

FIRST PERSON



A Sit Down with Starbucks Licensee John Betz

**Investing in the community gives this local
business owner unexpected rewards**

by Elaine Rose
Photography by Nick Valinote



Above, left, owners John Betz and Pierce Keating. Top right, Starbucks location in Ocean City, NJ. Bottom right photo, from left to right, Lucian Lupu, General Manager of Tropicana Marketplace; Madeline Rivera, General Manager of Tropicana at The Quarter; owner John Betz; Joan Martin, Regional Manager of South Jersey; Adrian Danciu, General Manager of Ocean City; Milagros Breckley, General Manager of Trump Plaza; not available at time of photo, Caroline Stork, General Manager of Margate.

The Starbucks at the corner of 11th Street

and Asbury Avenue in Ocean City is definitely not a carbon copy of the chain's other stores. The walls are paneled in cedar and covered with historic photos of the beach resort, including one of co-owner John Betz as a 14-month-old visitor. Sofas, ottomans, and a fireplace invite patrons to stay longer than it takes to consume their purchases.

When New Jersey Lifestyle arrived on a recent afternoon, Betz was behind the counter, greeting guests with a warm smile. The owner of three Starbucks coffee shops in Atlantic City and one in Margate, Betz, 53, lives in Phoenixville, PA with Anne, his

wife of twenty-two years. They have four children, JB (20), Sean (17), Ryan (15) & Ellie (12).

Lifestyle: Where did you grow up?

Betz: I grew up in Havertown, PA. I come from seven (children). I had five sisters, four of them are older & one younger brother & sister. We had one bathroom. To this day, I still take my showers at night, because if I wanted to take one in the morning, I'd have to get up at 4 AM in the morning to beat them to it. The toughest time for my family was watching our mom suffer for 9 years with ovarian cancer. My Mom passed away when I was a sophomore in high school. My

daughter Ellie is her name sake.

I was born and raised coming to Ocean City in the summer. My dad owned a gas station. He literally worked all the time, and for the summer, he would get us a shore house. He would come down late Saturday night and stay until Monday. When my dad learned I was going to the Ocean City Historical Society (to choose pictures for the store), he said, "You know, when you were fourteen months old, you were on the cover of The Weekly Guide to Ocean City. You should see if they have a copy of that." And sure enough, they did.

Lifestyle: How did you get started in

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business?

Betz: I went to Lycoming College in Williamsport, PA. I graduated and went right to work for MCI Telecommunications. I knew I wanted to be in business for myself. I had a dear friend that had a hot-dog cart at the West Chester court house in PA, and I would run it for him on occasion while in college. Part of the job was picking up pretzels down in South Philly in morning around 7 AM. That was when they were just coming out of the oven. I usually had two of them as my breakfast on my way out to set up the cart.

I heard about this place called Auntie Anne's in Newark, Delaware that was selling

up. Her knowledge and experience became a critical part of our success. Anne would work open to close Monday through Friday, and I worked Saturdays and Sundays. We didn't see much of each other.

Lifestyle: How did you get into Starbucks?

Betz: I sponsored a golf outing for the Make A Wish Foundation in 1997 in cooperation with Trump Marina & Tony Saragusa. Larry Mullen was president of Trump Marina at the time. Each foursome got to play with an NFL football player. The food was better than the golf, as there were oysters on the half shell, shrimp cocktail, and caviar on the golf course. As part of the sponsorship,

our food business, and asked if I'd look into becoming a licensee for Starbucks. We went through the lengthy process of securing the license and opened the first Starbucks on the Atlantic City boardwalk in 2002 at Trump Plaza. We have since sold all our (eleven) Auntie Anne's and other outlets and are fully focused on Starbucks.

About two years ago, Starbucks asked me to work with them on the healthcare industry. Because of the size of the opportunity, I decided to take on a partner. After an extensive search for the right person, one of my dear friends from high school Pierce Keating, proved to be the best choice.



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pretzels right out of the oven. I ended up bringing back a dozen to my office. After that, any time I left, my co-workers said, "Don't forget the pretzels." I struck up a relationship with Auntie Anne (Beiler) herself & her family. In 1990, my wife and I became one of their first franchisees and we opened up our first store in the Cherry Hill Mall in 1992.

When we started with Auntie Anne's, it was a new concept and it was very difficult to get a business loan. So I stayed in my corporate job until we opened our fourth store. My wife, Anne, really ran this business and learned it from the ground

I was allowed to have my pretzels served as well. The pretzels were the biggest hit. At dinner that night, Mullen, who I grew up with, said that Auntie Anne's would be awesome in a casino environment. So we worked on it, and found a location in the casino in 1998. Donald Trump stayed at the Marina on the weekends and would come down every Saturday night and get a cinnamon-sugar pretzel and a lemonade.

I ended up doing an Auntie Anne's at each of the Trump properties. Trump wanted to do a Starbucks, but because of Casino Control Commission regulations, he couldn't. They liked how we conducted

Lifestyle: How did you choose Ocean City for your newest Starbucks?

Betz: Well, I love everything about Ocean City and have since I was a kid. I knew there was demand for Starbucks and this was definitely an area underserved by the brand. If you looked at Ocean City, the nearest store was Somers Point or my store in Margate. Pierce and I bought this building and completely renovated it. There's a four-bedroom condominium upstairs, and then we have almost 3,000 feet of retail space downstairs. I love the design aspect of opening a store. I worked

with one of Starbucks' lead designers in New York, Jill Brunstad, who was born and raised in Cape Cod. Jill is brilliant and really had a flavor for shore resort towns. We have 19 pieces of art; 13 are historical photos obtained from the Ocean City Historical Society.

Lifestyle: What is your business philosophy?

Betz: I found out early in my career that, no matter what the brand, you can always add a degree of quality to it. We are totally passionate about the guest experience. We don't have customers, we have guests. I try to get my team to think about how you would conduct yourself with a guest in your home. It's how they're greeted, the product that we deliver and the cleanliness of the store. I call it the "wow factor." I can teach them to make a cappuccino, but if they don't have as a part of their foundation the desire to serve, they're not going to make it at Starbucks. We focus on promoting from within. Most of our managers started out as baristas, and got promoted to that supervisor's spot.

This is not an easy job. I created a bonus plan that ties our management team to

profitability. Baristas make tips, and anyone from shift supervisor to general manager gets a bonus based on sales and other factors. I've found you need to motivate your crew emotionally & financially. The leader within the store is our regional manager, Joan Martin. Here is a woman that is as passionate about the guest experience as she is about her team.

We are so blessed, because we have a phenomenal group of caring people who take their responsibilities of running this business very seriously. They take it to heart. My wife still runs the office along with my assistant of 20 years, Liz Robertson. Liz understands the critical aspects of the business & manages them to a tee.

Lifestyle: What are your future plans?

Betz: In partnership with Pierce, we landed an agreement with Atlantic Health Systems in North Jersey. Over the next eighteen months, we will open seven Starbucks-branded stores within their hospital facilities. Also as a part of our partnership, we will be opening a store at the State Museum of New Jersey in Trenton. This will

be only the second Starbucks location in a museum.

Lifestyle: How do you measure success?

Betz: My reward is that I have the opportunity to have an impact on people, whether they are from Russia or Bulgaria and are only here for the summer, or they're a local high school kid. My reward is that person will do something in the future, and either consciously or subconsciously, they will say; "I handled that situation with that guest or that co-worker because of what I learned at Betz & Associates."

And it's already happened. When we had an Auntie Anne's at the Philadelphia airport in the late nineties, I was out front sampling. This beautiful young lady came up to me, wearing a business suit and carrying a briefcase, and greeted me by name. I didn't recognize her. She said; "I used to work with you at the Cherry Hill Mall store when I was in high school. Now I'm in sales, and a lot of the stuff I do and how I conduct myself in business is what I learned working with you at Auntie Anne's." I was in tears by time she was done telling me. ■