



## Fortunate 500 Giving healthy food taste and a price-point consumers crave

*Anthony Leone wasn't sitting at his counter in a sweater waiting to be discovered like starlet Lana Turner all those years ago, but being in the right business at the right time brought stars to his eyes — or at least into his line of vision.*

Leone started Energy Kitchen on a shoestring, so attracting the co-founder of vitaminwater, who was just coming off a \$4.1 billion-sale to Coca-Cola, was akin to hitching his wagon to a star. And low-calorie food attracts the Hollywood stars, as well. According to reports in the tabloids, Chace Crawford (“Gossip Girl”) dined there after breaking up with Carrie Underwood (“American Idol”), as did actors Uma Thurman, Jeff Goldblum and Nicole Kidman; rapper Q-tip; and former Yankee Jason Giambi, among others.

“I’m into sports and fitness ... and I always wanted to eat right,” Leone says. Eating out resulted in frustrating meals. “I’d order egg whites and watch them put oil on the grill,” he groused.

What excited Mike Repole, co-founder of Glaceau, maker of vitaminwater’s “healthy hydration,” about Energy Kitchen was a healthy concept that just needed some refining in order to take that health to the bottom line.

To that end, the menu was changed to capitalize on the fact that no meal exceeds 500 calories. Everything is baked, steamed or grilled — no fryers in sight. There’s no oil or butter, no full-calorie sodas, no hidden calories in

the salad dressing. Other concepts may offer healthy options, but they also have unhealthy options, Repole points out. “People walk into a fast-food restaurant with good intentions and walk out with a burger and fries,” he says. “You can’t make a mistake at Energy Kitchen.”

Repole was a customer before he became an investor: “I thought the concept was tremendous, but it didn’t have the right personality behind it. The message wasn’t being relayed correctly.”

Leone didn’t mind Repole’s take on his concept. “We hit the jackpot with Mike,” he says. “He’s made smartwater (and vitaminwater) into a cool brand.”

Some of that coolness is rubbing off on Energy Kitchen. “He brought personality with a purpose,” Leone says of Repole. “When you open a brand on a budget, an entrepreneur wears many different hats. Design wasn’t our forte,” Leone admits.

While a large percentage of customers are women, the original décor was the more masculine blue and orange. “The New York Knicks colors,” Leone says.

“We softened the look; changed the branding and the feel,” Repole says. Items that were more than 500 calories were taken off the menu.

Edginess was added. “Table tents have pithy sayings” such as “No bull, just bison.”

Another benefit with Repole onboard was the brand could now afford to do a “great amount of advertising,” including ads in Madison Square Garden on rolling boards. As a newly organized “cool” brand, they’re also taking advantage of social media, such as the Daily Candy blog and Groupon, a website which offers a new deal each day. In December, Energy Kitchen sold 4,700 gift cards through social media.

**Energy Kitchen’s sleek** layout echoes the chain’s focus on meals that are no more than 500 calories. That means no fryers, no butter or oil and no full-calorie sodas, according to Anthony Leone, pictured above.

Servers tend to be health-conscious as well. “We look for someone who lives the lifestyle,” Leone says. That applies to franchisees as well.

“Healthy eating is here to stay, whether it’s seven days a week or every other,” Repole says.

With one-third of adults in the U.S. considered obese, according to government reports, there are a lot of people who need to be convinced that healthy food doesn’t equate to tasteless food. Energy Kitchen’s first message is “healthy eating taste great,” and you can eat a lot. “It’s not two carrots and a celery stick,” Repole says. “The second message is ‘we make healthy affordable.’”

The third message is to not be reactive, and to stay out in front as the “innovator versus imitator.” Big companies, Repole says, can’t follow suit. “Too much of their bread-and-butter is based on 900-calorie burgers, 350 calories sodas and french fries,” he says. “I can’t see them going in the opposite direction. There’s too much temptation when you say ‘I want grilled chicken’ and then see the fries.”

The investment level is around \$350,000 per store, with a three-store minimum, Leone says. They currently have 10 locations open — nine in Manhattan and one in Hoboken, New Jersey. “I thought we could get it to 100, but he (Repole) thinks it can be 1,000.”

Repole sees it as the next billion-dollar franchise. **FT**

—Nancy Weingartner