From: inc5000
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To: Kate Harris
Subject: Inc. 500|5000 Newsletter

Inc.500|5000 Newsletter
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Volume 3

COMPANY SPOTLIGHT: **CRUMBS**

Cupcake Craze! Cupcakes, Crumbs, and Cash

When Jason Bauer and Mia Kozicharow opened the first Crumbs on Manhattan's Upper West Side in March 2003, they didn't know that Crumbs would soon be best known for its cupcakes.

"We just wanted to open up an old-school bakery," says Jason, CEO. They served cookies, scones, muffins, Danish, brownies, and all other manner of sweet baked goods (and they still do). But within a few days, it was obvious that it was the cupcakes that were catching on. They started with three varieties; by the end of the first week, Mia had expanded the line to half a dozen. And the lines were out the door.

The previous year, Jason and Mia were dating and both looking for something new. Mia was an attorney who had worked at City Hall in the Giuliani administration. Jason was an entrepreneur who had just sold a firm he had run for eight years that facilitated the launch of children's licensed products. After rejecting a few other ideas for a venture, including high-end nail salons and children's hair salons, the couple settled on a bakery.

"To this day, I can't put my finger on exactly what it is, but cupcakes make people happy," says Jason. "Give someone a cupcake, and you're going to put a smile on their face. I think people like the fact that they get to pick the one that they want, and it's theirs. They don't have to have a slice of cake that everybody else is having."

Jason and Mia got married three months after opening the first store. There are now 21 Crumbs stores, on the East and West coasts; a year ago, there were seven. By the end of this year, there will be 30, and the Bauers plan to open another 30 next year. They would like to have about 200 stores in five years, filling in the middle of the country. The Bauers like to locate in affluent, high-density areas. An added bonus of this strategy is a steady stream of mentions in the celebrity magazines when the likes of Katie Holmes or Scarlett Johansson picks up her favorite flavor.

It's a sugar high that seemingly not even the recession can bring down. Sales growth is still overwhelmingly positive, and the bake shop was even featured on an episode of Celebrity Apprentice - a feature that boosted sales and hits to the website on a massive scale. Crumbs made No. 1,553 on last year's Inc. 500|5000, having grown from sales of $1.5 million in 2004 to $5.2 million in 2007. It looks like it will place somewhat higher on this year's list. And if everything goes as planned,

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it should keep making the list for years to come. Ain't that sweet?

Growth, Guts, and Glory: Inc. 500|5000 Knowledge Series Comes to Chicago, Atlanta, Austin, and Philadelphia

Inc. is coming to town! We are bringing together CEOs from our Inc. 500|5000 community in four metro areas to be our guests at a CEO-only networking and panel event series:

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If you are an Inc. 500|5000 CEO and are interested in attending, click here or contact us at 800-535-9705 or meetup@inc.com.

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Top Blog: IncBizNet Blog Highlights

FedExOffice

DAN HOFFMAN | President and CEO | **M5 Networks**

"Almost every business owner I talk to lately shares my complaint: staff are broiling, whining, anxious, stressed. Cuts hurt trust. And trust is the foundation of effective teams, so that's not good."

READ MORE

RONALD J. FILIAN | President | **Chicago Business Consultants Group**

"Before you say that it could never happen to me, consider the hard facts. According to the Disability Management Source book, severe disabilities have increased 400% over the past 25 years between the ages of 17 and 44. Before age 65, one in seven people will become disabled for five years or more. What would happen to your business if you suffered a stroke or an accident and you were bed ridden for six months to a year?"

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Read more IncBizNet blogs on the IncBizNet home page.

Inc. would like to thank the following partners for their support of the Inc. 500|5000:

so by the end of the month. For complete instructions on providing backup, click here.

FAST ON THE DRAW

Congratulations to the Inc. 500|5000 applicants who won the April 13 and April 27 drawings!

Drawings made possible by Fidelity Ventures

Robin Coffey
Marketing director, Robert Rothschild Farm

Winner of the April 13 "Promote Your Company" package

Company snapshot:
Robert Rothschild Farm makes prepackaged gourmet foods and gift baskets and was honored on the Inc. 5000 in 2007 and 2008.

Scott Williams
CEO, Maga Design Group

Winner of our April 27 drawing to meet Inc. editors in our New York offices

Company snapshot:
Maga Design is a strategic communications company that helps clients tell their stories through "visual information maps." This is the first time the company has applied for the Inc. 500|5000.

UPCOMING EVENTS

Inc. Events:
Inc. 500|5000 Knowledge Series: Growth, Guts, and Glory
Is Capital a Good Strategy for Private-Company Growth?
Chicago, Atlanta, Austin, Philadelphia
June 4, 11, 16, and 23
A CEO-only event series
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Washington, D.C.
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