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Frequent fliers build from ground up

They leave airline behind for coffee

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In a past life, Debi and Doug Scroggins would take off at a moment's notice: lunch at Legal Seafood in Boston, a last-minute excursion to Thailand, a beach vacation to the Cayman Islands.

As employees of Northwest Airlines -- Debi was a customer service representative and Doug a ramp worker -- the Chelsea residents could fly anywhere for free whenever the opportunity arose.

But as the fortunes of the airline industry declined, both decided to look for another avenue of employment in 2002.

Their travels took them to all corners of the world, including Anchorage, Alaska, where they discovered that the city of more than 250,000 people had more than 200 mostly thriving espresso bars.

"We figured if it could work there, it could definitely work here," said Debi Scroggins, 51.

So they took their life savings, their credit cards, a home equity loan and started Bearclaw Coffee. It was a simple concept, a drive-through coffee shop in a little shack plopped into a cornfield in Dexter.

"The first day, we did like \$50 in sales," she said. "But by the second year, it was like a freight train slowly coming out of the station."

From that first store in 2002, the company has grown to 18 brick and mortar locations and three mobile units in Michigan, stores in Kentucky and Virginia and plans for 11 more coffee vans and three more stores in Michigan, Illinois, Virginia, Maryland, California, North Carolina and Texas.

"We had a lot of friends from Northwest who said they wanted to buy franchises," Debi Scroggins said. "And now we've got locations popping right and left."

The Scrogginses own five corporate stores, which after first-year sales of \$70,000, have grown to about \$10 million in annual sales. And the rest are franchise agreements that are sold for \$150,000 a pop.

The couple brought coffees back to Michigan from all over the country and decided that the Midwest palate preferred a moderately robust blend that's not too bitter. Add to the menu smoothies, specialty coffee drinks and a few pastries and you've got a Bearclaw store.

"We haven't taken the route that Starbucks took when they started offering sandwiches," Debi Scroggins said. "We decided that we really wanted to stay with our core competencies and focus on how we make those things better."

When the business expanded to include mobile units, which travel to business locations for the morning and evening rush hours, the Scrogginses decided to partner with local charities as well.

So when there is a charitable fun run or bike race, a Bearclaw mobile unit will show up, sell drinks and

smoothies and donate 15% of the proceeds to the charity.

And now, they want to move two parts of the business -- building out the mobile coffee vans, which is done in Indiana and roasting the coffee beans, which is done in Seattle -- to Michigan.

The move, to western Wayne or eastern Washtenaw County, could happen this year and would bring 30 more Bearclaw employees to Michigan to join the five corporate employees.

Running the corporate stores and dealing with franchisees is hard work and the hours are long, said Scroggins.

"I worked with the greatest people at Northwest," she said. "But now I don't have to worry about getting laid off or getting a pay cut. I'm controlling my own destiny."

And the best perk of her buyout from Northwest? She still gets to fly for free.

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Related content

Bearclaw Coffee

Headquarters: Chelsea

Founders: Debi and Doug Scroggins of Chelsea

Locations: 21 in Michigan, including three mobile units; stores in Kentucky and Virginia and 11 in the works

Employees: About eight per location
