

# New owners of local Black-eyed Pea restaurants focusing on value



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[BILL RADFORD](#)

THE GAZETTE

The state's Black-eyed Pea restaurants have new ownership - a trio of native Colorado businessmen devoted to keeping the restaurants' doors open and hundreds employed.

A year ago, there were 15 Black-eyed Peas in Colorado, all owned by a limited partnership in Florida and operated by Denver-based BEP Colorado Restaurants.

Now there are nine, including two in Colorado Springs. The Florida group closed three in August and another three in November, all in the Denver area.

"They got to the point that, for whatever reason ... they decided it was time for them to get out of the Black-eyed Peas in Colorado," said Alan Laughlin, one of the new owners, along with Steve Shaw and his brother, Jim.

Laughlin and Steve Shaw both worked for Black-eyed Pea - Laughlin as chief financial officer and Shaw as vice president of operations. Laughlin had worked there for two years, while Shaw, who lives in the Colorado Springs area, has spent 15 years with Black-eyed Pea, starting as a store general manager. As the number of restaurants dwindled, they worried about their jobs as well as the other 400 or so people employed by the remaining Black-eyed Peas. About 90 are employed in the Springs.

"We kind of put our heads together," Laughlin said, "and asked, is there an opportunity here to jump in and have a viable business and keep the brand going?"

The answer, they decided, was yes. So they teamed up with Jim Shaw, who has more than 25 years of experience in the financial-services industry. With his help, they secured funding, formed RMR Colorado and purchased the assets of the nine remaining restaurants in late December.

Black-eyed Pea began in Texas. That state is home to nearly two dozen Black-

eyed Pea restaurants, owned by the same Florida group that bought the Colorado eateries in 2004 for a reported \$20 million. Laughlin declined to divulge the price he and his partners paid but said, "We got a price consistent with the times."

While he's not certain the remaining Colorado restaurants would have been shut down otherwise, "That seemed to be the way things were going," Laughlin said. Laughlin and Steve Shaw largely remain in their previous roles - Laughlin focusing on the business and administrative side and Shaw on the operational side. Now that they hold the reins, though, they have the power to usher in changes, such as additions to the menu, without jumping through corporate hoops.

"We're bringing back some items that we used to have on our menu years ago that customers are still asking for," Shaw said, such as Amarillo Jack Chicken, a grilled chicken breast with Monterey Jack cheese.

Laughlin and Shaw also are focusing on value, bringing back mammoth 32-ounce drinks at no extra cost and restoring a \$5.99 lunch.

Despite the tough times, "People are still going to eat out," Laughlin said. And he believes Black-eyed Pea stands out with its home style cooking. But one challenge is letting people know that the chain is still going - especially in the Denver area, where restaurants closed.

"If people drive past one that is closed, maybe they think all of them are closed," Laughlin said.

At the Black-eyed Pea at the Citadel Crossing in Colorado Springs, Shaw worries that construction of a Lowe's there may be scaring off customers. Ultimately, though, he sees the Lowe's as helping revitalize the area and bringing in more customers.

Ken Kirkendall has been general manager of the Citadel Crossing Black-eyed Pea for 15 years. "Sales are rough," he said, attributing that, in part, to many businesses and customers moving east and north. But he said he's excited about the ownership change and the expanding menu. "I think it's going to pick up quite a bit," he said of the business.

At some point, Laughlin said, they'd like to add restaurants in Colorado and perhaps in Wyoming as well, since they have the rights there. But their first goal is to hang on through the recession.

"We're ambitious," he said, "but we're cautious in this environment."

Friday, March 13, 2009

## New owners save state's Black-Eyed Pea

### locations

Denver Business Journal - by Ed [Sealover](#)

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The story of **Colorado's Black-Eyed Pea restaurants** began playing out last year like many others around the country: a beleaguered multi-state company, weighed down by declining revenue, shutting down locations to cut costs.

Three of the chain's 15 Colorado restaurants closed in August. Another three shuttered in November. The ending appeared imminent and familiar.

Then Steve Shaw and Alan Laughlin, two of Black-Eyed Pea's top executives, stepped in and wrote an unexpected plot twist. Rather than let the home style food chain disappear from Colorado, they decided to pool their resources with a financial-services company and buy the remaining nine locations. Laughlin declined to disclose the purchase price, but did say it was "in line with the economic situation."

Now the Black-Eyed Pea restaurants up and down the Front Range are locally owned. And 435 people who otherwise might have become a part of the state's growing unemployment statistics still have jobs.

"The employees, they have families. And if they don't have families, they have themselves and they're trying to make a career," said Laughlin, a Parker native. "You don't want to cut 435 more jobs. When you watch the TV, it gets depressing."

Calling the move a risk during the worst economy in 70 years may be an understatement. "Fast casual" restaurants such as Black-Eyed Pea are experiencing declines nationally in the number of units and employees as more people stay home during the recession, said Alisa Harrison, International Franchising Association spokeswoman.

Black-Eyed Pea, a 34-year-old chain, already had reduced the number of restaurants — which once numbered more than 100 spread out in 10 states — to 33 Texas locations and 15 Colorado restaurants by the start of 2008, said Shaw, formerly the company's vice president of operations.

Ownership appeared to grow tired of putting money into Colorado locations and then seemed, without saying it explicitly, that they soon could leave the state, said Laughlin, who had been the CFO.

The two met late in the summer with Shaw's brother James, a Colorado native and investor who supplied the majority of funding for the sale. They began meeting with Black-Eyed Pea owners in September and, on Dec. 22 — when most people were buying Christmas presents — they bought the restaurants.

Before the sale, they went to landlords at each location and renegotiated leases. They then negotiated concessions with key suppliers, Laughlin said.

Finally, deciding that the way they would guide the restaurants through the economic downturn was by increasing quality (and customers) rather than decreasing prices, they examined the menu item by item. In some cases, Steven Shaw and Laughlin increased costs to get a better product.

“To make a person say, ‘Hey, let’s stop back there again,’ that’s what we want to do,” Steven Shaw said.

Laughlin and the Shaws want to get the word out about the change in management, emphasizing that Black-Eyed Pea is now a locally owned establishment. (The 33 Texas restaurants were bought by another investor from Tennessee.)

Their revenue is down slightly from last year, but not nearly as much as they expected when drawing up this year’s budget, Steven Shaw said. Their fiscal plan anticipates rough going until 2011, but as long as it meets their conservative expectations, they’ll be able to keep all nine stores open, he said.

Few people appreciate hearing that as much as their employees. Becky Murray, who has been tending bar and waiting tables at the 1470 S. Colorado Blvd. location for 17 years, said she and other staffers wondered often last year whether their store would be the next to close.

“We’re not worried now because we’ve got Steve Shaw on our side,” Murray said.

Yet, Laughlin and Steven Shaw are cautionary, saying that while other executives who might be considering a similar move to save their companies can do so, they need a lot of the same factors to work out.

They must cut deals with landlords and suppliers, and they must get the right partnership of new owners to succeed. Most of all, they must have passion for the brand they are trying to save and be willing to take chances, they said.

“When we went into this, when we put our heads together in these late nights, we said: ‘We’ve got to be able to ride this out,’” Laughlin said.

# New Black-eyed Pea owners homegrown



CHIEFTAIN PHOTO/BRYAN KELSEN -- Steve Shaw (left) and Alan Laughlin stand in front of the Black-eyed Pea restaurant on U.S. 50 West. The pair, along with Jim Shaw, have purchased nine Black-eyed Pea restaurants in Colorado. **The men bought the assets of Colorado's nine restaurants and have been making improvements.**

By JAMES AMOS  
THE PUEBLO CHIEFTAIN

Pueblo's Black-eyed Pea restaurant, along with eight others in Colorado, are undergoing some changes due to new in-state ownership.

The nine Colorado locations were purchased in December by a trio of Colorado natives who say they wanted to keep the comfort-food restaurants going.

Alan Laughlin, a former chief financial officer for a European restaurant company, Steve Shaw, a longtime Black-eyed Pea executive and manager, and Shaw's brother, financial services advisor Jim Shaw, bought the assets of the nine restaurants and have been working to improve the brand in

Colorado.

Laughlin, who lives in Parker, and Steve Shaw, who lives in Colorado Springs, said they worked together in the Colorado headquarters of the out-of-state company that owned the Black-eyed Peas. They saw the company close three restaurants and then three more, and like other Black-eyed Pea workers, worried if all of them would be closed.

Black-eyed Pea started in Texas and remains strong there, Laughlin said. But some of Colorado's locations had suffered and workers feared the ownership company would close everything in Colorado. After recruiting Shaw's brother, the men decided to take over the Colorado restaurants themselves. They estimated they've saved about 450 jobs in the process, and kept a restaurant chain going that provides a lot of value.

Additionally, the chain has a number of longtime workers, Laughlin said. That's unusual for the restaurant business.

"We have cooks who have been with us more than 20 years," he said. "We have one bartender (in Denver) who helped open us 24 years ago."

Laughlin said all the restaurants have lost business during the recession. But he thinks Black-eyed Pea's below-\$10 dinner entrees and \$5.99 lunches will bring in customers, and the chain remains popular with senior citizens and families.

To keep everyone coming back, Laughlin and Steve Shaw said they've been making improvements.

They changed the recipe for the mashed potatoes to use whole milk instead of the 2 percent kind. They also have added some more desserts and pride themselves on the chain making everything from scratch.

"There's not a lot of places you find that," Steve Shaw said.