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MC 422  
Client Report for St. Louis Pizza and Wings

St. Louis Pizza and Wings was founded in July of 2000 when Tim Dangos and Kris Beaton purchased the first store on 4237 Bayless in St. Louis. Not long after, in October of 2000, Steve Rasnic purchased the second store on 4925 Hampton; this is now the busiest store. Other people started to realize the opportunities of franchising their own store, and now there are seven St. Louis Pizza and Wings: Hampton, Bayless, Telegraph, Tesson Ferry, Florissant, Fenton, and Ellisville, with six different owners.

In June of 2007, Tim Dangos and Kris Beaton decided to sell the franchise. Steve Rasnic, already being an owner of one of the stores, saw an even bigger opportunity and purchased the whole St. Louis Pizza and Wings franchise. After doing so he sold half of his share of his Hampton location to his sister Tami Lanier, and the other half to an employee who had worked for him there, Todd Hampel. St. Louis Pizza and Wings got to where they are right now by spacing locations close enough together to cover most of the St. Louis area without stepping on their other store's toes. Although St. Louis Pizza and Wings is one of the smaller St. Louis style pizza companies, all stores are improving and growing in business every year.

The company is organized in a way that gives every owner of every store their own freedom, all while serving the same product. Each owner has their own say in who they hire, when they open and close, how much employees get paid, etc. However, owners meetings are held monthly to keep all the owners on the same page as far as the franchise is concerned. To keep the company as close knit as possible, all the food product is supplied to every store from the same place, Kuna Food Service located in

Dupo, Illinois. Also, every store supplies the same menu, so the actual food and prices do not vary from store to store.

The size of the actual franchise is relatively small. However, there are only two St. Louis style pizza places in the area that are bigger and that are considered their biggest competition: Imos and Cecil Whittakers. When it comes to competition, each store is measured by the amount of tickets (orders) that they put up in a night. Imos is by far in the lead putting up anywhere from 200 to 300 tickets on a busy night. Cecil Whittakers is second to Imos, putting up around a little over 150 to 200 a night. Most St. Louis Pizza and Wings stores on a good night will put up just over 100 orders with the exception of the Hampton location that bring in anywhere from 140 to 170 orders on a good night. Most people would take competition as being a bad thing, but St. Louis Pizza and Wings and Cecil Whittakers have started an annual Turkey Bowl, played every year on Thanksgiving morning. This isn't just a fun game to play with bragging rights on the line; it also puts publicity out to the surrounding public for both companies (although St. Louis Pizza and Wings has won three out of the four years played).

Recently, St. Louis Pizza and Wings has come out with a new 16 inch New York style hand tossed pizza, now giving them even more competition. Usually when a customer orders, they decide what they want by the kind of pizza they want at the time. St. Louis Pizza and Wings thought it would be a good idea to offer more options in crust to induce more customers to order from them no matter what kind of pizza they prefer. Since the hand tossed pizza is such a new idea though, it isn't known yet how it will be accepted or if it is an idea that will take off. By doing this though, it gives St. Louis Pizza and Wings more indirect competition with national competitors like Papa Johns,

Pizza Hut and Dominos. There are certain upsides and downsides to this decision. A down side is that the pizza does not take off and that stores are wasting their money on dough that does not last very long. However, when in the decision process, the owners of the stores and the franchise thought that it would be better to see if the company can take away customers from the “thick crust” pizza places by offering thick crust at a very low price to people who are not very fond of thin crust. This is the way that the decision process works in the franchise as the same decisions have been made when they expanded their menus to serve burgers and pastas of all kinds. The idea behind expanding the menu to all sorts of foods is to attract customers with all sorts of tastes and to offer a variety that no one else will take a chance on.

Each store varies on the amount of employees that they will hire. Some stores are busier than others, so they will have a few more employees. The busiest store at Hampton carries 16 employees which includes two managers, five sides workers, four pizza makers, and five drivers, but does not include the two owners who work the day hours. The smallest store, Ellisville, carries around ten employees including the owner. Even though the stores vary in size, they are run pretty similar. There is always a manager or owner working a shift, with at least two side workers and one pizza maker. The amount of employees that work at one time depend on how busy the night usually is.

St. Louis Pizza and Wings does fail to their competitors when it comes to advertising. The amount of advertising that Imos and Cecil Whittakers have is almost endless, appearing on local television in prime time, magazines, news papers, etc. Since St. Louis Pizza and Wings is a much smaller company than these two, and doesn't bring in quite the revenue that they do, they can only afford to put a television commercial on

late at night, and put their name in as many magazine and newspapers as they can afford. St. Louis Pizza and Wings relies more on word of mouth and joining in charity events to get their name out to customers.

Since each store is independently owned, each one has their own charitable options. A lot of stores take part in giving back to schools in the neighborhoods with which the store resides. A certain portion of all orders on an agreed upon night will go to the funding to help out those local schools. A lot of locations will also take part in charities as far as trivia nights, or special events, giving a certain amount of money from orders back to the cause. There are also certain charities, like Habitat for Humanity, that are donated to every year to help support their cause.

The reputation of the company seems to be growing. Most people who have had the product have only positive feedback. However, with all companies things can get screwed up; deliveries could be late, orders could be made wrong, and anything else that might happen to upset a customer, so there are always going to be some people who don't have the best opinions. Recently though, the Hampton location, for example, has involved themselves more with the community around them into different charitable events and giving back. By doing so as much as possible, the owners are hoping that the people who they help will remember their name the next time they want take out or delivery.

Even with the economy rebounding, the company is heading up and fast. The company is looking to add five new locations by the end of 2010, almost doubling the size in one year. The company is also hoping to further their advertising and reach customers that might not have heard of the name "St. Louis Pizza and Wings" before.

Most people you talk to within the company will tell you that there is little chance of taking over Imos as the best and busiest St. Louis style pizza place. However, Cecil Whittakers is in their sight.

Every store has its own set upon legal agreement with Steve Rasnic. Each owner has a different franchise price that they have to pay Rasnic, depending on the amount of business the store does. Also every store, even the main office is rented. Each store is locked into contracts with owners of their residing buildings; most of these contracts are long term.

There are some things that can hurt the company in a major way. With the economy the way that it is, people are eating in more and going out less. This can really put a damper on a pizza place because a lot of the ingredients used are expensive, making the price higher than just going to McDonalds and getting meal from there. A positive side to this is that places are renting and selling for cheaper, and it is the time to get more locations out their to expand their product to customers all around the St. Louis area, and that is exactly what they are doing right now.

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