



“We knew this was a leap of faith, but it’s our best road to long-term success.”

A Fully Baked Idea

GETTING LAID OFF IN THE SAME YEAR GAVE JULIE GANONG AND ALAN MONS A CHANCE TO SEE IF THERE WAS A MARKET FOR THEIR WHOOPIE PIE BUSINESS. *by Josh Hyatt*

BOTH 54, NEWBURYPORT, MASS.

THEN

FINANCE
EXECUTIVES

NOW

BAKERY
OWNERS

HAD JULIE GANONG AND ALAN MONS not both been laid off in 2008, the couple might not be making whoopie right now. Whoopie pies, that is. Almost immediately after being let go from The Provident Bank, where she was a senior vice president, Ganong began searching for similar positions. But her husband, a business analyst at Sun Life Financial, wasn’t unhappy to get the axe. A restaurant manager and line cook in a former life, Mons had been wanting to shift back to a food-related career. And his wife had given him an idea: to perfect a mini-version of the

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WHY THEIR WHOOPIE TAKES THE CAKE “We wanted it to be extra-moist and chocolaty,” says Ganong; they also cut the size to cut calories.

whoopie pie, a Maine tradition she’d baked beside her mother that consists of two dense cookies sandwiching a fluffy filling. “Losing my job gave me the time to make this dream real,” he says.

Ganong started helping him out between job interviews. In May 2009, she assembled a focus group for a taste test. The feedback was positive. So, that same month,

when a friend informed them that a bakery in Newburyport, Mass., was up for lease, the couple sprang into action. They tapped a HELOC for \$15,000 for equipment and rent—and opened Chococoa Baking Co. within three weeks. Ganong soon stopped sending out her résumé. “It became clear this business needed both of us,” she says.

Their business launched just as whoopies began gaining traction across the U.S., elbowing in on the cupcake trend. Excitement surrounding the treat has helped Ganong and Mons establish sales of around 4,000 pies a week, at \$1.68 apiece. Chococoa should break even this year, assuming sales hit \$300,000.

The pair, who once earned \$160,000, took home just 10% of that in 2011. But a distribution deal in the works with a regional grocery could easily double their output—at which point “we’d be in a position to really pay ourselves,” says Ganong. Then they’ll really be rolling in dough. **M**

HOW THEY DID IT

\$125,000

SAVINGS THEY’VE USED FOR LIVING EXPENSES

Severance covered the couple’s \$4,000 monthly expenses for 20 months. When that ran out, they began drawing from their sizable \$250,000 cash cushion. As a result, they haven’t had to touch the \$400,000 they have set aside for retirement.

3%

RATE ON THEIR HELOC

They’ve paid off about a third of the \$15,000 they borrowed. Despite the low rate—and tax write-off—Ganong and Mons want to erase the whole thing within two years. “The quicker we do that, the quicker we can get serious about putting ourselves on the payroll,” says Ganong.

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PORTION OF REVENUE FROM SALES OF OTHER BAKERS’ GOODS

Unable to fill the display cases of their café with just whoopie pies, Ganong and Mons started buying scones, muffins, and gluten-free brownies from other local bakers. They pay wholesale prices, and then sell the products to their customers at a 60% markup.



STARTUP

HOW TO FIND THE BEST NAME FOR YOUR BIZ

The right brand can help make your business. Use these steps to come up with a moneymaking moniker.

1. START WITH STRATEGY Many entrepreneurs start by brainstorming names, but that’s the wrong tack, says Nina Beckhardt of the Naming Group: “People think the right one will jump off the page and hug them. It doesn’t happen.” First figure out what you want the name to do for you—to convey a certain emotion? to highlight your competitive advantage?—then go to the drawing board.

2. SEE WHAT’S OFF THE TABLE Some 177,700 trademarks were registered last year alone. Knowing which names have been picked off gives you parameters. Study competitors’ choices and use uspto.gov/ebc/tess/ to do trademark research.

3. BE CREATIVE WITH LANGUAGE With so many phrases taken, consider combining two words to create a new one. John Bradberry, author of *6 Secrets to Startup Success*, points to Zipcar as an example, noting that the title conveys what the firm does while leaving some mystery. Or try adding to the beginning or end of a word (as travel site Expedia or GPS system OnStar did), says Hampton Bridwell, CEO of Brandlogic. Keep in mind that words of three syllables or fewer are easiest on the ears—and easiest to plug into search engines. —DANIEL BORTZ