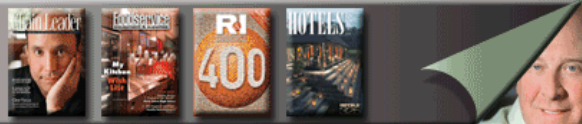


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Executive Q&A: Start with the Basics

CB Holding President and CEO Sam Borgese discusses his priorities and aspirations for the company's restaurant brands, including Charlie Brown's Steakhouse and Bugaboo Creek Steak House.

By Mary Boltz Chapman, Editor-in-Chief -- Chain Leader, 6/4/2009 12:06:00 PM

Though **Sam Borgese was named president and chief executive officer of CB Holding in April**, he was no newcomer. Principal shareholder Trimarin Capital Partners brought him on in October to examine the strategies, operations and potential of the parent company of restaurant chains **Charlie Brown's Steakhouse, Bugaboo Creek Steak House, The Office Beer Bar & Grill** and The Jolly Trolley Bar & Grill.

Borgese spoke with *Chain Leader* about his priorities and aspirations for Mountainside, N.J.-based CB Holding and its restaurant brands.

Charlie Brown's is a heritage brand. How do you balance that heritage, that long-term brand position with keeping up to date?

Well heritage brands don't necessarily connote something that's not relevant. And Charlie Brown's serves over 12 million people a year and certainly that speaks to some relevancy.

And the company is made up of more than just one brand. There's Bugaboo Creek and The Office Bar and Grill, so there's two other brands in CB Holding operates, Charlie Brown's being the heritage brand in that group.

What have been your priorities at the company?

The first priority was to put in policies and processes that I thought were either absent or not up to date; and to then form a senior team around a single strategy for the brands; and to look forward to what housekeeping needs to be done between say now and the remainder of this year, and how is the company poised for 2010 and years beyond that.

You said three things that I want to ask you about. First was the policies and procedures. Was there an area that stands out as something that was a real opportunity?

I think when you look at efficiencies and whether there is a holding company providing services to multiunit brands, that you have to have a very efficient organization to efficiently use the capital that's provided by the restaurants. And so you look across the entire enterprise and say are we functioning efficiently and expeditiously in each area of service to the restaurants, because that's what holding companies do.

And policies and procedures. Discipline, having the rules of you know how a company operates and how it's focused. For example, refocusing the holding company into being a service organization, renaming it the support center rather than the corporate office. Things that start to change the mindset and behavior into much more of a service to the restaurants rather than a corporate office that kind of dictates down. I'm a person who likes to bring things up from the restaurants to the support centers. So I elicit a lot of input from everyone from dish washers up, but mostly from your management team to the restaurant level.

How do you make that shift? The people who are in the restaurants are going, "Yay, that's just what we've always wanted." How do you convince those many layers of management in between that that's a good way to go?

Well, you demonstrate by doing. You demonstrate by taking their ideas and acting on them. It can't just be a great speech or a great presentation or well-meaning words. It has to be delivered upon from Day One every day.

And are you finding that that cultural shift is happening?

Oh, I think so. I think it's actually happened very, very quickly. When you look at heritage brands, usually you have a number of people who have been here for a long time at all aspects of the business, at the restaurant level and within the support center. And they're probably the most difficult people to convince that you are sincere, because they've seen a number of leaders, or a number of different strategies or plans, and so they tend to be skeptical.

Is your support team at headquarters leaner than it was six months ago?

I don't know if it's leaner. I would say it's been slightly organized around a different approach than it was. It's not so much a top down, but much more of a team.

Well, that leads to the second thing that you mentioned before that I wanted to ask you about: that senior team that you built. Were many of those folks already installed, or did you bring some people in, move some people around?

No, I didn't bring people in. I did look around the organization and drafted people into positions that I thought would be productive for the company and also get them to stretch their skills. Everyone has really stepped up to a more executive level of play on the senior team and I'm pretty proud of the team.

If I'm autocratic about anything it's to make sure there are no politics within the team. That's one thing that will keep a team from functioning well.

So if you look long term, I don't know, five years from now, what do see?

I would see that CBH would have grown its existing brands and existing number of locations to the highest value in terms of revenues per seat and revenues per square foot. And in that five year period I'd have demonstrated the ability to expand those existing brands through organic growth and new locations, etc., and also maybe have picked up another brand.

Do you see additional units within the next year or so?

No, I don't see additional units within the next year. I see us developing the framework of a model that will enable us to know what a successful new unit looks like within the next year.

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**CB Holding Corp.
President and CEO Sam
Borgese**



CB Holdings' largest concepts include Charlie Brown's Steakhouse, with 49 units, and 30-unit Bugaboo Creek Steak House.

