

For Roosters, casual is a winning recipe



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Roosters attributes part of its success to the longevity of its employees. Tiffany Perkins, left, has been a waitress at the Grove City restaurant for 10 years. She's with Nicole Cox, director of public relations, President Dan Ponton and Denise Carlisle, director of operations.

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The Roosters restaurant chain isn't one to follow the crowd.

Its signature wings are served whole, its locations used to be somebody else's buildings, and the owner's home and company headquarters are one and the same.

The unconventional strategy seems to be working for the Dublin-based chain, with 26 locations and 1,400 employees.

"Our world headquarters is in my basement," said Dan Ponton, president and managing partner. "It's cheaper, I don't have to pay for office space,

and I can get more work done if I don't have to get up and drive to an office."

The company, which carries the tagline, "A fun, casual joint," now has 26 restaurants, 12 of which are franchised locations.

It expanded its restaurant locations throughout Ohio and into Kentucky and Indiana, and this fall plans to open its first West Virginia location, along with new restaurants in Dayton and Lexington, Ky.

Plans call for expanding the company "one store at a time," Ponton said.

The company is all about keeping costs low and growing its own leaders more than hiring them in.

Like Ponton, Roosters' area managers also work out of their homes.

Most have been with the company for more than 15 years, and many of them have risen to management after starting with Roosters as a dishwasher or server.

And Roosters doesn't build any of its restaurant locations. Instead, the company buys buildings that have housed former restaurants that have failed, then remodels them.

That approach has helped the company weather the recession.

"In 22 years of being in business, we've never closed a store," Ponton said.

Rooster's was started as one restaurant in Dayton in 1989 by Bob and Connie Frick. It expanded to Columbus in 1991 when Ponton joined the operation.

Its expansion is into states that neighbor its current territory. The majority of that growth will come from franchisees, with the goal to have as many or more franchise locations as company-owned locations within two years, Ponton said.

The company charges \$25,000 per location for development and franchise fees and an annual royalty fee of 3.25 percent, both low for the industry. Franchisees do their own marketing and don't have to pay into a company advertising fund.

The goal, he said, is “controlled growth, which improves the odds of success.”

That’s been a smart move for Roosters, and it has helped sustain the company for more than 20 years, said Dennis Lombardi, a restaurant analyst and executive vice president of WD Partners.

“They were wise in not trying to overexpand geographically, which really puts a strain on a young, growing brand,” he said.

Wings restaurants have been around for decades, including one of Roosters’ competitors, Buffalo Wild Wings, which got its start in Columbus.

But Roosters has set itself apart from its competitors by serving whole chicken wings instead of sections, Lombardi said.

“To the extent you are able to differentiate your product, such as with the whole wings, it creates a point of difference in who you are and what you have to offer,” he said. “And the brand has its own irreverent personality that has helped it when going up against the bigger brands.”

That’s seen in any of the numerous catch phrases, puns and silly sayings that decorate the restaurants’ walls, such as “We accept Visa, MasterCard and on occasion, bad checks” and “If you lose your memory, just forget it.”

Although the wing concept isn’t new or trendy, it is growing. A total of 13.5 billion chicken wings will be sold this year, said Richard Lobb, spokesman for the Washington-based National Chicken Council. Nearly three-quarters of them will be sold through food-service operations, with the remainder from grocers.

Chicken wings, which used to be the “throwaway” portion of the bird, have now become “the fastest growing segment in fast food and casual food dining,” he said.

The demand has sent wholesale prices of chicken wings soaring to closer to the price of boneless chicken breasts, at 88 cents per pound, compared with \$1.29 per pound for the boneless breasts, according to the Georgia Department of Agriculture.

To deal with the volatility of chicken-wing prices, Roosters introduced new menu items, including “boneless chicken wings,” which essentially

are breast-meat pieces that are fried and sauced in one of the company's 11 sauce flavors.

The boneless wing has a much higher profit margin, Ponton said.

“We started out with 15 items on our menu — we now have over 75 items,” he said. Wings, however, are the biggest seller — more than 20 tons a week.

Expanded menu items include 18 appetizers, 13 soups and salads, a variety of hamburgers, chicken sandwiches, subs and pizza.

Ponton attributes the company's focus on its customers and on its employees as key to its longevity.

“We've been here based on luck and great employees that never leave,” he said. “I think it's because it's a fun place to work, they make good money and our cardinal rule is that we worry about two things: taking care of our customers and our employees. Nothing else matters.”