



The front of house at Fuzzy's Taco Shop promotes a fun and comfortable atmosphere for customers throughout the day.

# FUZZY'S TACO SHOP Has a Clear Path to Growth

By Toby Weber, Contributing Editor





With a distinctive flavor profile, kick-your-shoes-off atmosphere and strong devotion to cold beer, this Fort Worth, Texas-based chain has grown from just 3 company-owned units in 2009 to 68 locations and counting today.

**E**veryone in the foodservice industry knows that a new restaurant faces an uphill climb to survive — and a failing restaurant, an even steeper climb. So a pair of foodservice veterans, the father-and-son team of Alan and Chuck Bush, understood what they were getting into when they bought a struggling taco shop just off the campus of Texas Christian University in Fort Worth, Texas, in 2003.

The pair defied the odds. Within a year, they built a loyal customer base for Fuzzy's Taco Shop and reversed the restaurant's financial fortunes. Four years later, Alan and Chuck opened the second location in Fort Worth and then a third in Denton, Texas, just a few blocks away from another school, the University of North Texas.

At that point, says Paul Rickels, vice president of franchising for Fuzzy's, the restaurant was receiving regular inquiries about selling franchised units. In 2009, the chain took the plunge, opening its first franchised store. In the four years since, an additional 59 franchised units have opened their doors. Combined with the now 8 corporate-owned stores, Fuzzy's has grown to 68 locations today, and counting.

How does Fuzzy's explain the chain's growth during an economic downturn in the already crowded Mexican-inspired fast-casual niche? According to Rickels, the concept's rapid rise is tied to an approach he laughingly describes as the "reverse mullet." "We're a party in the front of the house and business in the back," he says. "We have systems in place to make sure the food is consistent and the quality is great. We don't give [franchisees] a lot of back-of-the-house flexibility, but in the front, we give them a lot of flexibility in how they fit out their stores and what they look like."



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**Top:** At Fuzzy's Tacos no ingredient goes on a tortilla before it is grilled. As a result, the focal point of the cookline is two flattop grills. Staff use one to cook proteins, as well as vegetables for salsa and sauces and the other griddle almost exclusively for grilling corn and flour tortillas.

**Bottom:** For cleaning and sanitizing items, Fuzzy's Tacos uses a three-compartment sink (seen here) and a single-rack warewasher.

### Party in the Front

While the look of Fuzzy's can change from one unit to the next, they all share some elements: benches, chairs and tables in primary colors; pictures and other decorations that reflect the local community and each franchisee's personality; galvanized metal along the queuing line walls, where local business can advertise for free; and wall-mounted televisions typically tuned to sports.

Each store also features more distinctive elements that give Fuzzy's a somewhat edgy feel, contributing to the "party in the front" atmosphere. The chain encourages employees to interact freely with customers and even engage in a playful back-and-forth. As a callout to the concept's signature fish tacos, a 10- to 15-foot shark-like sculpture painted with flames — think of a '57 Chevy — hangs from



either the wall or ceiling and serves as the centerpiece of all Fuzzy's stores. In the same vein, dining tables feature an image of a green fish commanding diners to "Eat me!"

These bits of irreverence keep with the chain's desire to create a fun, relaxed atmosphere. "We're not literally telling customers they can take their shoes off, but we want them to let their hair down and have a good time in our store. We provide them with an engaging group of team members that are there to help them have a good time and we provide them with great-tasting food and good portions at a very, very reasonable price. And we love to serve cold beer," Rickels says.

In addition to beer (and in some locations, liquor), Fuzzy's offers a menu that is distinctive both in how broad it is and in the flavors it features. While many concepts in the fast-casual Mexican niche focus on a single menu item, such as burritos, Fuzzy's has many more offerings, including tacos, grilled sandwiches, fajitas and enchiladas. According to James Davis, Fuzzy's vice president of operations, the chain prepares its dishes Baja style. Fuzzy's seasons nearly everything the chain serves with two proprietary mixes to give the menu a distinctive flavor. Other signature flavors are imparted by the feta cheese and cilantro that top every taco Fuzzy's serves.

Such a flexible menu, notes Davis, also enables Fuzzy's

to offer items at a wider range of price points than those found in a typical fast-casual operation. The target price for a Fuzzy's shredded beef taco is just \$1.99, while dinner platters, including sides, have a target price of up to \$7.99.

Another distinguishing characteristic of the chain's menu is that, while most fast-casual restaurants skip the morning, Fuzzy's serves breakfast. As expansive as the dinner offerings, the breakfast menu includes tacos and burritos filled with eggs, chorizo, shrimp and bacon, as well as entrées like migas (a scrambled egg and tortilla dish seasoned with pico de gallo) and chilaquiles (scrambled eggs and shredded chicken or beef on a bed of tortilla strips).

With breakfast on the menu, most Fuzzy's locations open their doors at 7 a.m., although the chain serves these dishes beyond the morning daypart. Originally, Fuzzy's took the standard approach of stopping breakfast service as lunchtime neared, but the chain found demand so high that it now offers these items all day, every day. "Somebody can come into one of our stores and order a breakfast plate, a shrimp taco and two sides. Nobody in the industry offers that," says Rickels.

And breakfast isn't the only thing Fuzzy's serves all day. Depending on local regulations, the chain will pop open a bottle of beer for its customers at any time, from opening at

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## FACTS OF NOTE

- **Company Headquarters:** Fort Worth, Texas
- **Kitchen design and interior design:** Internal staff
- **Equipment dealers:** Concept Services, Austin, Texas; Mobile Kitchens, Mobile, Ala.
- **Signature menu items:** Baja-style fish tacos and Monterey Jack queso
- **Number of units:** 68 units (60 franchised and 8 company-owned)
- **Hours of operation:** Varies by location, but typically 7 a.m. to 10 p.m. Sunday to Wednesday; 7 a.m. to midnight, Thursday, Friday and Saturday
- **Average unit size:** 3,500 sq. ft.
- **Average seats per unit:** 85 to 100 inside; additional outdoor seating in some locations
- **Average check:** \$9.50
- **Total equipment cost:** \$71,000 to \$100,000
- **Franchise fee:** \$35,000 for the first, \$30,000 for the second and \$25,000 for each additional
- **Key expansion markets:** Southeast, Central and Midwest United States
- **Number of staff per store:** 25 to 30 (some full-time, some part-time)

Working at two cold tables that sit beneath a pass-thru window, staff use cheese, lettuce, tomatoes, sauces and other ingredients to finish dishes. Undercounter refrigeration holds additional cold table items for easy access when needed.

7 a.m. to closing at midnight or later. This approach, explains Rickels, helps build a customer base among people with nonstandard work hours. "When stores are close to downtown areas, we get a large number of nurses and doctors coming in early in the morning. They're just coming off a 12- or 14-hour hospital shift, and they love the fact that they can come into Fuzzy's and get breakfast or dinner at 7:30 in the morning and even get a cold beer or margarita, depending on local rules. We don't make them feel strange about it. That creates another type of raving fan."

Another key customer base for Fuzzy's: college students. With its focus on fun and value, it is no accident that Fuzzy's first and third shops were located within easy walking distance of university campuses. In fact, the chain's preferred expansion method is to open stores near colleges and universities, areas that feature lots of people with high spirits but limited budgets.

Not so coincidentally, opening up stores near colleges also helps the chain plant small seeds of demand in markets it has not yet entered, notes Rickels. "We get calls all the time from people that started out at TCU and now live in Florida or Ohio and want to know when Fuzzy's is coming to their town. Strategically, it's developing that raving fan. As they



graduate and spread out through the United States, they create some desire for the brand."

## Business in the Back

Of course, dedicated customers don't mean much if the operations are a mess. Fuzzy's succeeds in large part by creating a kitchen operation that offers some key redundancies while minimizing labor costs.

Many concepts in the Mexican-influenced fast-casual space eschew a standard kitchen in the back of the house in favor of assembling orders in front of guests. Fuzzy's takes something of a hybrid approach, with a traditional back-of-the-house kitchen visible to much of the dining area through a large pass-through window. Just under this window sit two cold tables with ingredient wells that store cheese, lettuce, tomatoes and sauces. Staff use these ingredients to finish dishes. Undercounter refrigeration holds additional cold table items for easy access when needed. Next to the cold tables sits a chip warmer.

A kitchen staffer working at this table would turn around to see the main cookline. At the center of this line sit two flattop grills, each roughly four feet by two-and-a-half feet. Staff use one to cook proteins, as well as vegetables for salsa



## KEY PLAYERS

- **President:** Chuck Bush
- **Secretary Treasurer:** Alan Bush
- **Vice President:** Mel Knight
- **Vice President of Franchising:** Paul Rickels
- **Vice President of Operations:** James Davis



and sauces, which takes place during prep hours. Staff use the other griddle almost exclusively for grilling corn and flour tortillas. "Nothing ever goes on a tortilla before it's grilled. It changes the flavor just a little bit, and it's one of the things that distinguishes us," Davis says. Having two griddles also ensures the restaurant can keep operating even if one goes down, he adds.

On one side of the griddle — which side varies depending on the layout of the individual unit — sits a fryer for cooking tempura fish and shrimp, as well as tempura crawfish in some locations. A recent addition to the Fuzzy's prototype, according to Davis, is a second fryer for frying tortilla chips and taco shells in-house. While not all units have two fryers, it's a change Fuzzy's is slowly rolling out through the system, Davis explains.

On the other side of the griddle sits an oven/stovetop unit, where staff cook proteins like shredded beef, chicken and spicy pork. This unit, notes Davis, always sits at the end of the line

next to an exit. That slight bit of separation from other line operations helps reduce staff burn risks, he adds.

The entire cookline sits against a dividing wall. On the other side of that wall, Fuzzy's places its food-prep area. This section is key to Fuzzy's success, both as a restaurant out to please customers and as a business that sells franchised units, Davis says. Rickels agrees, "We are very prep-intensive. We pride ourselves on that. It's also one of the things that attract our franchisees. They really like the fact that we are sticking to our guns."

The prep area includes two worktables, above which sit cutting knives on magnetic holders. On one prep table sits a 1-gallon, 3.5-horsepower blender, which staff use to incorporate sauces and mix salsa and pico de gallo. On the other table sits a food processor, the specifications for which have changed dramatically in recent months. The chain dumped its standard food processor/grater and replaced it with a very high-end, high-powered, multifunctional food processing unit. Kitchen staffers use this piece of equipment to shred cheese, dice potatoes and cut and chop vegetables for salsa and pico de gallo.

The additional capabilities of this food processor, especially its speed, have made the investment a clear winner, says Davis. "It's certainly increased efficiencies across the board. In some cases it's saved hundreds of hours of labor per month per store."

To reduce kitchen traffic, the prep area includes a dish sink and a single-rack dishwasher that sit next to the door to the front of the house. The chain has experimented with bigger dishwashers in the past, Davis notes, but didn't see any additional operational efficiencies resulting from the larger investment.

The back of the house also includes two walk-in refrigerators, one for food storage and the other for beer. The chain uses a single distributor for all of its food, with most units taking delivery three times per week. Working with a lone food vendor, said Davis, not only simplifies operations but also ensures consistent quality across the entire operation.

So what's ahead for Fuzzy's? Continued expansion, but not at any cost, Rickels says. While continued expansion is certainly in the cards, the chain is determined to screen potential franchisees carefully, make sure they understand the challenges of the foodservice industry and form strong partnerships with those who offer the best fit. That approach, he said, is the best way to build a chain that thrives in the long term. For a chain that started with the buyout of a restaurant on the verge of closing its doors, it's natural that this approach seems to be part of Fuzzy's DNA.

"When I first was hired on, I used the word 'selling' and was told, 'We don't sell franchises.' At first I thought that was a really strange way to approach the market. But through networking we have built a great brand. People come to us . . . You may ask me how many stores do we want to have. We don't have a number of stores in mind; we just want to have great franchisees. That's the goal." **FE&S**