:21

Who should?

Brian Sheehan: 34:21

they send it to.

Bennett Maxwell: 34:23

Our construction and site approval guy Seth Anderson, seth at DirtyDoughcom and site approval guy Seth Anderson, seth at dirtydoughcom. Send them to him and then kind of back to the. What he will do is he would forward those on to the franchisee Cause. Again, we try it. We're trying to keep an arm lengths distance from the real estate side, sure, and we are also very particular on the helping franchisees hire and guide on that because we don't want to be confused as a joint employer Anyways. But yeah, seth would pass that on to that local franchisee and just connect them that way and then the broker would be working with the franchisee directly.

Brian Sheehan: 34:58

Okay, and then maybe the last question is there. You talked a little bit about the build out, but is there anything unusual in terms of HVAC, electrical water? It's got one oven.

Bennett Maxwell: 35:09

No, and that oven doesn't require a hood. So it's pretty. Yeah, it's pretty basic. I forgot their electrical requirements. I don't know if we've ever ran into it, because it's one oven, I

mean, that's a what is it? 220 volt, and then we have a freezer that's, you know, pulls quite a bit of energy as well. So you have walk-in freezer, walk-in Yep, and that's kind of it. Yeah, it's. Our build-outs have been quick, they've been low cost, which is really nice, cause it's just kind of a counter you put in your plumbing and you put in your electrical and then a wall Throw in a bathroom, if it doesn't already have one, and call it good.

Brian Sheehan: 35:42

Low cost and fast. I mean that sounds like recipe for success right there. Yeah, I like the pun. Well, bennett, it was great speaking with you today. Thank you for joining me on Retail Intel. All right, be sure to check out Dirty Dough in person and on Instagram at Dirty Dough. Whether you're an aspiring real estate mogul, a seasoned pro or simply curious about the places where we shop, dine, play and work, this podcast is your all-access pass to the world of commercial real estate. Connect with me on LinkedIn and, if you're interested in being a part of the Retail Intel podcast, send a message to nationalaccounts at phillipsedisoncom. If you want to hear more about new and expanding brands like Dirty Dough, keep tuning in to Retail Intel and please subscribe, follow, like and repost. Talk to you next time.