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HOW TO
45A

December 11-17, 2009

Page 43A

The daily grind

Entrepreneur's burger joint brings sizzle to Sweet Auburn revitalization

By Michael Hunter
STAFF WRITER

Something about the historic Sweet Auburn Curb Market sparked Alex Brounstein's imagination.

Fresh off a trip to California, the real estate professional saw similarities between the market and the famed Farmers Market in Los Angeles located at the corner of Third and Fairfax.

He pieced together a development plan, the ultimate result of which was Grindhouse Killer Burgers, which Brounstein opened Sept. 14 and is introducing a younger crowd to the 85-year-old curb market in downtown Atlanta.

Grindhouse is part of the hamburger renaissance taking place around Atlanta. In 2007, a Wall Street Journal article declared the Ghetto Burger at Ann's Snack Bar in Kirkwood the "Best Burger in America" and Atlanta a premier city for hamburgers. Brounstein, a former senior associate at real estate company **Robert Charles Lesser & Co.** (RCLCO), was driving around Atlanta on a Saturday scouting under-used properties when he drove by the curb market. He went in, looked around and saw potential.

"I had recently been on a trip to Los Angeles and had seen their Farmers Market in [the] Fairfax [district]," he said.

Interest piqued, he did some research and discovered a mutual friend was on the board of directors of the **Municipal Market Company**, which oversees the market for the city of Atlanta. He did some market analysis and developed a business plan wherein he would serve as the developer of the market, overseeing the revitalization and seeking out a large investor to fund the improvements. He crunched the numbers, put together a PowerPoint presentation and made a pitch to the board.

"He came to us at a time when we were working on concepts," said Cooper Holland, the president of the board and senior projects manager at **Central Atlanta Progress**. Among the concepts the board was pursuing was a Community Development Block Grant from the city, which had received funding from federal stimulus money.

Although the board determined Brounstein's plan wasn't the direction they intended to pursue, they were pleased when he decided to take a different approach and become a tenant of the market. Ultimately, the city awarded the market \$725,000, which will be spent on a much-needed new roof, improving energy efficiency and infrastructure repairs such as new restrooms.

Brounstein, having been laid off from RCLCO in December of 2008, decided to get involved in the Sweet Auburn Curb



Burger dreams: "I had always wanted my own little business, so this was a great opportunity to test an idea I had for this burger place," said Alex Brounstein.

Market on a much more personal level.

"I thought, 'The market's going to be improving, so why don't I get in on the ground floor,'" said Brounstein.

He negotiated a lease on a space that was already largely built-out, a former restaurant called Red's. While his background is in brand marketing and real estate law, Brounstein had always had a culinary bent, working as a short-order cook on Martha's Vineyard during his college years and also behind the stove at **Terra Grille** in Brookhaven. He had also served as

co-owner of a family bakery and gourmet grocery business in Boca Raton, Fla.

"I had always wanted my own little business, so this was a great opportunity to test an idea I had for this burger place," he said.

According to Brounstein, the secret of Grindhouse's success is in the meat itself. He originally planned on grinding the meat on the premises but was dissuaded.

"It's a headache to grind meat," he said. "It's better to leave that to the pros who do it."

He partnered with **Southern Foods**, a

Greensboro, N.C., food purveyor to provide a very specific, custom ground meat.

Brounstein also offers turkey burgers and a black bean and quinoa veggie burger. An award-winning chili recipe, good quality bacon and fresh ingredients for the side items round out the menu. Burgers can be ordered in five styles or customized according to a customer's taste.

Using his expertise in brand marketing, he designed a sleek, stripped-down look for the logo and menu graphics and outfitted the space in white subway tile with black and red accents. In homage to the style of cinema that shares its name, B-movie action flicks are projected on the tiles above the bar.

Marketing by way of the Internet and social media played a big role in the restaurant's early success. A chance conversation with a food blogger in a local restaurant led to mentions on several Atlanta food blogs, whetting the appetites of burger fans for Brounstein's opening day — the status of which was constantly updated on the restaurant's Facebook page. When that day arrived, there were long lines and favorable reviews from the city's food critics.

"It just snowballed," Brounstein said of the impact of social media on the restaurant's success. "I thought maybe we would get one review and then all these reviews came in. It's the story of the market that makes it interesting."

Brounstein's marketing effort's continue to have a do-it-yourself flavor. He and Maria Moore Riggs, the owner of a new coffee shop in the market, **Café Campesino**, recently took it upon themselves to paint the Sweet Auburn Curb Market name on the side of the building. New signage, to replace signs lost in the tornado of March 2008, is in the works but could be months off and Brounstein has customers to attract who don't know where the Curb Market is.

Riggs said she and

Brounstein would continue to partner on marketing, particularly to Georgia State University students.

"It's a natural; our customer base overlaps," she said. Although she was aware that Alex's burger restaurant was coming when she signed her lease, Riggs says the biggest selling point on the decision to locate in the curb market was Market Manager Pam Joiner.

"She has taken this on as a project to return it to its former glory," said Riggs. "She's got the vision to turn this place into a true public market."

Joiner, a New Orleans native, came to the market in 2005 to audit the Market's

► See **THE DAILY GRIND**, 46A

PHOTOS/BYRON E. SMALL

Homework crucial step when buying a business

By Julie Bird

AMERICAN CITY BUSINESS JOURNALS

Giovanni Coratolo has bought a lot of businesses over the years. Now, as executive director of small and midmarket business councils at the **U.S. Chamber of Commerce**, his advice is simple: Do your homework.

"Preparation, preparation, preparation" is the key to striking a good deal, he says. Enlist the help of trusted legal and financial advisers to carefully research the business, its health and its potential.

"You can't afford not to do due diligence," Coratolo says. "It doesn't have to be high-priced legal help. It all depends on the scale of the business."

Herb Engert, **Ernst and Young LLP's** strategic growth markets leader for the mid-Atlantic region, recommends using a cross-functional team well-versed in tax and human resources matters.

One key factor to look for is the quality of earnings. Are earnings and cash flow projections realistic, sustainable and based on a reasonable financial model? "It's a reality check on the forecast and the assumptions built into it," Engert says.

Businesses often look less profitable because of tax-minimizing accounting practices, says Scott Daugherty, executive director of the **Small Business and Technology Development Center** in Raleigh, N.C. Daugherty advises looking at several years of tax returns as well as financial reports. Even the smallest of businesses often use QuickBooks or other accounting software with detailed income and expense data.

If possible, spend several weeks or months with the current owner learning

the business, visiting customers and suppliers and going over the books, says Bo Fishback, vice president for entrepreneurship at the nonprofit **Kauffman Foundation** in Kansas City, Mo. "It's a little like dating someone before you marry them," he says.

Coratolo at the U.S. Chamber says a prospective buyer also needs to understand why the owner is selling the business.

"There are always two reasons — one he'll tell you and one he won't," he says.

That means it's important to check for any hidden liabilities. Is anything lurking that could taint the company's brand name, such as a problem with a product or fraud by a principal?

And, Coratolo says, make sure you know whether the fundamentals of the business are strong enough to support the investment.

"Are you entering into an industry that's in transition?" Coratolo asks. "How will technology eliminate your competitive edge? You don't want to buy into an old technology."

Such a "marketplace audit" is critical in determining the potential for growth, says Karen Kerrigan, president and CEO at the **Small Business and Entrepreneurship Council** in Oakton, Va.

"The owners may want to sell when the business has peaked," she says. "Look at the competitors. Are they a threat? How can you differentiate yourself in the global marketplace? Can you survive the market trends and any regulatory changes? What's the client customer base, and are they happy?"

Daugherty says trade associations often have detailed data that can help you measure a company's performance against

Keys to making an acquisition

- ▶ Don't fall in love with the idea of owning your own business and let that blind you to the challenges.
- ▶ Thoroughly research the company you want to buy to understand its financial position, earnings potential, and place in the market. Enlist the help of professionals for due diligence.
- ▶ Take advantage of business counseling and entrepreneurship resources such as the Association of Small Business Development Centers (www.asbdc-us.org) and SCORE, the Service Corps of Retired Executives (www.score.org).

industry standards. And software similar to what banks use can rate the strength of a company based on financial documents, he says.

A buyer also needs to determine if he will have enough cash to run the acquired business. "The biggest thing that sinks most people going into business is being undercapitalized," Coratolo says. "One little bump in the road and you're stuck."

It can be important to develop a close relationship with the seller. Fishback says some sellers will issue a note that defers some of the purchase payment over time.

The seller, if retained after the purchase, can also ease the transition and mitigate

some of the early risk. Revenue often drops under new ownership, especially if the previous owner was highly identifiable as the face of the business.

A 5 percent to 10 percent loss in the customer base is typical, Fishback says. That loss can be reduced if the original owner stays for a while.

Financing the purchase is especially challenging in the current economic environment, Daugherty says. Banks remain reluctant to extend credit. A lender also may discount the value of assets being used to collateralize the loan, he says, reducing the size of a loan.

It's also important to factor in how another year of a lagging economy could impact the buyer's ability to sustain the business, he adds.

That said, observers say buying a business may be less expensive and risky than starting one from scratch. The business has established a track record that a smart buyer can leverage.

CONTACT

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BYRON E. SMALL

The daily grind

Continued from 43A

finances and was asked by the board to stay on as day-to-day manager.

Of Brounstein, she says, "He's absolutely brilliant as a marketing person. Alex being here has started people talking about the market." The next challenge she said, is "how do we get Alex's customers to walk around the market and stop at the bakery?"

Joiner said the new roof should be on in the next 60 days and the renovations paid for by the grant money will be completed during the next year. "The revitalization of the market will be somewhat of an organic process," she said. "This is something that myself and a lot of people have been working on for a long time."

She pegs the beginning of the revitalization as the arrival of DiRienzo's Deli, an Italian deli that opened in 2005. In addition to the arrival of recent tenants like Grindhouse, Café Campesino and the Sweet Auburn Bakery, a Christmas tree vendor was added this year to an unused outdoor area of the market and an indoor

Sweet Auburn Curb Market

Founded: May 1924

Tenants: 26 active tenants, including fresh meat/seafood, produce, baked goods, coffee shop and 11 restaurants

Size: 50,000 square feet, with 24,000 square feet of rentable space

farmer's market featuring Georgia produce will make its debut at a special event on Saturday, Dec. 19. It's important for the market to support and maintain its current customer base, while reaching out to new customers, GSU students and tourists, she said.

Brounstein estimates the median income in the area surrounding the market has tripled in the last 10 years.

"It's the right time. I don't think the Curb Market could have been revitalized 10 years ago. The first step was just getting new people in here. The market is a fun place to come and explore."

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