



Crabby Joe's is showing remarkable resilience during tough times.

Howard and Suzanne Pennell have made their franchise, Crabby Joe's in London, ON, feel like a one-off family restaurant.

*A passion for*  
**Franchising**

Crabby Joe's London turns "family" feel into big profits

BY JANE AUSTER

**Y**ou could be forgiven for thinking that Crabby Joe's in downtown London, Ontario is a one-off restaurant. The majestic former London City Hall with its 20 ft. ceilings feels more like an old club than a family casual cum business lunch eatery. Despite being part of a thriving franchise, Crabby Joe's in the hands of franchisee Howard Pennell is more like a family business. His wife, Suzanne, helps with paperwork, and Howard is such a familiar face at Crabby Joe's after four and a half years at the helm that diners know him by name.

"In the optics of a guest, chains can seem impersonal with the owner removed from the business, whereas we have been able to create a sense that within a chain we are running a family business,"



Be prepared to roll up your sleeves.

Believe in working to control the things you can control and not worry about the things you can't control.

Focus on the areas that provide return, such as training wait staff to upsell as a way to increase profits.

With over \$55 million in system-wide sales, 4% same store growth in 2009, unit volume up to \$3 million, and an aggressive expansion strategy, this is clearly a franchise with legs.

says Pennell, who came to London and Crabby Joe's after working in operations at Imperial Oil and running a technology training organization...but with no foodservice experience. "People know you by your first name. You become as important as the whole business, and guests know who they are dealing with. They know that this person cares enough to fix it, if there is a problem."

As a chain, Crabby Joe's is showing remarkable resilience during tough times. With over \$55 million in system-wide sales, 4% same store growth in 2009, unit volume up to \$3 million, and an aggressive expansion strategy, this is clearly a franchise with legs.

But Pennell's London franchise puts Crabby Joe's over the top. His is consistently the busiest location, enjoying double-digit growth over the past three years. He saw 21% year-over-year growth one year and is forecasting that his Crabby Joe's will still be 12% over last year, despite the entry of competition like the new Fox & Fiddle across the street in this busy area. Pennell has been so successful, in fact, that head office has asked him to help train new franchisees.

"I do train a lot of the franchisees," he admits. "I have a vested interest. Part of it is to help the chain get more people to execute for the business, since they represent the brand. If they're not on side, or they fail for whatever reason, that reflects on the whole business."

His approach is what you would expect of a family-run business: all hands on deck. He doesn't want to see new franchisees standing on the sidelines simply observing. He expects traditional, roll-up-your-sleeves participation. "They can't just stand by and drink coffee," he says. "They have to be prepared to do the work."

Pennell sits on the franchise advisory council and helps act as a sounding board for the system, including menu development.

Typical input involves keeping an eye on the latest trends. Pennell uses his lunch menu, which changes every eight weeks, as a way to test new ideas. For instance, the Pulled Pork Sandwich, launched as a seasonal item, was so popular it's now a permanent fixture on the menu year-round. Lunch, served until 4 p.m., represents 30 percent of Pennell's business, so he has a vested interest in tweaking the menu.

It also helps that he continues to think like a guest. "I think of all of the things important to guests," he says.

Pennell invests in labour while also reining in food costs. While the "people part" has been particularly tough for him, he is gradually turning many of his "transient" workers into "core" employees, who are more loyal to the operation.

"If you can deliver something at the right price, consistently in a clean and friendly manner, that's true value," he says. And there's nothing crabby about that! **yfm**

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## Crabby Joe's Fast Facts

Crabby Joe's Tap & Grill® was founded in 1996 and owned by Obsidian Group Inc.

Typical size: 4,000-4,500 sq. ft., 150-250 seats, combining restaurant, bar and patio.

35 locations as of December 2009. Expansion strategy: 10-15 new "small market" locations, with opportunities for multi-unit franchises, in 2010.

Menu, tweaked at least twice a year, features a mix of family and pub fare including burgers, wraps, steaks, wings, pasta and seafood. New to the menu is a signature prime rib hamburger.

Corporate chef develops the menu for the entire chain.