

Eddie Flores Jr. : 0:04

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Brian Sheehan: 0:16

Welcome to Retail Intel, the podcast dedicated to shining a spotlight on the most innovative and rapidly growing brands in the retail sector. I'm your host, Brian Sheehan, and I'm thrilled to guide you through the dynamic world of commercial real estate, where we explore the latest trends, groundbreaking concepts and the stories behind today's most successful retail businesses. On this episode, I'm excited to have Eddie Flores Jr, the founder of L&L Hawaiian Barbecue, with us. Eddie has an incredible journey in the restaurant industry, where he has played a pivotal role in bringing the flavors of Hawaii to communities across the United States. L&L is known for its delicious and comforting plate lunches, offering a unique and flavorful dining experience rooted in local island traditions.

Brian Sheehan: 1:09

I'm eager to learn more about his journey, the story behind L&L Hawaiian Barbecue in his new book franchising the American dream the story of Eddie Flores. Well, Eddie, I'd love to start with your background. Can you tell us more about your career journey and what led you to L&L Hawaiian Barbecue?

Eddie Flores Jr. : 1:32

Well, Brian, first I want to say thank you. In Hawaii we say aloha and mahalo. It has been really a long journey. My family came to Hawaii in 1963. I was 16 years old, so I went to school here, attended the University of Hawaii. To tell you honestly, I was one of the worst students you can think of, because I have ADHD. I actually have the repeat grades about four times. So I've been joking around that by the time I graduated from college I was almost like 50 years old, but that's not true. That's not true. But because we came, my parents were pretty poor and I always wanted to make money. So I went into real estate business that's the easier way to make money than real estate and by the time I was 25, 26, I already made enough money and I found this little restaurant called L&L Drive-In a block away from my house, old house and my mom was working as a dishwasher at one of the fast food restaurants and I actually bought the restaurant for her L&L Drive-In. Would you believe that? That's amazing.

Brian Sheehan: 2:46

What was it about the restaurant that drew your attention?

Eddie Flores Jr. : 2:49

Well, I do a lot of business brokerage. I buy and sell a lot of restaurants. Very seldom you see a restaurant, a small mom and pop restaurant making money. You know that they don't report the income. But I look at a financial statement. It shows a profit and I say, man, that's the one I'm going to buy and I bought it \$22,000 at that time.

Brian Sheehan: 3:09

Well, I know you have a new book and congratulations on that. What inspired you to write franchising the American Dream?

Eddie Flores Jr. : 3:17

Well, you know, I really made the American Dream in America. I really appreciate everything that have happened to me and what America has given to me, and I just want to share my experience to a lot of people, because I made my American dream and I want other people to make it too. And another reason I did that is because when I was taking English in college, expository writing I actually got an F. So another reason to write this book is to spike my professor, Tell him that I can write actually. Oh, that's great. Hey, listen, Brian, with AI nowadays you can write anything. Sure.

Brian Sheehan: 3:54

Not this book, but it's a great book. Appreciate you for sharing so much about your journey with people you know. Divided into two parts, your personal story and then advice for aspiring franchisees. You talked about your roots and your family's journey. How did that approach and influence you know your, I guess your approach to business and franchising.

Eddie Flores Jr. : 4:24

Well, it's just. It's just, Brian, it's the work ethics. You have to work hard. There is no other way. Like I said, I might have ADHD and I studied very hard, yet I got low grades all along through college. You have to work hard and I worked very hard. And I want to give credit to my partner too. People didn't realize I have a partner. He's an immigrant too. His name is Johnson Cam. Actually, after I bought the restaurant for my mom, my mom didn't want to rent it. After two years I sold everything to him. You know, mr Johnson Cam, and later on I'm going to explain to him how we franchise. It's all accidentally. It becomes so successful and the book would explain about it, sure.

Brian Sheehan: 5:08

You talked about the importance of the Aloha spirit in your business. How do you incorporate that? Why is that so significant?

Eddie Flores Jr. : 5:18

You know, if you haven't been to Hawaii, you have to come to Hawaii and one of the requirements for our franchisees is come to Hawaii to learn about their law spirit. If you come to Hawaii, we greet you just like part of the family. So when we sell our franchises, we explain to our franchisees that you join an ohana, which is meaning family, even though I'm the chairman. If you want to call me, I would answer the call. There's no such thing. As you go through my secretary, I'll give you my cell phone. You can call me anytime and we take care of our people and I explain that to all my employees too.

Eddie Flores Jr. : 5:59

The Ohana is so important. So when you come to any of our L&L restaurants, you will be greeted with our aloha spirit. We're going to hug you and love you and we have a lot of competition. By the way, a lot of copycats in the mainland nowadays and they're not the same. They're mostly Chinese immigrants. They didn't really understand aloha, they haven't been to Hawaii. But here in L&L all our stores, L&L Hawaiian Barbecue you know we have that aloha and we'll treat you as part of our ohana.

Brian Sheehan: 6:29

That's incredible. You know, I think there are a lot of aspiring franchisees that listen to this podcast or interested in, you know, becoming a franchisee, opening their first location or maybe expanding and opening additional locations, and a large portion of the book is dedicated to explaining how to become a successful franchisee. What are the most important qualities that you look for in a potential franchisee?

Eddie Flores Jr. : 7:00

Well, there are a number of qualities you must have. One, you got to have a little money. Two, you got to work hard, with dedication, and to me this is very important. You know, if you don't work hard, you're not going to make it. I've seen too many franchisees. They would get our franchise. I look at the demographics. I picked the city. It was great, one of the top for our food.

Eddie Flores Jr. : 7:27

But yet they don't show up, they don't work and you're going to fail. I'm going to tell you, an absentee owner for a restaurant is very difficult. You have to be hands-on and take care of the business, otherwise you will encounter a lot of problems. So I've been telling people, if

you wanted a restaurant, be sure to know that you could be putting in 50 to 60 hours per week. It's no such thing as you got to manage or hire a manager, especially for a small restaurant. If you have a big operation, if you got 10 restaurants yeah, it's different. You can hire a manager to take care of that. But if you're running just one little restaurant, make sure you work, your family works, your children works, everybody works, and you don't have to pay them.

Brian Sheehan: 8:13

A little bit of money and a lot of hard work.

Eddie Flores Jr. : 8:15

Definitely you got to put in the time and effort, Otherwise it's just not going to work.

Brian Sheehan: 8:21

What are some of the other qualities that you're looking for in a potential franchisee? Things that you can tell are going to help them be successful.

Eddie Flores Jr. : 8:31

Well, you've got to be able to find the right location too. Location is very important. The training is very important we do a lot of training and the support from the family too is very important. These are the very main factors. Like I said, you got to have some working capital too. You know you can't borrow money. You know 100%, borrow SBA. A lot of people come in and say, well, I'm going to borrow SBA. I say, ah, that's not going to work. You got to have working capital. You know. One thing funny about our restaurant business is you know, the first six months we'll tell you you're gonna make it or not. It's very simple first six months. And we've been very fortunate. You know, especially in Hawaii, we seldom close one of our L&L Hawaii barbecue. You know, we've been very successful here. But in the States, a little more challenging, because our name, our brand, is not that well known yet, but yet it's gradually becoming very well known.

Brian Sheehan: 9:30

That's interesting. You can tell within the first six months whether or not somebody's going to be successful.

Eddie Flores Jr. : 9:34

Oh yeah, actually, I don't want to even say first six months, the first couple of months, I can tell you you're going to make it or not.

Brian Sheehan: 9:40

It's very simple. What are some of those things that would jump out at you?

Eddie Flores Jr. : 9:45

Well, the sales. You look at the sales. They're not hitting a certain level at the first couple of months. One thing funny about L&L is because, for example I'll give you an example we opened up in Dallas First. One opened up in Dallas oh, many years ago and I told my franchisee not to advertise or do anything because they have to get used to the operation first before they run a full fledged. And funny thing is, I gave an interview on a radio station, local Hawaii radio station, and guess what? The next day when it opened, there were about 200 local people, people of Hawaiian roots, were waiting for the restaurant to open. That's the kind of loyalty we have. I'm telling you, it's unbelievable. That's a lot of spirit we got from the people from Hawaii. I really appreciate that.

Brian Sheehan: 10:32

How do you support your franchisees to ensure their success?

Eddie Flores Jr. : 10:37

Well, the main thing is training. You know, the main thing is training. We require them to come to Hawaii to learn the law of spirit, learn how to cook, and after they return, it's the support when they open up. We send our crew, our executive chefs, go down there to help them open up. We help them with all the buying, the marketing. We do everything, just like McDonald's, you know, I mean, you know we're not a big company, but we do give them 100% support. And the main thing is, brian, it's the Ohana, you got problem. We help you and we send the crew down there to help you. We don't want you to fail. You know you're going to be very successful.

Eddie Flores Jr. : 11:22

If you look at L&L, I'll reckon it has one of the lowest closure rate in the United States in the whole industry. Very seldom we close a restaurant. We close it. Maybe they lost the lease, the owner retired, you know, but other than that, very seldom we close it. Oh, absentee, we notice that quite often in the States when you close it because they don't run it. When you don't run it, oh man, you know, if you're in restaurant business, the money disappeared quickly. I don't care what kind of machine you have, what kind of computer controller cameras. It will disappear, so you need to run the restaurant.

Brian Sheehan: 11:59

You need to run the restaurant. What are some common mistakes besides that that you see new franchisees making? How can they avoid?

Eddie Flores Jr. : 12:09

them. Well, one common mistake I've seen is picking the wrong location. You know, when you have a wrong location, it's just not going to work because they're so anxious they will sign any leases and they don't listen to us. We say, look, we have these criteria you've got to follow, and they don't follow. The other one is undercapitalized, and that's what I found out. I mean, the company is making money, but you have to pay SBA. You've got to pay your dad. Company's making money, but you have to pay SBA. You got to pay your dad, you got to pay your mom, you got to pay everyone else. You're just not going to make money. That's not enough cash flow.

Brian Sheehan: 12:42

How do you there's a balance between maintaining brand consistency and then allowing franchisees some flexibility to respond to the local market, I guess I would say, and connect with the community. How do you find that balance? What's your take on that?

Eddie Flores Jr. : 13:02

Well, you know L&L Hawaiian Barbecue. We're more flexible than most of the company. Because if you look at our menu, you look at our franchise, look at our website, hawaiianbarbecue.com, you will notice that we have almost like 30, 40 items. I've been criticized quite often why do you have so many items? That's how we started. It's very hard to change. So if they want to add an extra item, we're not going to say no. If it's going to fit in the market, we'll let you do it. It's very difficult, like I said, to control the brand and so on, because we have so many different dishes. It's very difficult.

Eddie Flores Jr. : 13:43

If you've been to Hawaii, you go down to a Hawaiian restaurant. There's no such thing as Hawaiian barbecue in Hawaii. By the way, we'll call it plate lunch in Hawaii. But when I went to the mainland, I had no choice but to change the name to Hawaiian barbecue. If I put out an L&L drive-in, no one would understand why we are not a drive-in. We're mostly in line, you know. So I changed it to Hawaiian barbecue. Nowadays we have about 235 Hawaiian barbecues spread out all over the country and I swear to God there must be a thousand copycats. There's no such thing as Hawaiian barbecue. Way back 30 years ago when I brought it over to California, and now you get over a thousand Hawaiian barbecue.

Brian Sheehan: 14:27

That's incredible. You've grown so much over the years. What were some of the key factors that contributed to your growth?

Eddie Flores Jr. : 14:35

Well, you know there are a lot of reasons. You know that we grew so quickly. And I want to make a point too. You know there is no other franchises from Hawaii ever made it in the States. No other franchise. We are the only one, the first one. People love our food. They love our food. Our food is cooked to order, it's cooked to order and we got a lot of support, and the Hawaiian people too. They would love to come.

Brian Sheehan: 15:09

You can tell you're excited and I'm sure that's a key factor in what's led to this significant, tremendous growth over the years. What advice would you give to entrepreneurs that are looking to open their first L&L Hawaiian barbecue location?

Eddie Flores Jr. : 15:25

Well, if you want to look for the first one, don't be too anxious. Study the market. You got to study the market. Get the location, get the right funding and make sure your family support you. That's great advice. This is a 24-7 type of business. You got to have your family to support you. For one thing for sure we will support you because once you join our company you'll be part of the Ohana. We'll take care of you. You can call me anytime, love it, but I sleep at 9 o'clock, so don't call me after 9 in Hawaiian time.

Brian Sheehan: 16:03

No calls after 9, hawaiian time. Let's talk a little bit about the location requirements, since that's been so important to your successful growth over the years. What are the size requirements for an L&L Hawaiian barbecue? What's really the sweet spot, size-wise?

Eddie Flores Jr. : 16:22

Well, you know, the sweet spot would be about 1,200 to 1,500 square feet. But we did have location that's less than 300 square feet with no seating, with common seating 300 square feet and a foot court small foot court. The biggest we have is about 2,400 square feet. Most of them are in line. I prefer in line in a shopping center. That would be the best type and you know a lot of people said well, you know, follow McDonald's footstep.

Eddie Flores Jr. : 16:51

Having a drive-through, buy the property. But it's very hard for us to do that because most of our locations are small. We don't need 3,000 square feet to pay that kind of rent, so it's mostly smaller. We love to take over a lot of the location that go out of business, like a salmon shop or a Mexican place that they go out of business with. Fast food will pick it up and it will be so much cheaper to convert into a Hawaiian barbecue.

Brian Sheehan: 17:22

Yeah, take over those second generation restaurant spaces.

Eddie Flores Jr. : 17:26

Oh, there's so many of them. When the economy goes down, you'll find it. The old days when we first went to California, it was very difficult for us to find a location because we don't have a brand name, we're not a national franchise, but now it's so much easier to get any location. Oh, one thing too you know I failed to mention is, besides the low closure rate, our franchise fee, our loyalty fee, is one of the lowest you're going to find in the industry 3% and 1% for marketing. I've been criticized on that for many years, but it's too low. I mean, you're talking about some of them charge 10%, 12%, but us the total is 4% total. But regardless, we're lean and mean and we work very hard out in Hawaii. But I will be going surfing after this.

Brian Sheehan: 18:20

Oh, I'd love it. You're a longboarder, shortboard what are you surfing?

Eddie Flores Jr. : 18:24

Just a regular boogie board. Actually I'm not a super surfer. Yeah, boogie boarding. Oh boogie board, it's really fun.

Brian Sheehan: 18:31

Waikiki. Where are we heading if we're going boogie boarding?

Eddie Flores Jr. : 18:34

Waikiki. I love Waikiki. It's just about five minutes away from my office.

Brian Sheehan: 18:39

Well, in terms of co-tenants. Back to location. You said you could take an inline space and a shopping center. Is there anybody else you're looking for or you're advising your franchisees to look for when they go to look for space?

Eddie Flores Jr. : 18:57

We haven't. I mean, you know when you say co-tenants, you talk about a food court. We've done several food court but we're out to be in line. Because when you have a food court we found out that you got about 20, 30 restaurants in there. You got a lot of competition. You know it's tough. Unless you get major draw, it's very difficult. Plus, in the food court usually I

find out that they have double cam. You know you got the cam for the shopping center and you got to pay the cam for the food court. So it's tough Unless you can do really good.

Eddie Flores Jr. : 19:28

We prefer to be in line by ourselves. Now why I like that? Because you know L&L, we can serve breakfast, we can serve lunch, we can serve dinner. You know we can run 24 hours if you want it, you know. So it's better to be by ourselves. You know most of the restaurant like a sandwich place by two o'clock, you know there's no traffic, but for us, 2, 3 o'clock we still have people coming in. Another major thing about L&L too is we have a lot of catering. I'm telling you it's one of our bigger businesses. Is catering? A lot of people call us for catering Interesting. So I'm really excited about our growth. By the way you know, my daughter actually took over the business. She took over when she was 35 years old Congratulations, that's exciting.

Brian Sheehan: 20:14

She when she's 35 years old Congratulations, that's exciting. She's still paying me a salary, though. Well, let's talk about that. Thinking about the future I don't know how much you're involved in those discussions I'm sure some. And what would you like to see? Or what does she say she wants to see for L&L over the next, say, five years?

Eddie Flores Jr. : 20:34

Well, she told me in the next five years there will be 500 L&L in the United States and I said it's your ball, now you can carry it. I don't care, whatever you want to do, you'll be working full time, not me. But yeah, she's very excited and we're very excited too, because we started in Hawaii. We went to California, Las Vegas, Washington, because these areas have a lot of Hawaiian expatriates. But now we started to open the middle of America, Virginia, Mexico, New Mexico, New York I mean it's all over the West Coast. You know we're actually in 14 states. It's almost like throwing a dot. You know it's all over and we didn't even advertise. You know, people just come to us and say we like to open because we have seen it. You know we're exciting.

Brian Sheehan: 21:30

You know I personally love the food and have had a lot of experience with it and I love your restaurants and part of the reason I was so excited for you to come on the podcast for people who aren't familiar with it and it sounds like you know they could anticipate maybe an L&L opening near them in the future. How do you explain it? How do you describe you know the Hawaiian plate, lunch, Hawaiian barbecue to people who aren't familiar with it?

Eddie Flores Jr. : 21:56

you know the Hawaiian plate lunch, hawaiian barbecue. To people who aren't familiar with it, okay, well, you know. To tell you honestly, hawaiian barbecue, there's no such thing in Hawaii. We call that plate lunch in Hawaii, but what we really serve is a combination of American and Asian food combined. I'll give you an example. Let's say you order one of the dishes, you have an entree. The entree could be barbecue chicken, barbecue beef, but it's not the American barbecue, it is the Asian marinated, and we serve you two scoops of rice and then a macaroni salad. You know, one of the dishes I always like to mention is called a loco moco. Have you heard?

Eddie Flores Jr. : 22:36

of that before Local moco. Okay, and this is funny because it's two scoop of rice, mac salad, two hamburgers, steak, an egg on top with gravy. And I'm telling you this is one of the more popular dishes we have. In fact, in Japan they sell it a lot. They sell it at McDonald's. Would you believe that, in fact, in Japan they sell it a lot? They sell it at McDonald's. Would you believe that McDonald's selling loco moco? And I have no idea what it means, you know. Except we know that loco moco was originated from Hawaii and we know, oh, loco moco is this dish. But actually, when I was in San Diego, this Mexican gentleman came to me and asked me do you know what loco moco means?

Brian Sheehan: 23:16

Do you know what it means, Brian? I do not. Sounds like it means the most.

Eddie Flores Jr. : 23:18

I don't know either. He said well, you know, loco means crazy, moco means the booger in your nose. I said what? It's crazy? I didn't know that.

Brian Sheehan: 23:30

You know loco moco.

Eddie Flores Jr. : 23:31

As any Mexican, any Spanish speakingspeaking people. They'll tell you it's crazy and we're serving one of the top-selling dishes. The Japanese love it. Like I said, you go out at McDonald's. Mcdonald's won't let you sell anything other than a hamburger, but they do have Loco Boco in Tokyo.

Brian Sheehan: 23:49

Andy, I can't tell you how much I appreciate you coming on the podcast. Maybe the last question I'll leave you with this is, you know, thinking about the advice you would give to

people coming in to the restaurant industry. Obviously you need, you know, capital to get started. Be sure you're ready for the amount of hard work that it's going to take to make your restaurant successful. Is there anything else that you're looking for when you meet with someone that you know you can see they've got that spark? Or the last bit of advice I guess you give somebody you know that wants to be successful in the restaurant business?

Eddie Flores Jr. : 24:26

Well, I want to tell you something you have to love what you are doing. If you don't like it, forget it. I'm telling you, you know, I don't know if you know how old I am. I'm going to be 80, you know, end of this year. And you ask me, why am I still working? Because I love what I'm working. So if you're going to buy a restaurant, you better love what you are doing. If you don't like it, hey, go find something else to do.

Brian Sheehan: 24:56

Hey, that's great advice and it was great speaking with you today. Thank you for joining me on Retail Intel. Be sure to check out L&L Hawaiian Barbecue in person and on Instagram at [LLHawaiianBarbecue](#). Hey, don't forget our website too. [Hawaiianbarbecuecom](#). You heard it from Eddie. [Hawaiianbarbecuecom](#). You heard it from.

Eddie Flores Jr. : 25:17

Eddie [hawaiianbarbecuecom](#) Check it out. Okay, Aloha Mahalo. I'll see you guys later. Aloha Mahalo.

Brian Sheehan: 25:26

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