

# Case-Stacy's Pita Chips

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Distinguished Professor of Higher Education, Emerging Technologies, and Innovation



# Consider the case of Stacy's

- Education at UMass Amherst
- Founded by Stacy Madison in 1998 with then husband Mark Andrus
  - social worker and a psychologist
  - with a passion for good food and a commitment to healthy living.
    - Randolph, MA
- Started with food truck in 1996
- Financing
  - Credit card,
  - Friends, family (and other fools)
  - Then bank loans \$60,000 and then \$300,000
- 2006 selling nearly \$65 million in pita chips per year,
  - employing more than 300 people (including contractors)
  - <https://www.americanexpress.com/us/small-business/openforum/articles/the-story-behind-stacys-pita-chips/>
  - <http://www.foodprocessing.com/industrynews/2005/567/>



# The Pita Principle -Bootstrapping

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- <https://www.inc.com/magazine/20010801/23220.html>
- *“Waste not, want not” might well be the mission statement of Mark and Stacy Andrus as they build their snack-food company”  
The first clue to the bootstrapping mind-set at Stacy's Pita Chip Co. is the factory's exterior signage.  
There isn't any.”*
- *“Mark, 36, still owes more than \$100,000 in student loans for his advanced degrees in psychology. He and Stacy, who is also 36, owe about \$370,000 in bank and federal business loans. They drive old cars, wear sweatshirts and jeans to work, and pay themselves what they call scavenger-level salaries. ” Everything goes into the business,” says Stacy. While she considers herself a natural risk taker and adventurer -- outside work, she's training for a 350-mile bike ride to raise money for a charity -- neither she nor Mark wants to run up any more debt. So equipping, promoting, and growing their business on the cheap continues to take creative footwork.”*
- This is a superb story about bootstrapping a business.

- Sold to Pepsi in 2006
- Went to Fireman Capital Partners, the private equity firm run by former Reebok chief Paul Fireman and his son Dan.
  - helped orchestrate the firm's investment in the Evolution Fresh juice business and served on Evolution's board, until it was sold to Starbucks about a year-and-a-half later



# Daily Sense

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- <http://dailysense.com/2009/07/17/stacys-scrap/>
- *“We can all learn a lot from Stacy & Mark:*
  - 1.If there is a roadblock to your dreams, you can either jump over it, plow through it or change course.*
  - 2.Keep your customers happy. The million dollar business wasn’t in the pita sandwiches, it was in the simple chips they gave customers waiting in line.*
  - 3.Listen to your customers. They said the chips would sell in stores. They were right.*
  - 4.100 true fans will get you 1,000. 1,000 true fans will get you a million. “*

# Fireman Capital

firemancapital.com/team/stacy-madison

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## OPERATING PARTNERS



STACY MADISON  
Operating Partner

Ms. Madison brings over 15 years of entrepreneurial and operational experience to Fireman Capital Partners as an Operating Partner. In 1997, Ms. Madison founded Stacy's Pita Chip Company, a top selling natural snack food brand. It started with a career change from social work, a strong desire to create delicious healthy food, an entrepreneurial spirit and a small food cart in Boston used to sell pita sandwiches. As an incentive to keep people happily waiting in line, she baked pita chips each day (using extra bread) and gave them away to customers. She then decided to package and start selling the chips to stores. The Company experienced rapid growth and became a top-selling international snack food brand. In 2006, with sales topping \$65 million, Stacy's Pita Chip Company was sold to PepsiCo.

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- Stacy Madison cashes in her chips to open a juice bar in Needham; Boston Business Journal; Apr 13, 2014.
    - [http://www.bizjournals.com/boston/blog/mass\\_roundup/2014/04/stacy-madison-cashes-in-her-chips-to-open-a-juice.html](http://www.bizjournals.com/boston/blog/mass_roundup/2014/04/stacy-madison-cashes-in-her-chips-to-open-a-juice.html)
  - Partner: Stacy Kennedy, nutritionist -Dana-Farber Cancer Institute,
  - <http://stacysjuicebar.com/about/>
  - <https://www.bostonglobe.com/lifestyle/food-dining/2014/05/20/two-stacys-walk-into-juice-bar-and-set-business/covnJlvBJDbRcN4EwMcmpJ/story.html>

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- “Stacy holds a bachelor's and master's Degree in psychology and social work, respectively.
  - She was honored with a White House invitation during the Clinton administration as an example of a successful woman-owned business.
  - She has also received numerous local and national awards, including
    - the Governor's Entrepreneurial Spirit Award,
    - the Sam Walton Award for Business Leadership,
    - the Boston Business Journal's “Best Places to Work” Award, and
    - she was inducted into Boston's Small Business Hall of Fame.
    - Stacy has been an active speaker at Babson, Brandeis, Bentley, Northeastern, and is on the Harvard Woman's Leadership Panel.
    - She also has been featured on The Today Show, in Inc. Magazine, USA Today, Chronicle, and numerous other local and national media outlets.
      - <http://www.babsonforum.com/2009/speakers/stacy-madison>