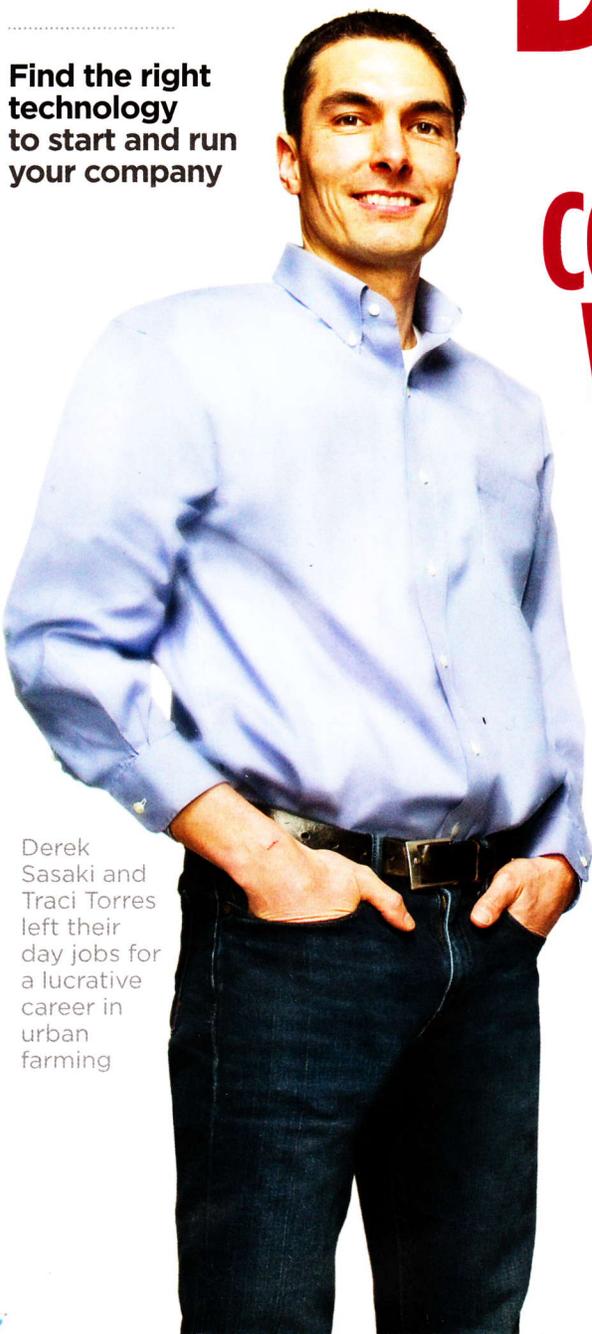


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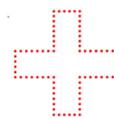
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From Russia, with Кофе

An all-American coffeehouse rises from Soviet roots

Genessee Finnegan points to, then reads, with impeccable pronunciation, the words emblazoned in large Cyrillic letters across a wall of her buzzing Dazbog coffeehouse in the Denver Tech Center: “Растет Всемирно а Русскими Лоджаривается” means ‘World grown, Russian roasted.’”

Such slogans, together with Communist-era Worker Party imagery and brews with names like KGBlend and Svoboda (“freedom” in Russian), make the Dazbog brand stand out among coffeehouse chains. And Finnegan, a homegrown Coloradan, may well be the only Dazbog franchisee to have taken a Russian language course to learn the native tongue of the company’s founders, brothers Leonid and Anatoly Yuffa, who immigrated to America from Soviet-era Leningrad as boys in 1979. Three decades later, fueled by a mutual passion for fine coffee and American cafe culture, the Yuffas opened their first Dazbog (Russian for “good fortune”) store in Denver.

Finnegan got to know the Yuffas when she was the co-owner of a diner in suburban Denver that served their coffee. She was impressed by the brothers’ business sense and the quality of their product. “People would sit [in the diner] for hours, enjoying their bottomless cups of coffee,” she recalls with a chuckle. “It was *not* good for business.”

When the Yuffas told Finnegan of their intention to start franchising, she



“They provide a lot of freedom to operate a store the way you want.”

—Genessee Finnegan, Dazbog

jumped at the opportunity, using money from the sale of her diner along with funds from the SBA’s 7(a) loan program to finance the roughly \$300,000 she needed (including a \$25,000 franchise fee) to get a Dazbog store off the ground.

Then, in November 2011, after immersing herself in the coffee business—including a stint at a well-known coffeehouse—Finnegan opened her store, one of 31 Dazbog units that have launched since 2006 across three states.

Located in a small, nondescript shopping plaza among the office towers, luxury apartments and steakhouses that dominate the Tech Center neighborhood 10 miles south of downtown Denver, Finnegan’s store got a slow start. But then it began attracting “the neighborhood crowd” with its couches, quiet nooks and overall mellow vibe. Now it’s one of Dazbog’s top-performing franchises, and Finnegan was chosen as the company’s Franchisee of the Year for 2012.

While the Dazbog brand, the store’s ambience and the quality of the coffee bring in customers, Finnegan’s unit also thrives on the strength of her “extremely personable” disposition, according to Leonid Yuffa. “She genuinely loves people,” he says.

Although the Yuffas vow to continue being hands-on in building their closely held company and vetting franchisees for their new markets in California, New York and Chicago, their franchisor approach is more Гласность (Glasnost) than command-and-control, observes Finnegan. “They’re very small-business-minded,” she says, “and they provide a lot of freedom to operate a store the way you want.” —DAVID PORT