

How to Measure a Storm's Fury One Breakfast at a Time

WELDON, N.C.—When a hurricane makes landfall, the head of the Federal Emergency Management Agency relies on a couple of metrics to assess its destructive power.

First, there is the well-known Saffir-Simpson Wind Scale. Then there is what he calls the “Waffle House Index.”

Green means the restaurant is serving a full menu, a signal that damage in an area is limited and the lights are on. Yellow means a limited menu, indicating power from a generator, at best, and low food supplies. Red means the restaurant is closed, a sign of severe damage in the area or unsafe conditions.

“If you get there and the Waffle House is closed?” FEMA Administrator Craig Fugate has said. “That’s really bad. That’s where you go to work.”

Waffle House Inc. has 1,600 restaurants stretching from the mid-Atlantic to Florida and across the Gulf Coast, leaving it particularly vulnerable to hurricanes. Other businesses, of course, strive to reopen as quickly as possible after disasters. But the Waffle House, which spends almost nothing on advertising, has built a marketing strategy around the goodwill gained from being open when customers are most desperate.

During Hurricane Irene, Waffle House lost power to 22 restaurants in North Carolina, Virginia, Maryland and Delaware. By Wednesday evening, all but one in hard-hit coastal Virginia were back in business.

Hurricane Irene knocked out power in Weldon, N.C., on Saturday evening, but as the sun rose on this tobacco-farming town at 6:30 the next morning, the local Waffle House, still without electricity, was cooking up scrambled eggs and sausage biscuits.

“I hadn’t had a hot meal in two days, and I knew they’d be open,” said Nicole Gainey, a 22-year-old secretary for a truck-repair company who drove over for breakfast.

Waffle House, a privately held company based in suburban Atlanta, may be best known as a roadside stop for retirees driving south or the place where musician Kid Rock got into a brawl after a 2007 concert.

Its yellow-and-black sign hasn’t changed in 40 years, and its laminated menu with color photos is an intentional throwback to the heyday of the highway diner. Comedian Jim Gaffigan jokes the Waffle House “makes the IHOP seem international.”

The company fully embraced its post-disaster business strategy after Hurricane Katrina in 2005. Seven of its restaurants were destroyed and 100 more shut down, but those that reopened quickly were swamped with customers.

The company decided to beef up its crisis-management processes. Senior executives developed a manual for opening after a disaster, bulked up on portable generators, bought a mobile command center and gave employees key fobs with emergency contacts.

In a recent academic paper, Panos Kouvelis, a business-school professor at Washington University in St. Louis, pegged Waffle House as one of the top four companies for disaster response, with Wal-Mart Stores Inc., Home Depot Inc. and Lowe's Cos.

Waffle House managers say sales volume can double or triple in the aftermath of a storm. The company, whose annual sales are estimated to exceed \$600 million, won't discuss the costs or benefits of reopening quickly after disasters. It says its strategy is more about marketing and building goodwill than profits.

"If you factor in all the resources we deploy, the equipment we lease, the extra supplies trucked in, the extra manpower we bring in, a place for them to stay, you can see we aren't doing it for the sales those restaurants generate," said Pat Warner, a member of the company's crisis-management team.

Its hurricane playbook explains how to reopen a restaurant and what to serve if there is gas but no electricity, or a generator but no ice. An important element is limiting the menu so the company's supply chain can focus on keeping certain items stocked and chilled or frozen.

Waffle House responded to several other disasters this year before Irene hit. After a series of deadly tornadoes tore through Alabama and Georgia in late April, one restaurant was destroyed and another 20 were without power. The ones without power all reopened within three days. In May, the two Waffle Houses in Joplin, Mo., were among the few places to stay open after the deadliest tornado in six decades tore through the area.

The company began tracking Irene 10 days ago, moving ice and eggs to staging sites outside the potential damage zone.

On Friday, the company's mobile command center—an RV named EM-50 after Bill Murray's urban-assault vehicle in the 1981 movie "Stripes"—headed north from the Norcross, Ga., headquarters.

Power went off at the Waffle House just off Interstate 95 in Weldon on Saturday evening as Irene churned through. The restaurant kept serving until it got too dark for the grill cook to see when the food was cooked, then it shut down.

It reopened the next day at dawn. The overhead lights and walk-in freezer weren't working, but the gas grill was. The cooks boiled water on the grill, then poured it through the coffee machine, over beans ground before the power went out. The district manager, Chris Barnes, handed

employees copies of an emergency grill-only menu. The fare included ham-and-egg sandwiches for \$3.15 and quarter-pound hamburgers for \$2.70. Servers nudged customers to order sausage instead of bacon, because four sausage patties fit on the grill for every two slices of bacon.

By 9 a.m., cars were lining up to get into the parking lot. At 10 a.m., the power came back on, the ceramic waffle irons were plugged in and waffles were added to the menu.

Matthew Ray Booth, who lives a few miles away, came in at 4 p.m. He said he had spent two days drinking soda and eating canned pork and beans. He ordered bacon, scrambled eggs with cheese, hash browns “scattered, covered and smothered,” and a glass of iced tea. “We didn’t have no air, and no place to cook no food at the house,” said the 69-year-old.

Reggie Smith, a manager who came in from 100 miles away to help get the Weldon and nearby Roanoke Rapids restaurants up and running, gestured to customers sipping coffee Sunday afternoon, including locals who had been sleeping without air conditioning and travelers whose vacations had been disrupted.

“They’re displaced from their life,” he said. “This is a brief bit of normal.”