



Nation's Restaurant News

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GROWTH CHAINS

Nanoosh

Hummus proprietors hope a health halo helps propel concept to new heights ● BY ELISSA ELAN

David Kostman didn't waste any time crying in his beer after Lehman Brothers, the investment-banking firm where he was a managing partner, went belly-up in 2008. Instead, he turned his attention to making authentic hummus the linchpin of a brand-new empire: Nanoosh, an upscale fast-casual, Mediterranean concept based in New York.

In two years, Kostman and his partners, chief operating officer Zwicka Pres and executive chef Hugo Trinquier, have opened four restaurants on Manhattan's Upper East and Upper West Sides, in the East Village, and in midtown. The trio launched Nanoosh with private funding, and Kostman noted that the company carries no debt.

With a focus on offering organic, healthful menu items — all featuring hummus as the base ingredient — the four-unit chain currently is racking up annual sales of more than \$5 million and year-over-year double-digit growth since 2008.

"I had the idea for Nanoosh about two years ago," said Kostman, who is Israeli. "Hummus was becoming widespread in supermarkets, but had not caught

up as a full meal in restaurants. That's the way it is served in Mediterranean countries; I thought there was an opportunity in the market for Mediterranean salads based around healthful hummus."

He attributes the concept's popularity to New Yorkers' desire for healthful, lower-calorie fare and the stores' chic, modern design. He added that women in particular are fans of the food.

"The demographic here is more health oriented," he said. "Consumers want to eat fast, but they still want to maintain their healthy lifestyle. It's really about eating a good, balanced meal without oil, frying or heavy ingredients."

He noted that Nanoosh's core customers are "sophisticated and quality-oriented," and range in age from 25 to 45 years old.

All the restaurants are full-service except the midtown location, which relies mainly on counter service. They range in size from 1,000 square feet to 1,900 square feet and are designed with natural materials, green tile and calming colors.

Menu items include bowls of hummus or hummus with Tahini topped with a choice of or-

ganic mushrooms and onions, spicy sun-dried tomato pesto, or red and green peppers, chicken, ground beef or boiled eggs. Mediterranean tuna, marinated chicken and Greek salads also are on the menu, as are wrap sandwiches made with whole-wheat and white pita bread. The check average is approximately \$13 at the sit-down restaurants and \$10 at the counter-service location.

Kostman said he is convinced the concept has the potential to become as popular as sushi, given a little time.

"When you look at hummus as a category, honestly it is right where sushi restaurants were 25 years ago," he said. "I think it is at its beginning, and we have a tremendous opportunity to lead the segment."

Ron Paul, president of Technomic, the market research firm based in Chicago, agrees that the popularity of Mediterranean restaurants is on the rise, but he's not so sure that hummus-based restaurants will have the same kind of shelf life sushi restaurants enjoy.

"I think interest in the category is definitely growing, but it's rather ambitious to suggest

Nanoosh

PARENT COMPANY:

Nanoosh LLC

HEADQUARTERS:

New York

MARKET SEGMENT:

fast casual

MENU: Mediterranean salads,

sandwiches, soups and hummus

NO. OF UNITS: four

SYSTEMWIDE SALES: more than \$5 million

CHECK AVERAGE: \$13

LEADERSHIP: David Kostman,

co-founder and CEO; Zwicka Pres,

co-founder and COO; Hugo

Trinquier, co-founder and COO

YEAR FOUNDED: 2008

METHOD OF GROWTH/FUNDING:

private funding, no debt

NOTABLE COMPETITORS: Chipotle, Dishes

TARGET MARKETS: New York,

Minneapolis, Chicago, West

Coast, Europe

WEBSITE: www.nanoosh.com



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