

Punch Neapolitan Pizza takes a swing at steady expansion

By LAURA KALIEBE

MINNEAPOLIS (April 14, 2008)

Ninety seconds. That's the amount of time it takes for chefs at Punch Neapolitan Pizza to bake fresh ingredients into a pizza that prompted Meryl Streep to proclaim it is the best she has ever eaten. But even though speed is one of the concept's main attractions, the co-owners of the quick-service pizzeria chain are expanding it slowly.

John Puckett, right, who co-founded Caribou Coffee in 1992, discovered Punch Neapolitan Pizza as a customer before partnering with John Sorrano in the business in 2001.

Punch, co-owned by John Sorrano and John Puckett and based here, has been winning over the taste buds of celebrities, critics and civilians for more than a decade. Sorrano, who spent his childhood in Italy, opened the restaurant's first location in St. Paul in 1996.

"Nobody was doing Neapolitan pizza, especially not locally," Sorrano said of the traditional style of pizza, which has a thin crust, uses only fresh ingredients and is baked in a wood-burning oven.

Puckett, who co-founded the 484-unit Minneapolis-based Caribou Coffee chain in 1992, frequented the first Punch restaurant as a customer before joining the business as a partner in 2001. The chain has since grown to include five locations in the Twin Cities area, and two more units are slated to open during the next year.

Punch might expand regionally as well, the co-owners said. In mid-February, Sorrano and Puckett were scoping out potential locations in the Wisconsin cities of Madison and Milwaukee. But Puckett emphasizes that his team is not in a hurry to open new Punch units, preferring steady growth and more control.



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"With Caribou we were really in a huge hurry to get big quick," he said, "and this one we are growing more organically with cash flow and not taking equity investors. So we just wanted to try something different, where we could put all of our energy and focus on operations versus growth."

The pizza segment is a competitive one, with an estimated 74, 299 pizzerias in the United States posting about \$32.2 billion in sales annually, according to Pizza Marketing Quarterly, a publication of the Pizza Trade Association. Huge chains like Pizza Hut, Domino's, Papa John's and Little Caesar's account for nearly 35 percent of annual pizza sales, and independents account for more than 50 percent. The remaining 15 percent of sales are attributable to significant regional pizza players such as Donatos Pizza, Round Table Pizza, CiCi's Pizza and Papa Gino's.

The concept behind Punch is simple: to make authentic Neapolitan pizza in the unlikeliest of places—a state whose regional cuisine boasts the "hotdish on a stick" sold at the Minnesota State Fair.

"The fascinating thing about it is not only is the pizza better by doing it the authentic way," Puckett said, "but it's actually faster than the fast-food guys."

Each pizza takes only 90 seconds to bake in the ovens, which range in temperature from 800 to 1,000 degrees Fahrenheit.

Punch literally brings a taste of Naples to the Midwest. The restaurant is one of 20 U.S. members of the Associazione Verace Pizza Napoletana, an international trade association that seeks to "promote the culinary tradition of the Neapolitan pizza" by requiring its members to cook with authentic ingredients and wood-burning ovens.

In keeping with this tradition, each week Punch flies in fresh ingredients, such as cheese and tomatoes, from Italy. The restaurant's ovens, purchased in Naples, are fueled by Minnesota oak. When Sorrano and Puckett can't bring Naples to Minnesotans, they bring the Minnesotans to Naples. Each year, Punch's co-owners and general managers visit Naples to experience the culture and to see "how a whole city has embraced the product that we slave over," Sorrano said. Pizza is woven into the Italian city's "culture and social fabric," he said.

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CHAIN FACTS

NAME: Punch Neapolitan Pizza

HEADQUARTERS: Minneapolis

MARKET SEGMENT: quick service

MENU: Neapolitan pizzas and salads

TOTAL NO. OF UNITS: 5

ANNUAL SALES: Between \$1.5 million and \$2 million per unit

LEADERSHIP: co-owners John Sorrano and John Puckett

YEAR FOUNDED: 1996

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Food critics hail Punch as one of the best pizzerias in the country. The restaurant was ranked as the fifth best pizzeria in the United States by the authors of "Everybody Loves Pizza," who wrote, "Every element on the pies at this tiny pizzeria is perfect." *Mpls. St. Paul Magazine* listed Punch among the top 50 restaurants in the Twin Cities in its March 2008 issue. Also, *City Pages*, a local weekly publication, selected Punch as the best gourmet pizza in the area from 2000-2005.

The locals love it too: Punch topped *Minnesota Monthly's* readers' choice awards for the best gourmet pizza last year. And when Meryl Streep was in town promoting the film "A Prairie Home Companion," she raved about Punch.

Punch's signature item is the Margherita Extra, which is topped with basil, mozzarella di bufala and Mt. Vesuvio tomato, and is sold for \$10.70. The restaurant also offers 15 other "classic" pizzas, which range from the Quattro Formaggi for \$9.95 to the more exotic Borgata, which is topped with sun-dried tomato, goat cheese, eggplant, saracene olive and basil, and sold for \$11.20. Customers can also craft their own pizzas from an array of 27 toppings.

"We have always kind of had a maniacal focus on the quality," Sorrano said.

Each year, he said, Punch tries to get 10 percent better by breaking down the components of pizza and "really geeking out on something as simple as salt."

The restaurant also has a rigorous apprenticeship system for its staff; Puckett says it can take years to earn the privilege of holding the pizza peel.

"The difference between a great pizza and a burned pizza—or an undercooked pizza—is only a couple seconds," Puckett said. "You have to have real talent working these ovens."

While Punch's original location offers full table service, the owners found that they couldn't turn over tables fast enough. On busy nights, customers were queuing up for more than an hour. So they built their subsequent locations around a quick-service model that allows customers to eat in or takeout.

"With our sort of blazing speed of cooking, it really lends itself well," Puckett said. "It's kind of like the Chipotle of pizza."

Sorrano added, "Operating a full-service restaurant with a front-of-the-house and a back-of-the-house overcomplicates what I would call the delivery platform for what at the end of the day is our reason for existence: the pizza."

The average check for Punch customers typically ranges in the high teens, and the restaurant's quick turnover yields annual sales of \$1.5 million to \$2 million for each

location, Puckett said. He puts the start-up cost for a new unit at \$500,000 to \$750,000.

Targeted at an urban demographic, the Punch model is built around a location that averages 2,000 square feet and seats about 50 inside and 30 outside. The interior of the restaurant tries to achieve the feel of an old pizzeria. The furniture is constructed of reclaimed wood, and the walls are decorated with masks from the Italian theater. The restaurant takes its name from Pulcinella, the masked character who Puckett calls "the mascot" of authentic Neapolitan pizza.

The kitchens are exposed so customers can watch the chefs work at the restaurant's wood-burning oven, an experience Puckett equates with watching a Formula One pit crew. Each oven is decorated with nearly 70,000 tiles, which were hand-placed by the owners and the managerial team before each restaurant's opening.

When Sorrano first started Punch, he had difficulty even finding a landlord that would lease space to him.

"No one really wanted to take a chance on me for what I wanted to do," he said.

Even with the restaurant's initial success, the co-owners are cautious about future expansion.

"We purposely try to grow slow," Sorrano said. "It will only grow as long as we have good sites and really good talent on the manager front."