



producer at a set price for three months and strike deals for other sta-TANNY FEERER ples (cheese, tortillas,

etc.) during periods when the market is stable. "My biggest worry is that the chicken supply will shrink," he says. Eubanks has heard that some chicken producers are cutting back because production costs-feed, fuel and other factors-are getting so high and demand is slowing.

Roosters Columbus, Ohio

With a name like Roosters, there's no doubt chicken figures big on the menu. "Our number one seller is chicken wings," says V.P. of Purchasing Tanny Feerer, "and chicken tenders come in second." His top two specs are fresh jumbo chicken wings and fresh clipped (tendon removed) chicken tenders, followed by 4-ounce chicken breasts, all of which are prepped from scratch and cooked to order at each location.

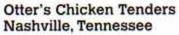
"We have a good working relationship with one chicken supplier who pays attention to our stringent specs. We need consistency in product and we're willing to pay for it," Feerer explains, "Buying from multiple vendors can be hit or miss." Roosters buys 3 million pounds of chicken a year, so every penny counts, he adds.

Saving pennies has been particularly tricky lately. "There are so many outside factors we can't controlcorn, fuel and the value of the dollar have pushed up chicken prices." Feerer contends. A weak dollar has made it profitable for chicken companies to export more

product, decreasing domestic supply. But locking in prices doesn't make sense in this volatile market, he feels. There's so much risk involved, with feed and fuel prices changing every week. Instead, Roosters chooses to share that risk with its supplier and sets prices according to current market conditions. Feerer has also looked into sourcing some of its chicken from a local Ohio producer to save on freight, but that idea is on the back burner for now.

"The restaurant is the last stop on the supply chain," he points out. "The grower, supplier and/or distributor all have to pass their costs on to us."

> Sharing the risks has been a smart strategy for Roosters.



As a small (two units and three in the works) but expanding chicken concept, Otter's is in relationship-building mode, shopping around for suppliers who can accommodate them as they grow. Right now, they work with a local chicken distributor who contracts with one producer to spec Otter's signature 2- to 3-ounce fresh jumbo tenders. "Our larger, hand-breaded, grilled- or fried-to-order tenders differentiate us from other chicken concepts that use 11/2-ounce tenders. We also have to source from big-bird plants to meet our specs; others can buy smaller chickens," explains co-owner Stuart Ottinger.

Ottinger has encountered some challenges this year, as high corn prices and other factors have caused several reliable big-bird suppliers to go out of business or be gobbled up by megacompanies. "Chicken prices have gone up the highest in 10 years so we constantly have to shop around to stay on top," says Ottinger, "And since chicken is our main protein purchase, we can't offset prices with burgers or other items." Although food and commodity inflation is over 12 percent, Otter's has been cautious about raising menu prices more than 3 percent for fear of "running off customers,"

However, the sales staff is trained

to push some of the menu's higher-margin items to boost check averages. Hand-breaded fried pickles and mushrooms, fresh-baked cookies and larger sizes of soft drinks are often added on to a chicken order-and customers usually come back for more.

