

Fallen From Its Former Heights, Pudgie's Set to Rebound

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A 30-year-old chicken brand that once boasted more than 100 stores but now only has seven open is getting a chance at new life.

Pudgie's Famous Chicken, a New York-based concept now owned by TRUFOODS LLC, announced a deal with an existing franchisee that will bring 15 new units to Suffolk County on Long Island in the next three years.

Gary Occhiogrosso, chief development officer of TRUFOODS LLC, says the Pudgie's brand is ready for aggressive, but responsible, growth.



"We're not looking to open 100 units a year," Occhiogrosso says. "I don't think that's realistic—it makes good press, but it's not realistic."

Occhiogrosso says TRUFOODS LLC, which acquired the struggling Pudgie's brand in 2007, has the processes and people in place to update the Pudgie's brand, make operations more efficient, and find the right franchisees and locations for new units.

Part of the brand's revamp, he says, is the launch of new menu items. Sandwiches, salads, and wraps were added in an attempt to grow the lunch daypart, Occhiogrosso says, and more side dishes were rolled out to complement the chain's chicken entrees.

"I think sides are going to be a huge trend in 2011, not just in the Pudgie's brand, but I think restaurants in general," he says.

The wide array of side dishes help separate Pudgie's from the rest of the chicken segment, Occhiogrosso says, but two characteristics will especially help the company grow against heavyweights like KFC and Chick-fil-A. For starters, Pudgie's signature fried chicken is skinless. Secondly, the chain delivers.

"If you look around at the big guys ... they're not doing delivery," Occhiogrosso says. "The idea of being able to call up and have a meal delivered that's something other than pizza or Chinese food is part of the point of differentiation."

Several new Pudgie's units will be cobranded with either Nathan's Famous or Arthur Treacher's Fish and Chips to further expand daypart offerings, Occhiogrosso says. Cobranding the units also helps keep the cost of entry low for the franchisee while increasing the return on investment.

Though capital and potential franchisees interested in investing have been hard to come by during the economic downturn, Occhiogrosso says now is still the right time to grow the Pudgie's brand.

"While some people view [the down economy] as a negative, or as a lack of opportunity, we view it as a tremendous opportunity on several levels," he says. "First and foremost, when you're dealing with a brick-and-mortar type business ... a big part of your success is the function of real estate and of real estate costs. In a down economy, real estate prices go down.

"That's a luxury, that's an exciting opportunity that hasn't existed in the New York metro market in years. A crisis is a terrible thing to waste."

While TRUFOODS LLC is focusing for now on building out the New York metropolitan market with Pudgie's, Occhiogrosso says the company may move on to new markets within the next two to three years. As for the rest of TRUFOODS LLC's brands—including Arthur Treacher's, Ritter's Frozen Custard, and Wall Street Deli—he says growth will be a balanced attack across the system.

"Some brands will grow in very specific markets, while others will grow in very specific venues, and yet others will grow nationwide," Occhiogrosso says.

By Sam Oches