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PHOTOS: <http://www.cabpartners.com/news/photos/2017-Angus-Convention-1.jpg>
<http://www.cabpartners.com/news/photos/2017-Angus-Convention-2.jpg>

Excellence keeps tables full

Empty seats are greatest cost to a steakhouse

By Miranda Reiman

Edd Hendee watches numbers and makes smart deals—he’s a businessman after all.

But the 40-year owner and operator of Taste of Texas, the largest independent restaurant in the state, doesn’t let the data rule all.

“I will refuse to make a decision on a contract, sitting in my office, looking at a spreadsheet or on a computer,” Hendee said, during the recent Angus Convention, Nov. 4 to 7, in Fort Worth, Texas. “I make that decision, instead, walking down to the dining room and looking at my customers and talking to them. Because if the customer doesn't benefit from my decision, I will not benefit from my decision.”

One of the biggest decisions of his career? Partnering with the *Certified Angus Beef*[®] (CAB[®]) brand 34 years ago, he said. Since then, that one Houston location has sold more than 6 million pounds of the product, or roughly 95,000 head of qualifying cattle.

“We're in the excellence business,” Hendee said. “The mediocrity business is available everywhere. You can go microwave a burrito at gas stations or convenience stores and that's average. That's just convenient. That's a commodity. You come to our place, it's going to be excellent.”

Every day, the business owner is faced with options that will help him cut food costs. Last year, Taste of Texas spent more than \$3 million with their meat supplier.

“Let’s say you could reduce that by 10%....would you do it?” Hendee asked. “The larger question that’s never asked is, can my customer tell the difference?”

With nearly 150 brands certified by USDA, the options are staggering.

“Here is the sin in my business, right here: temptation to buy cheaper,” he said. “We spend a lot of time in our business trying to buy smarter. I don't want to buy cheaper.”



Hendee knows the real cost threatening his business is not ingredients, it's an empty table.

When a couple come into his steakhouse, they average \$100 in sales. If those two chairs sit empty every night, it would cost \$97,000 in sales in one year, adding up to \$63,000 in lost profit.

They serve about 1,000 customers a day. Just five empty tables takes that up to \$317,000 in lost profit potential.

That's why he buys the "most dependable product, the one that is going to thrill," Hendee said, "because the empty table will eliminate whatever cost you thought you saved by buying cheap."

They also work at building the "experience," by allowing patrons to choose their own steak, come back to the kitchen and ask questions, and participate in Steak School educational events throughout the year.

"We have toured ranches, sale barns and feedlots. I can't get enough of it," Hendee said. "My wife has toured more packing plants than any other woman, I'd imagine, and she loves it because she has seen this is where our product comes from."

The Hendees teach people how to buy a good steak at retail.

"We want them to know what we do is different. When they're cooking at home, I want them to talk about my place," he said.

Growing brand relevance—and sales—is good for everybody.

"This demand is amazing," Hendee said, showing CAB sales increases from 1984 to the 1.12 billion pounds in the recent fiscal year.

Then he joked, "You guys have to get out of here and go back to work. We've got to have more cattle."

The largest steakhouse in Texas is depending on it.

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