





# The Winning Formula of Turning Point Restaurants

Meet the chain that's evolving and setting itself up for success for years to come: Turning Point Restaurants, a NextGen Casual breakfast, brunch, and lunch concept with 40 locations on the horizon and a passionate leadership team who are committed to carving out the future of daytime dining.

### FROM A STRUGGLING COFFEE AND TEA CONCEPT to

FSR's Breakout Brand of the Year, Turning Point Restaurants has come a long way since its origin story. Inspired by European coffee culture, the concept was originally called Little Silver Turning Point Coffee & Tea Salon and was focused on cappuccinos, loose-leaf teas, and gourmet sandwiches—but it was on the brink of closure when future founder and now-CEO Kirk Ruoff stumbled across it. An assistant manager at Chili's at the time, Ruoff saw the potential in the New Jersey Shore-based brand.

"The lady who owned it ... she ran it for three years and she never made a dollar. She lost all her money, her husband was a Wall Street executive, and she was just dying to get out of it," Ruoff recalls. "Me wanting to own my own business, I bought the business from her. So I left Chili's, and she financed some of it."

What Ruoff did next turned the tide for the business; With a baby on the way and a fresh vision, he transformed Turning Point into a daytime dining destination unlike any other. While he initially operated it as a lunch and dinner restaurant, his wife wanted him home early





each night when the baby arrived, which prompted the change to dropping dinner service and adding breakfast—even though there were already two other breakfast places in the area.

Bonnie lavaroni, who joined Turning Point as a chef within a year of Ruoff purchasing the concept, was a key part of making that shift successful, and was promoted to chief operations officer. "I had graduated culinary school, and I was working out in restaurants and working crazy hours for crazy people, and then I got into corporate dining, and that was really boring," she says. "When I saw him hiring, I went in and I saw the little space and I thought, OK, he doesn't seem like a psychopath, and this is very attainable. And so I came on board."

Together, Ruoff and lavaroni have grown the brand from a single location to a rapidly expanding chain, which recently surpassed the 30-location milestone and is on pace to reach 40 restaurants by the end of 2025. "I don't know if at that time, it occurred to me that there was any kind of vision to grow the way we have grown. I don't think that really came to us until later," lavaroni admits. Ruoff says he was more focused on analyzing numbers and spreadsheets, while "Bonnie was always really connected to the guest experience from a culinary standpoint, steps of service, and connecting with the staff."

The opportunity to open a second location presented itself when one of their guests was developing a shopping center in Holmdel, New Jersey. "This is right after 9/11 and all of his businesses bailed on his project, so he had a shopping center that was half built, and nobody could go into it," Ruoff explains. "He came to me and said, 'Hey, would you think about doing a second location?' And I said, 'Well, we don't have any money, we're kind of living hand to mouth here as we're building up our business.' He says, 'Don't worry, if you sign the lease, personally guaranteed, I'll loan you the money.'"

The original location had only 12 tables, but the second location ended up being the actual prototype of the brand's future with 45 tables, 120 seats. Their goal was to serve 100 meals a day, but by the third week, the restaurant was averaging 400 meals a day, with lines wrapping around the building. "And we're like, oh my gosh, we need a point of sales system, we can't write it out on a pad," Ruoff laughs. "We could not believe the response, and it really blew up. The growth of the business took many twists and turns. We got to a point where I had six mortgages on my house and all these liens ... It really was just a labor of love."

"I think that really where the growth happened was, we had incredible employees, and they were always saying, 'Well, what's next? What else are we going to do? Are we going to open up another one? Where are we going to go?' So our journey over 28 years has just been the employees really pushing us," he continues.

# The Recipe for Success

At the heart of Turning Point's success is its commitment to consistency and a superior guest experience. Turning Point has become known for its elevated offerings and welcoming atmosphere, from cozy dining rooms with fireplaces to oversized mugs that feel like a warm embrace. Every detail is designed to make guests feel at home.

And Turning Point isn't your average greasy spoon diner. The elevated menu strikes a balance between indulgent dishes like Cinnamon

5









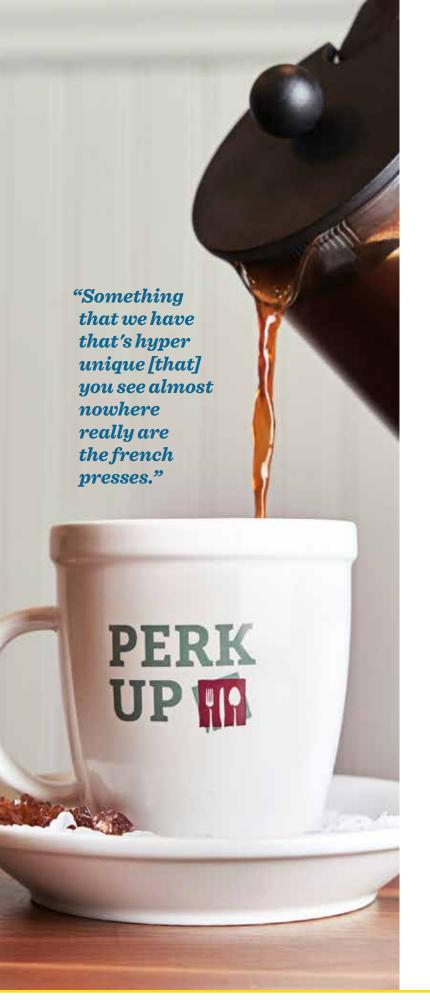


Roll pancakes and a Southern Chicken waffle with chopped bacon, sriracha hot honey, and crispy chicken; and lighter, healthier options under its "Good and Good For You" section, including the Health Freak Combo with a CrossFit Omelet, one Power Grain Pancake, and two pieces of chicken sausage.

"Some of our competitors are really indulgent and heavy. It's just not what we do. We do try to offer some indulgence, but without requiring a defibrillator at the end of your meal," lavaroni quips. "We do try to be a little bit sensible with what our offerings are." "Some of our competitors are really indulgent and heavy. It's just not what we do. We do try to offer some indulgence, but without requiring a defibrillator at the end of your meal."

Additionally, Ruoff and his team kept a strong emphasis on the high-quality coffee and tea offerings it was founded upon, including french presses, cold brews, regional coffee blends, lattes, and specialty coffee drinks like the Salted Caramel Mocha-Chino—key elements that set the brand apart from its competitors that typically only offer drip coffee or basic cold brew.

"You see our other competitors out there and what they offer—certainly we have checked them out too—and their offerings in the beverage category are kind of limited," notes lavaroni. "Some of them do focus on maybe the cold press, fresh-squeezed juices. There's a little bit of focus on the coffee, but just not to the level that we offer. Something that we have that's hyper unique [that] you see almost nowhere really are the french presses."





Ruoff adds, "I think the way that people treat coffee today is the way people treat wine. They want that better experience ... If coffee is your thing, you don't mind the upsell. It's not a \$1,000 bottle of wine, which is even more at a higher level, but I think we do an excellent job with delivering that experience to people who want something different and differentiated, and they do place a lot of value on it."

In addition to continually innovating around the food and beverage menu, the company also takes a data-driven approach to maintain operational excellence, regularly reviewing guest feedback and implementing systems to ensure high standards across locations—but that wasn't always the case.

lavaroni had to work through issues with steps of service and updating the training manual when guests were having inconsistent experiences at different locations. "They all need to be good experiences. And yes, they're going to be different because each server has a different personality, but it definitely needed to be more consistent," she says.

When lavaroni has a slower week, she takes the time to personally read each store's reviews on Google and Yelp, and reaches out quickly if there are any problems. The vast majority of Turning Point's 30 stores impressively have over 4.5 stars on Google. "We're really big on our reviews," says lavaroni.

"What I always look for is the pattern of the comments," she continues. "Are we talking about a service issue? Is it poor service or was the speed of service an issue? Is food temperature an issue, is it inconsistency of food? Is it takeout food that's the problem? We really try to identify what is the common theme of comments, and that goes complimentary as well. When they're positive, that really helps us determine, OK, this store is good, that's why they're a 4.6, that's great."

The company takes it a step further by holding a contest quarterly for their teams to work



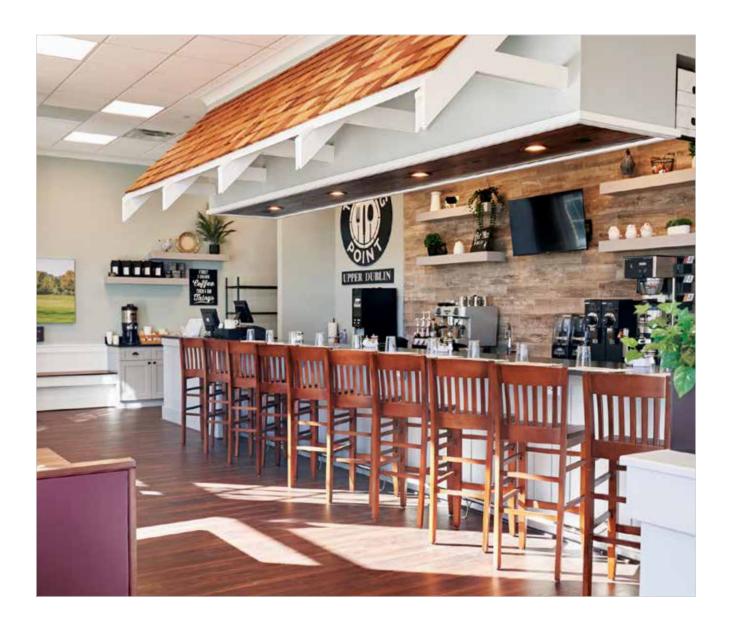


on boosting their reviews. The last contest was on the heels of rolling out a new server training manual with updated service steps and guidelines, since lavaroni wanted to measure the impact of those changes. This is on top of benchmark visits, where lavaroni and her team go into locations to check up on everything and ensure. "The benchmark visits are announced. We give them about three to four weeks heads up so they can get their stores cleaned up, spruced up."

lavaroni adds, "You're not going in and causing them anxiety, but you're also giving them an opportunity, we say, to reset your store, get your store looking good. Maybe we just came off of a busy season, so now it's time to touch up our paint. Let's get our booths cleaned up, detailed cleaning, and we're making sure that our stores are just getting themselves really refreshed and looking really nice and crisp. The team is in good uniforms, they've worked on their service in the front-of-house, they've worked on their execution in the back-of-house, and it gives them an opportunity to hopefully shine, and gives us an opportunity to give them some feedback on our experiences."

About six months after the benchmark visits, Turning Point begins conducting FBHS visits—food, beverage, hospitality, and service evaluations. These visits are unannounced, where lavaroni and the president of operations go in to experience the service firsthand. The goal is to ensure that the stores are maintaining service steps and cleanliness from a guest's perspective, starting from the parking lot to entering the building, being seated, experiencing the service timing, and even visiting the restrooms. Unlike the more in-depth kitchen-focused benchmark visits, FBHS visits are designed to assess the overall customer experience to ensure that every detail of the guest journey meets the brand's standards.





Ruoff emphasizes Turning Point's commitment to addressing guest concerns by proactively reaching out to dissatisfied customers, understanding what went wrong, and implementing changes to improve. Acknowledging that perfection isn't realistic, he highlights the brand's use of advanced technology and aggregator software to track feedback and ensure consistent service quality.

This scalable approach enables Turning Point to manage guest experiences effectively across its growing number of locations, reflecting its evolution from a small operation to a sophisticated, data-driven brand. "We're able to not only do it at 30 stores, but we can do it at 100 stores," he says. "Those are the systems in place that we feel comfortable with as we're growing up, that it's not a mom-and-pop operation. You need to leverage technology to make data-driven decisions."

Ruoff also touts the value of having your restaurant staff members be aware of Google reviews and ratings. Whenever a good review name drops a certain server, that person is celebrated and the entire staff knows about it. "What's important to us should be important to them," he says. "I think they really do take it personally."





## **Powerful Growth Partners**

Hourly restaurant employees are the backbone of the business—without them, everything would fall apart. But having qualified, competent leaders and owners is key to ensuring the brand's success is sustainable.

A few years before Ruoff started franchising Turning Point in January 2022, the company received an investment from private equity firm NewSpring Capital and Larsen MacColl Partners in February 2019. At the time, Turning Point operated 16 locations in the Mid-Atlantic. The transaction served as an accelerator for future projects, while also allowing Ruoff to maintain a majority stake. "Turning Point's dependable track record of success and brand loyalty over the last 20 years speaks for itself," said Anne Vazquez, NewSpring partner, in a statement in 2019. "We see a tremendous opportunity to increase the company's geographic footprint through new store openings and are excited to partner with Kirk and Larsen MacColl Partners to take Turning Point to the next level."

Based in Philadelphia, NewSpring has investments in other emerging franchises including made-to-order donut concept, Duck Donuts; fast-casual bakery and cafe Great Harvest; Central Bark; Federal Donuts and Chicken; Shake Smart; and more. The partnership has been instrumental in Turning Point's evolution and expansion. Since joining forces, NewSpring has provided not only financial backing, but also strategic guidance that has propelled the brand forward.

The private equity firm's expertise became particularly vital during the pandemic, as they supported Turning Point with resources to navigate the crisis, including financial planning, operational adjustments, and innovative solutions to sustain business.

"You go from growth mode into preservation mode and filling out PPP forms, and we never closed our restaurants. We kept our doors

open, and we were fighters. We were selling toilet paper out the back door," Ruoff says. "We went through all of that, so to come out of that, that set us back almost two years of where we wanted to be. Now that's behind us, it's like the locomotive—you've got to get it cranked up again. You've got to go out and negotiate deals, get letters of intent, get leases signed, build back the team."

Beyond pandemic support, NewSpring Capital's role in shaping the brand's franchise strategy and operational scalability has been invaluable. From encouraging the hiring of seasoned professionals, like a CFO with extensive hospitality experience, to supporting technology upgrades, the partnership has enabled Turning Point to execute its ambitious growth plans while maintaining the consistency and quality that define the brand.

"...you've got to get it cranked up again. You've got to go out and negotiate deals, get letters of intent, get leases signed, build back the team."

However, even with the help of NewSpring's resources, the transition to being a franchisor was a challenge. Ruoff was initially hesitant and worried that giving up control would mean consistency would drop, and "immediately said no" to the idea when it first came up. But his partner at NewSpring told him he would have control over which franchise partners to bring in. "All of our franchisees today, they have hospitality experience. They have either owned brands or current own brands. We have quite a few multi-unit franchisees that own Taco Bells and Dunkin' Donuts and Fuddruckers, and they're looking to diversify in their own portfolio," he says.

"We say no more than yes, and we really spend a lot of time pre-qualifying people," Ruoff explains, emphasizing the importance of cultural fit and shared vision. Franchise partners are required to uphold Turning Point's rigorous standards, supported by comprehensive training, operational resources, and ongoing support from the corporate team.







"I remember when we were talking about going into franchising, it was like OK, now you've got to take all of our manuals and make it for franchising. And I spent almost a year working on our operations manual and all our training manuals, but then also creating a franchise training program," lavaroni recalls. "We got all that stuff put together before we rolled out actually signing up our first franchisee. And we were fortunate our first franchisees that we went into partnership with, they were very new at it, just as much as we were new at it, so it worked really nicely the way we were able to be like, give us your feedback, we'll take that information and how do we just get it ever better and more tailored."

Turning Point signed its first franchise agreement in spring of 2022 with Dave T. Vazquez and Eric Brandow of RNF LLC to open a location in Upper Dublin Township in Pennsylvania, marking the brand's 22nd restaurant.



Vazquez and Brandow met in 1997 while working for a restaurant operator in Philadelphia. Since then, they've worked on larger teams to open several high-end restaurants, including Buddakan, a well-known Asian fusion restaurant in Philadelphia and New York City. Independently, Vazquez worked for KC Prime Steakhouse, Striped Bass, and also opened 22 Bowen's Wharf in Newport, Rhode Island. Brandow himself opened Serpico with James Beard award-winning chef Peter Serpico, and managed two Capital Grille locations in the Philadelphia area.

"Nowadays, it's rare to find a quality brand you can trust. Turning Point is a proven concept that is executed in an extraordinary way," said Brandow in a statement at the time. "This company is dedicated to opening new restaurants that prove to be profitable, manageable, and well-loved by the community."

# Preparing for the Future

As Ruoff prepared his team and the brand to scale, one of the biggest challenges and changes they had to make was revamping the way they looked at their inventory and unique stock-keeping units (SKUs). It was NewSpring that brought this issue to Ruoff's attention as it sought to make the business more streamlined, efficient, and reduce complexities and costs. For example, Ruoff says, "Let's not have four different kinds of spoon—an espresso spoon, a tea spoon, a soup spoon, a bar spoon—let's see if we can consolidate here on some of those items."



"Nowadays, it's rare to find a quality brand you can trust. Turning Point is a proven concept that is executed in an extraordinary way."







The team brought in a supply chain management company to help, and with the support of NewSpring, was able to negotiate better prices with manufacturers and product broadliners to reduce costs for franchisees and corporate restaurants. "We brought in a lot of consultants and a lot of advisors to help us to be able to scale up. But we're still figuring out things," Ruoff admits.

Expansion efforts are focused on the east side of the Mississippi River, filling in everything from Maine down to Florida. On top of developing the corporate operated units, existing franchisees are also at various stages of development with new locations in Lancaster, Collegeville, and Harrisburg, Pennsylvania. Two multi-unit franchisees are in the process of lease negotiations for locations in North and South Jersey. The franchise pipeline remains highly dynamic, with ongoing discussions about entering new markets, including Maryland, Connecticut, and Central and West Coast Florida.

The Turning Point corporate team also bolstered its foundation with a key development at home. In early 2024, the brand unveiled the Turning Point of Ocean Township in central New Jersey. This two-story facility features a first-floor restaurant open to guests, serving as a testing ground for new concepts, while the second floor houses Turning Point's new corporate offices. The headquarters includes dedicated franchisee training spaces, conference rooms, and office accommodations for administrative staff and the executive team.





With its sights set on long-term success, Turning Point is leveraging technology, including a branded app that's designed to elevate the guest experience while streamlining operations for franchisees. "That was a big mandate for us this year to get it ready for growth, and we're continuing to see the business come for that. More and more people are downloading the app, and we're super excited," Ruoff says.

For guests, the app simplifies interactions with the brand, enabling them to place orders ahead of time, join the waitlist remotely, and earn loyalty points with each visit. These features not only make dining at Turning Point more convenient but also foster stronger customer relationships by rewarding repeat business.

On the operational side, the app integrates seamlessly with Turning Point's point-of-sale system and accounting software, creating efficiencies that benefit franchisees and corporate-owned locations alike. For franchisees, this means reduced manual processes, better data insights, and the ability to manage promotions and customer engagement more effectively. Franchisees have welcomed the technology as a tool that aligns them with larger national brands, creating a competitive edge in the market.

When multi-brand franchisees see the app's capabilities, they recognize it as something on par with what the big players are doing. "There's aggregation, and there's the ease of simplicity, and I think when you have a multi-unit Taco Bell franchisee that comes to you and you show them you have this technology, they say, that's what Taco Bell has. That's great—you feel like you're a little bit of a big boy brand and we're doing something right," Ruoff adds.

As Ruoff and lavaroni reflect on their journey, they credit the brand's growth to its strong team and unwavering commitment to creating unforgettable guest experiences where everyone feels welcome. "We have never strayed away from the core values that we have," lavaroni says. "Something that has always been a Turning Point









"But when you invest in a Turning Point, you're buying and making a bet on a day part, and I think that people like that stability that they know breakfast isn't going anywhere."

theme for us is to make sure our dining rooms and the spaces our guests are coming into are cozy. Our guests come into a space that looks like somebody's living room. It's very comfortable. The colors and the tones are soothing, it's a very relaxing type of an environment ... From the beginning, our philosophy then hasn't changed to where it's at now, and we've had a lot of success with the fact that it's our philosophy."

Ruoff adds, "When somebody decides to buy a Turning Point franchise, you're really buying a day part. You're not buying a trend."

"Right now, Nashville hot chicken, chicken sandwiches, there's all these brands that are blowing up around hot chicken. Well, will hot chicken be a thing in five years? The MOD Pizzas and fast-food pizzas, that was a hot

thing, and that's blowing out. Better burgers, you had everybody in the better-burger concepts. These are specific menu trends that are happening that are hot, and then they're not," he continues. "But when you invest in a Turning Point, you're buying and making a bet on a day part, and I think that people like that stability that they know breakfast isn't going anywhere."

With a leadership team dedicated to sustainable development and a clear vision for the future, Turning Point is building a foundation that positions it well for continued success in the breakfast, brunch, and lunch space.