

## Axum Capital Partners acquires Wild Wing Café

*Co-founder of Axum, Edna Morris, speaks with Nation's Restaurant News about the casual-dining chain's future plans.*

January 25, 2012 | By Ron Ruggless



Axum Capital Partners, a private-equity firm in Charlotte, N.C., on Wednesday acquired a controlling interest in the 32-unit casual-dining wings specialist, Wild Wing Café.

Restaurant veteran Edna Morris, a managing director at Axum, was named interim chief executive of the Mount Pleasant, S.C.-based Wild Wing, while Wild Wing Café founders Cecil and Dianne Crowley will retain an ownership stake in the company and will serve on the board. Terms of the deal were not disclosed.

Wild Wing Café, founded in 1990, operates 11 company-owned and franchises 21 other stores in Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas and Virginia.

Axum said Wild Wing Café generated about \$100 million in system-wide sales in 2011. Fifth Third Bank provided debt financing for the deal.

Axum was founded two years ago by Morris, who is the former president of Red Lobster and Quincy's Family Steakhouse and led the James Beard Foundation; Raymond C. Groth, the former head of mergers and acquisitions at First Union/Wachovia Securities, now Wells Fargo; former professional football player Muhsin "Moose" Muhammad II; and Denis Ackah-Yensu, who was formerly with McColl Partners and Citigroup.



Muhammad, who played wide receiver with the Carolina Panthers and the Chicago Bears, said Wild Wing Café has a sports component that made it an interesting investment.

"But the No. 1 thing is the food," Muhammad said. "This brand was built around great recipes. The founder, Dianne Crowley, created all these great recipes. The restaurant started from a Super Bowl party 20 years, and they decided to create this business. It really became a great concept. The franchisees felt the same way."

Morris spoke further about the concept and acquisition with Nation's Restaurant News:

### **What kind of investments is Axum looking at?**

Axum is focused on two primary sectors: education services and restaurants. Those are areas that focus on basic needs and are more apt to stand up during downturns in the economy.

### **What restaurant companies were you looking at?**

We were looking at healthy restaurants, not distressed companies. We want restaurants that have a broad demographic appeal and have been around for a while and have staying power. We want restaurants that have been proven and not in one geographic area. We want strong leadership and solid unit economics, and strong opportunities where we can make a big difference and bring value besides the capital we bring.

### **How did you decide to invest in Wild Wing Café?**

We've been in conversations with the owners since 2010. It matched our strategy on every part of our platform. We've had the opportunity to meet with nearly every franchisee to understand why they've selected this brand. Most of them are already looking for their next site. We love the brand and, more importantly, consumers seem to love the brand. [Units] have very strong volumes. We like the partnership we've retained. We're the majority owners, but the Crowleys are remaining as partners in the business.

### **How do Wild Wing Café units vary in size?**

They are very localized. One is in a converted historic railroad station in Charlottesville, Va. The footprints range from 6,000 to 12,000 square feet. The going-forward prototype will be the 6,500- to 7,000-square-foot range. When we were talking with franchisees about why they chose this concept, a lot of it was about the ability to localize the building itself.

### **What differentiates Wild Wing Café from other casual-dining operations?**

One of the things is the live entertainment at night. In our research for restaurants with a broad demographic appeal, this one was really different. It has business lunches, and, at night, you see a lot of families early on. Then it becomes more dates and groups, and then a much younger demographic later at night.

### **Late night is seen as a big opportunity in the casual-dining segment. How late do Wild Wing Café units stay open?**

Later than I usually stay. [Morris laughs] Usually 10 p.m. to 2 a.m., but it's not every night. That's most often on Thursday through Sunday. Other nights there are things like karaoke. There are also live radio broadcasts by college and high school coaches from some of the restaurants.

### **What are the best sellers?**

We have 33 different sauces and clearly wings are a big-seller. But there are also great salads, sandwiches and burgers. There are also some pasta dishes. It's a very broad menu.

Casual dining was hit hard by the recession. What gives Wild Wing Café an advantage?

One is the breadth of the menu, not just in the items but also in the prices. It's a good value from a consumer standpoint. And the second is the fun, getting away from the daily stresses.

**What is the beverage to food mix?**

We're up in the 35 percent to 40 percent range in the beverage area.

**Any other Axum restaurant acquisitions on the horizon?**

We've worked a while on this one, but we may have another one to add to the group in a few months. We're just excited about this one. It hits it on all cylinders about what we were looking for.

**You were named last week as a director on the board of Einstein Noah Restaurant Group of Lakewood, Colo. What are you looking forward to in that role?**

I've always loved that concept. To be able to work with them as they continue to grow is exciting.

**Funding has been a challenge for restaurants in the past few years. What are you providing there?**

We started fund-raising in 2010. It's a tough environment, but we've been fortunate to have a very diverse investor base. For future growth with franchisees and their future access to financing, we're working on that. I was at a private equity summit a few years ago when I joined Axum, and someone said, "Whatever your time horizon is for raising funds, double it." And I think that was good advice. We had to be patient.