

# The Dallas Morning News

## Fish joint owners talk small, think big

*The pearl of wisdom for potential franchisees: Stay true to culture*

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The married owners of Half Shells in Snider Plaza and Legacy Town Center and three Fish City Grills in the Dallas area are taking their fish joint concept national.

In the next four years, the Baynes expect to open a dozen company-owned Fish Citys, mostly in Texas. They also want 50 franchise units around the country.

They've convinced a handful of heavyweight franchisees – including several former senior executives of Brinker International Inc. – that smaller is better when it comes to seafood establishments.

As proof, they point to their original Half Shells in Snider Plaza, which seats just 47 in a 1,200-square-foot galley. The University Park mainstay generated more than \$1 million in revenue last year – a remarkable \$23,500 per seat.

Half Shells in Plano, with 2,400 square feet and seating for just over 100, produced \$2 million last year. Located along a pedestrian-friendly street in an urban lifestyle development, it's the working prototype for the national rollout.

Mr. Bayne forecasts \$100 million in sales by 2011. That would be quite an achievement, given total 2006 sales of \$15 million for both company and franchise operations. But then again, Mr. Bayne has already come a long way.

The 47-year-old started out waiting tables at a seafood restaurant while earning a marketing degree from West Texas State University. He also holds a master's in finance from the University of North Texas.

He opened Half Shells – then called Shells – in Snider Plaza in 1995 with Randy DeWitt. They expanded the concept, using the name Rockfish Seafood Grill. In early 2000, the partners parted over expansion strategy.

"I felt we had our niche nailed down: small neighborhood seafood joints in unique or upscale neighborhoods," says Mr. Bayne, who kept Half Shells in the business divorce. "Randy wanted to take the concept to larger, free-standing buildings on highway locations and get on the radar of a Brinker. And he did."

In July 2001, Brinker paid Mr. DeWitt an estimated \$12 million for a 43 percent stake in Rockfish. But the joint venture didn't live up to expectations and was dissolved four years later. Mr. DeWitt says Rockfish has returned to its basics and is opening new stores again.

### A Cheers for seafood

Mr. Bayne stuck with his original concept and says he won't let franchisees stray from the company's people-above-profits focus.

"We have aggressive growth plans predicated on – this sounds Pollyannaish – maintaining our culture in an environment we can be proud of," he says.

The title on his business card says "You Name It." Lovett Bayne, 39, is "Director of Happiness." Those epithets pretty much describe what Bill and Lovett are willing to do to make their eateries like a Cheers for seafood – neighborly safe havens for staff and clientele.

Their company, Neighborhood Ventures Inc., was named one of the best places in the state to work by *Texas Monthly* and the Texas Association of Businesses.

For example, the company recently lent money to a busboy and to a cook for down payments on homes. In the last five years, the Baynes figure they've lent \$70,000, and they're short only \$300. And every now and then, they get another \$5 in the mail from the former waitress who owes that \$300.

Potential hires and prospective franchisees go through a "fairly



Bill and Lovett Bayne want to get big by staying small.

informal but rigorous approval process" with executives, general managers and employees. Everybody gets a vote, and the staff nixed one strong franchise group because it feared it would become the tail wagging the dog.

### Listening to workers

"We've found that managers and employees are great barometers of whether people are going to be keepers of the culture," Mr. Bayne says. "When you have a small operation of four or five waiters and one isn't doing the job, it's painfully obvious. As people don't work out, the staff helps them either shape up or move on."

Dan Keils started as general manager of the Preston Royal location and is now in charge of companywide training.

"The cool thing was, they said, 'OK, what do we need?' " Mr. Keils says. "It wasn't, 'Let's dump a bunch of stuff on Dan's plate.' They asked for my input on what would keep me busy and happy."

"Bill and Lovett talk culture, culture, culture," says franchisee Robert Marshall, a former vice president of operations for a large Appleby's franchise group. "That's the backbone of the business –

the care that they take for every employee. That's what sold me."

### Opening a franchise

Franchisees must commit for at least five units, which cost \$65,000 – \$25,000 for the first and \$10,000 for each additional location. They also pay a 4 percent royalty.

Dave Schille, formerly chief operating officer of Macaroni Grill, was the first franchisee. He's opened four restaurants in the past 13 months and plans 15 to 20 more in Tarrant County, Houston, Tulsa and Arkansas.

He was a regular at the Fish City in the Preston Royal shopping center and liked the food and the ambience. When he looked at the financials, he liked those, too.

"We only have seven hot items on the line, so everything is cooked to order with quality and freshness," says Mr. Schille, who joined Brinker in 1985. "It reminds me of the old Chili's model back in the days when we were just grilling hamburgers and french fries and everything came in a basket."