

BUILT FROM SCRATCH

Daddy's Chicken Shack is primed for growth

Written by **KERRY PIPES**



Pace Webb's career path has taken her from operating her own catering business to forming startup brand Daddy's Chicken Shack with husband and co-founder Chris Georgalas. "My career choice fulfilled my passion for feeding people from all walks of life," says Webb.

She and her husband shared a love for the restaurant industry. Together, their entrepreneurial spirits ignited and took shape in the form of fried chicken cult favorite Daddy's Chicken Shack. The brand launched in Pasadena, California in 2018. With a couple of units now open and more in the pipeline, Webb is carving out a path for the brand around her own ideas, passion, and culture.

"The brand was thriving with sales growth and attracting investors when the pandemic hit," she says. "We had to rethink our business strategy during an emotionally charged time. Communication with our customers and employees was key, and ultimately helped propel us through this uncertain time."

Part of what steadied the fast-casual brand during Covid was how they built technology into the formula from the beginning. The brand was an early adopter of tech-enabled digital ordering for off-premise dining. This embrace of tech-embedded operations helped sales increase more than 200% during the pandemic.

"Strong leadership was another key component in the early phases of our brand and the pandemic," she says. "I lead with the philosophy that by amplifying the voices of your team members, you create a collaborative environment that helps drive solutions."

Webb encourages team members to contribute to the brand's vision and direction. She says these conversations with team members offer her an opportunity to connect with them and ensure that the brand's values and vision endure as the company expands. "Those who collectively work to improve themselves will help to strengthen your brand," she says.

Daddy's Chicken Shack is primed for growth, with 20 locations planned for Arizona and Colorado. "Our priority will continue to place emphasis on the customer experience, aiming to provide them insight into who Daddy's is: a brand looking to spread sunshine, happiness, and above all else, quality food to enjoy among family and friends."

LEADERSHIP

What is your role as CEO? To keep our brand's vision alive with my co-founder and president husband, Chris Georgalas. Our vision is, "To bring all walks of life together in unity one life-altering fried chicken sandwich at a time." On a more day-to-day brand differentiator, we work backward from the customer to deliver the type of experience they are looking for. Some days you want to relax and dine in with your family in a cheerful environment, and other days you want to order ahead, drive up, and pick up within a minute or less. We stay hyper-focused on customer needs and behaviors, which is a driving force for everything else we do as a company.

On a more micro level, I have the responsibility to oversee all departments in making sure that everything is moving along smoothly. Since there are so many parallels to being a chef, settling

PACE WEBB

CEO, Co-founder

Company: **Daddy's Chicken Shack**

Units: **2, 20 in development**

Age: **40**

Years in franchising: **1**

into this role has been natural to me. The principles are very similar: you have a vision, a budget, a timeline, and a specific product to execute. And there is lots and lots of communication, just like in the kitchen. Communication and proper department and personnel traffic channels are crucial to keeping the machine going.

How has Covid-19 affected the way you have led your brand?

While Daddy's Chicken Shack saw a 200% increase in sales amid the pandemic, Covid reminded us that we can't control everything, especially in the restaurant industry. From struggles related to the pandemic, to supply chain issues and labor shortages, our day-to-day is ever-changing. We've learned to accept that and react to situations as they arise. After all, business is really just constant problem-solving. During this time I've learned to handle issues as they come, which has allowed us to prioritize our efforts as we continue building a successful brand. As crazy as it may sound, these major events will change the shape of the way many do business, and that's not necessarily a bad thing. Shake-ups certainly keep things exciting!

Describe your leadership style. Leading a team is a collaborative process. As a leader, I work closely with my team to solve problems, working with them, rather than throwing answers at them. I guide the conversation to help them come to a solution and, as a result, they grow as a professional. As CEO, I have the final say, but I find that my collaborative approach and the way I conduct what I call a "self-determined" approach to problem-solving has the biggest impact on my team and certainly the best outcome for the company.

When working with my team, I aim to play off their strengths and help them grow in other areas. I thrive on identifying their talents and knowing the best place or position for them within the company, and then making it a goal to manifest that position for them. Since we are a startup, not all of these positions exist yet, so it's a very exciting game!

What has inspired your leadership style? I think people are born leaders. But what has helped me shape my leadership style is, honestly, trial-and-error. As a natural-born leader, I always had an idea or business I was in charge of, and it took making lots of mistakes to get to a place where I consider myself to be a good leader. And believe me, there is always room for improvement! One of the biggest changes in leadership over the years was going from doing everything myself in the early days to learning how to delegate tasks to others (the right people) and how to motivate them to perform at an optimum level. This is a typical entrepreneurial arc. That is pure interpersonal skill that gets honed over time. A good leader doesn't want the accolades for themselves. They drop down into a new project or area that needs to get going, help the team get it all set up, and then step away so the team can shine. I'm just there to oversee and manage when needed. This gets repeated again and again, and this is how I intend to keep building Daddy's.

How do you transmit your culture from your office to frontline employees? This is a great question, particularly for a franchisor. Culture starts from the top down, so every manager below me and Chris has to have our cultural values, and everyone under them is more likely to have them as well. Keeping the vision really clearly known and plastered everywhere is super important. For example, ours is one of inclusivity: "... to bring all walks of life together in unity..." So if there is a team member who is exhibiting any type of exclusivity, it is blatantly known that's not the Daddy's way. I'm also really big on accolades, because I think nowadays people are more likely to stay in a job if they like the culture, rather than a little bit more pay for a subpar culture. It is our pleasure that our employees

choose to work at Daddy's corporate or on the unit level. So when people exemplify our vision or mission in any area (inclusivity, mentorship, customer service, etc.), they get recognized by name. I'm sure this will turn into a more formal program as we grow. My point is that we are actively identifying the type of cultural actions that are to the Daddy's standard, and this positive reinforcement helps keep the culture strong.

Where is the best place to prepare for leadership, an MBA school or OTJ? I think they both have their own intrinsic benefits. OTJ is perfect for natural entrepreneurs, as they always have a vision. Nothing teaches you more than having your skin in the game. MBA school is best for those who simply need it to get to the next level in their company, or who want more of an intense education on how business works as they explore their own entrepreneurial endeavors.

Are tough decisions best taken by one person? How do you make tough decisions? I don't think tough decisions are best taken by one person. It's often best to talk things through and explore other perspectives. When making tough decisions I often go to two or three people I trust for advice on the topic and talk things out to further understand the direction I want to take when solving various issues.

Do you want to be liked or respected? Both. I am respected because I keep an eye on the big picture of the company prospering. And (most of the time), when the company wins, the employees win. I want to be liked, certainly, but it comes secondary to being respected.

Advice to CEO wannabes: If you've always been that person with a vision and have the ability to run with an idea until it is executed, then the CEO's life is for you. When I was running my catering business, Taste of Pace, I naturally had a drive to make a name for myself. This drive helped me grow in my role, and eventually on a larger level once Daddy's Chicken Shack was born.

MANAGEMENT

Describe your management style: Everyone has something they're good at in our company. Knowing that, we stay in our lanes and respect our team's expertise. I naturally have led with the philosophy of amplifying the voices of our team members to best execute solutions.

What does your management team look like? We have a pretty robust management team that helps us identify and capitalize on our goals to promote upward growth. The team includes the chairman, CEO, president, CFO, bookkeeping, public relations, marketing, franchise development, support and training specialists, and analysts.

How does your management team help you lead? Having a stake in the business amplifies their seriousness in wanting the brand to succeed. Individually, they have opportunities to mentor our employees to help them grow and guide them as they take their next steps with the company.

Favorite management gurus: Do you read management books? I love to read management books! Especially because it allows me to learn various leadership styles, which I can incorporate into my own management techniques. Most recently I've enjoyed *The Compound Effect* by Darren Hardy, referred by our investment team members. When you're in a startup situation with many goals, this book is great because it recommends taking small actions on a daily basis that lead to massive impacts down the line. By doing this you can make sustainable changes over time, allowing for a greater outcome. It helps to manage that feeling of having to climb

Mount Everest in a day, as opposed to focusing on one step at a time to keep a regular pace to make it successfully and safely to the top (or to reach the goal).

What makes you say, “Yes, now that’s why I do what I do!”? Seeing people come together in a fun, happy, and inclusive environment while having the opportunity to fuel my passion for feeding people my delicious creations!

OPERATIONS

What trends are you seeing with consumer spending habits in your stores? By leveraging our unique business model, our ticket average has not changed over the last 2 years. Although we don’t have a “typical” customer, we do focus on Millennials as the eyes and ears of the business because of our tech-based initiatives. A new trend we have started to see in our stores—which was a surprise to us—is that a little over half of our demographic is female. However, in terms of consumer spending habits, women are often making all the purchases/decisions in a household.

How is the economy driving consumer behavior in your system? My husband Chris Georgalas, who co-founded Daddy’s Chicken Shack with me, is a master at deciphering what consumers want and how they want to consume. When the pandemic hit, Daddy’s was prepared to handle the influx of off-premise dining needs. With the drastic increase of carryout and third-party ordering, our business model was prepared to handle this shift. By being optimized for digital from the start, it allowed our operations to continue to thrive and cemented our concept as pandemic-proof.

Daddy’s small footprint and focus on technology also fueled our development. Since we were early adopters of tech-enabled ordering systems, we saw a 200% sales increase, even amid the pandemic. Consumers, especially Millennials and Gen Z populations, showed us that no matter how you want to order or whatever you’re in the mood for, you can order digitally. Because we have this system in place and seamlessly functioning, we’re set up for continued success in the future.

What are you expecting from your market in the next 12 months? We are looking forward to selling sunshine and the Daddy’s experience. I think we’ll continue to see an increase in online ordering and ordering ahead. We’re planning to introduce an online ordering platform that saves customers’ order history, making it easier than ever to order food and drinks whenever and wherever you are.

Are your franchisees bullish or bearish about growth and adding units? Currently, we are working on growing our franchisee market. We have successfully secured a regional developer, Dave Liniger, founder of RE/MAX and our sole investor in the company, who will lead growth efforts in the Phoenix and Denver markets. We’re also targeting Houston, Austin, and New York as we look forward to welcoming our founders circle.

Are commodity/supplies costs any cause for concern in your system? We pride ourselves on adapting to changes quickly, and that is precisely what we are doing! When times are tough, it is important to remember it is only temporary and that perseverance is key.

PERSONAL

What time do you like to be at your desk? I lead a very modern entrepreneurial schedule, so I don’t have set “desk hours.” But we definitely check emails first thing in the morning so we can get a picture of anything that needs to be handled in addition to our set schedule of meetings or projects for the day. When we travel for work, we work through dinner meetings. When we aren’t traveling,

we stay up late at night solving problems after we put our kids to bed.

Exercise in the morning? Wine with lunch? It’s important to ignite my inner “tiger” to get amped up as a leader, so a workout is definitely part of the Monday through Friday routine. I only have 25 minutes, so I make the best of it! Okay, so I *love* wine, but even when I was cooking every day as a chef, the wine waited until I was done. When I’m in the zone, I’m in the zone! The same applies for my workday, but when the work is done I love to unwind, sometimes with wine.

Do you socialize with your team after work/outside the office? I genuinely like everyone who works with me. And while socializing outside of the office doesn’t happen super regularly, we have a great time when we do, and there is certainly value to team bonding!

Last two books read: *The Seven Husbands of Evelyn Hugo*. I went to Cabo for my 40th and one of my favorite things to do is riffle through a slightly better than average novel on the beach! Our Regional Developer Manual and our Operations Manual. These are the length of a classic novel!

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Now, as everything has opened back up and with the effects of inflation, it’s created more competition and more customer discretion, so it makes us even more competitive, which I believe makes a business stronger. Never a good thing to rest on your successes of yesterday!

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