

House of Plenty: The Rise, Fall, and Revival of Luby's Cafeterias. By Carol Dawson and Carol Johnston. Austin: University of Texas Press, 2006. 277 pp. Photographs, index. Cloth, \$21.00. ISBN: 0-292-70656-1.

Reviewed by Peter M. Birkeland

Whoever said "I'd rather be unhappy rich than unhappy poor" had not read *House of Plenty* by Carol Dawson and Carol Johnston. Although their stated purpose is to document the rise, fall, and eventual transformation of Luby's Cafeterias, Dawson and Johnston provide instead a memoir by Carol Johnston; a eulogy for bygone paternalistic business practices; and the details of familial greed, betrayal, and heartbreak. Add to this lineup two horrific tragedies and you have an intriguing case study with several important lessons.

House of Plenty is based largely on the recollections of Johnston, whose father, Charles, partnered with his cousin Bob Luby to build Luby's into a strong regional presence in Texas and a few surrounding states. Through a series of interviews with company insiders and family members, and drawing on Carol Johnston's memories of her father, Dawson and Johnston piece together the history of the organization, including the grisly suicide by self-mutilation with a knife by one of its CEOs, John Curtis Jr., and a random shooting at the Killeen, Texas, store that left twenty-four dead. The result is less an account of the cafeteria business and more the story of a family business that prospered during the post-World War II years before foundering under the weight of greed and leadership failure that led to all-out warfare among the relatives.

The story begins in 1909, when Bob Luby's father, Harry, happened upon a cafeteria in Chicago called The Dairy Lunch. Having failed in his attempts to run a haberdashery and then a farm near Springfield, Missouri, Harry cobbled together enough money to buy equipment and some tables and chairs in order to start his own cafeteria, which he named, curiously enough, The Dairy Lunch. He then left Missouri and set off for Texas, where, at the age of thirty-nine, he achieved his ambition of retiring early, living a life of leisure, and never having to worry again about money.

What accounts for the growth of this enterprise into a chain and Mr. Luby's vast fortune? The details are scant, but it appears that Harry Luby partnered at various times with one or more of his nine brothers and sisters, their children, and any other relatives who were Lubys. The usual arrangement was for Harry Luby to retain 60 percent of the profits while his current partner would manage the day-to-day operations, put in the ninety-hour-plus work weeks, and get 40 percent of the profits.

Dawson and Johnston claim that this profit-sharing arrangement, combined with Harry's modest ego, were responsible for the early growth of the chain, but it is clear that neither author appreciates the work of the Luby women, especially the contribution of Harry's wife, Julia. Not only was Julia a fabulous cook and the "chief chef and menu planner" (p. 19); she also embodied "youth, freshness, amiability, good looks, kind hospitable heart, crisp shirtwaist blouse, and neatly pinned hair" (p. 17).

Nor do the women of Bob Luby's and Charles Johnston's regime receive much credit for their efforts. Once Charles took over in the 1930s, he would often take off in the early afternoons to "go watch a newsreel at the nearby theater, leaving the women to run the kitchen" (p. 59). Presumably the men did more than just count the money and pay the bills, but there are few details on their activities or to describe how each restaurant actually operated. Nor is there much clarification of the company's finances, save for a single reference to the six-figure salaries received by the managers (p. 89).

In fact, by any standards, the facts in *House of Plenty* are thin. There are no details to explain the growth of the company, no list of the cafeterias or breakdown of the number of employees; nor is there any documentation of the average restaurant size, revenues brought in by each one, or accounting of the company revenues. However, recipes that correspond to each chapter title are provided. For instance, the chapter entitled "Yeast Rolls, Biscuits, and Two Kinds of Cornbread" features a recipe for cornbread. But sticklers for documentation will be disappointed by the lack of citations—either footnotes or endnotes—and by the bibliography, which is paltry even by grammar-school standards (nine books!). But what *House of Plenty* lacks in scholarship it makes up for in insights on the foibles of a family-run business.

Two incidents are particularly telling. The first involves the brother of Charles Johnston's wife, Gertrude, one J. W. Cunningham. It seems that after J. W. was passed

over for the lucrative manager's position, he left the company to start his own cafeteria. By all accounts, he must have been successful, since he eventually opened five restaurants. However, when he left Luby's he smuggled "within his luggage a treasure to which he possessed debatable legal entitlement" (p. 100), thereby igniting a "forty-year-long-war" (p. 100).

What did he take? Apparently, he did not steal money; instead he absconded with some blueprints that he had helped pay for during the period of his partnership with Bob Luby and Charles Johnston. In a severe failure of leadership, Bob Luby and Charles Johnston never confronted J. W. about his transgression, but neither did they let go of their grudge against him despite the fact that J. W.'s new business did not compete with Luby's or materially affect it in any way. It is ironic that the authors lionize Harry Luby, even though he "borrowed" (p. 19) the concept and the name for his restaurant chain straight from The Dairy Lunch. J. W.'s perfidy not only caused a rift in the organization; it also resulted in the permanent marital separation of Gertrude and Charles.

The second notable incident was Bob Luby and Charles Johnston's decision to depart from their tried-and-true practice of debt-free expansion and turn to the capital markets. In 1973 the company became publicly traded and thus was forced to transform itself from a family-owned business and begin to involve outsiders, some of whom did not even have cafeteria experience. We are not told why they moved in this direction, but we can presume that the prospect of making a lot of money had something to do with their decision.

When he died in 1989, Charles Johnston left an estate valued at thirty million dollars, but his will was contested by J. W. and others in the Luby clan until October 2000. Shortly thereafter, in December of 2000, brothers Christopher and Harris Pappas purchased over five percent of the outstanding Luby's stock and during the annual shareholder's meeting the following March appointed themselves CEO, COO, and president. With an infusion of \$10 million in cash, the closing of over fifty stores, a refocusing on the Texas market, and the introduction of new methods and systems, Luby's has had its revival and is now poised for growth in the next millennium.

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