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Table Talk



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Just Baked CEO sees revenue fizz with Faygo cupcakes

By the time Pam Turkin, CEO of Livonia-based **Just Baked LLC**, pulled into her driveway after delivering the first shipment of Faygo-flavored cupcakes to 15 local grocery stores, her phone was "blowing up."

All 15 stores had already sold-out of them and were calling to order more.

When I [last spoke](#) with Turkin, she had just opened her fifth retail store, this time in Royal Oak, and was toying with the idea of selling the pop flavored cupcakes.

At the time it seemed a long shot.

The 103-year-old company had never entered into a licensing agreement. Not ever.

By then, Turkin had done a cooking segment on local **Fox** affiliate **WJBK-Channel 2** where she made Faygo flavored cupcakes because she knew they would be a hit with viewers and the recipe was relatively easy to bake.

What she didn't know was the recipe would not only pique the interest of hungry viewers, but also grocery stores around the state.

Nathan Skid/Crain's Detroit Business



Pam Turkin at Just Baked on Woodward Ave. in Royal Oak in June of 2010.



Photo provided by Just Baked LLC

Turkin said the Faygo-flavored cupcakes have increased sales by 25 percent.

The buzz coming from both potential consumers and retailers prompted her to visit Detroit-based **Faygo Beverages Inc.**

Turkin met with Faygo executives for a preliminary discussion. They liked the idea and agreed that the co-branded cupcakes could sell well in the marketplace.

So Turkin returned a couple of weeks later with a proof-of-concept of the finished product, from labeling to packaging.

"We had already agreed we would make Faygo cupcakes," she said. "But they didn't know their vision. I knew mine. So I went out and kind of just did it," she said.

By October, Turkin was ready to market her concept in stores. She won approval from **Busch's Fresh Food Markets** and **Hiller's Markets**.

In the first week, 13,500 red pop, orange and grape Faygo- flavored cupcakes were sold, representing a 25 percent increase in sales. Before the introduction of the new product, Just Baked sold about 60,000 cupcakes a week.

"It was like opening another store for us," Turkin said. "And this is only 15 outlets. Can you imagine if we had 50 or 100?"

Since the launch of the Faygo cupcakes just two weeks ago, Turkin has hired three more full-time employees, is running four 24-hour shifts a week, and three 15-hour shifts, and has had to hire a full time driver.

But Turkin said she is cautious about the recent surge in sales because she has witnessed the damage that growing too fast can inflict on an ill-prepared company.

"When we started the program I was very conscious of not taking more than we could produce. A lot of people go after the Big Kahuna. But we decided we would rather launch 15 stores and succeed, rather than go to a large store like Meijer first," she said.

Turkin said she has just begun entertaining the idea of getting into the large stores but said she will hire an outside company to handle negotiations.

"We are going to look at someone smarter than us to get into these other stores," she said.

"We are in the cupcake business, not the distribution business."

Just Baked is on pace to hit \$1.6 million in revenue this year, and Turkin said she expects revenue of \$2.5 million in 2011.