

# BUSINESS

## Food businesses forge ahead despite economy

By Davis Bushnell  
SPECIAL TO THE GLOBE

**N**ORTH ANDOVER — Richard Lamattina, owner of the Loft Restaurant and Pub here, is bucking the economy, expanding his entrepreneurial network while many others are retrenching.

Lamattina's latest venture is marketing fresh soup products to the masses. That's a tall order indeed, given the economy and the competition.

Lamattina, 44, heads Bay State Chowda Co., a supplier of soups to the food service industry, and Kitchens of the Bay State, which operates small retail stores in Malden and Boston's Faneuil Hall Marketplace and Prudential Center. A fourth retail store will open in North Andover in May, Lamattina said.

"It hasn't been easy to expand the last two years," he said. "We sold private stock to individuals to get more capital for Bay State Chowda. The restaurant and retail stores have supported the soup manufacturing operation."

The Loft Restaurant, formerly the site of a rock 'n' roll club on Route 125, was opened in 1978. Annual sales have grown from \$500,000 the first year to more than \$1.5 million in 1991, he said, noting that the restaurant has not had a losing year. Bay State Chowda and the retail stores are collectively generating sales of more than \$5 million a year, he added. All told, the ventures employ about 150 people.

Restaurateurs may be perceived as glad-handers, but many of them



Sales and marketing manager Sam Petrovich (left) and owner Richard Lamattina at Bay State Chowda Co.'s soup processing plant in Lowell.

GLOBE STAFF PHOTO / BILL RYERSON

also are entrepreneurs who, "when they have a real good thing — a salad dressing or whatever — start looking for ways to capitalize on it," said Peter Christie, executive vice president of the Massachusetts Restaurant Association, based in Westborough.

"However, because manufacturing a product is an involved, costly process, we've seen few people bringing their stuff to fruition," Christie said. Ken's Salad Dressings, developed by the founder of Ken's Steak House in Framingham, may

be the best regional example of products that have been marketed successfully, he said.

Bay State Chowda's seafood and vegetable soups are "becoming pretty well-known among restaurants in this state, at least," Christie said. "But those products are competing against many national brands."

Lamattina's ideas for a new venture started bubbling, he recalled, after he had entered his clam chowder recipe in Boston's Chowder Fest

competition nine years ago. The recipe took second spot overall, first among restaurant entries.

"Because people obviously liked our creamy chowder, which has a lot of clam flavor, we thought about having a pushcart operation at Logan Airport," he said. That didn't pan out, but in 1988, a store became available in Faneuil Hall Marketplace. Offering soups and chowders for \$2 a cup or \$3 a bowl, as well as chicken and turkey pies, the Kitchens of the Bay State store has be-

come a \$500,000-a-year operation, Lamattina said.

Needing a larger place to make the soups, he leased a Malden store in 1989 that also could be used as a retail outlet. The manufacturing operation was relocated to Lawrence in September 1990 and then, last October, to an 8,000-square-foot facility on Phoenix Avenue in Lowell. Subsequently, this facility received the imprimatur of the US Department of Agriculture, Lamattina explained.

Meanwhile, Kraft Food Service,

with offices in Peabody, had been retained to distribute Bay State Chowda's six varieties of fresh soups to restaurants in New England. There are now seven other distributors, said Lamattina, a Medford native who started his first food-service enterprise, Dexter's Roast Beef, in Winchester in 1971. Before that, he worked for A.D. Bowman, a Medford materials-handling firm.

So far, customer response to Bay State Chowda's fresh soups has been "excellent," said David Sheehan, a frozen food buyer for Kraft. The clam and seafood chowders plus a lobster bisque account for about 80 percent of the sales in Massachusetts, Maine and New Hampshire, he said.

At the Lowell plant, soups and a chili product are made ready-to-serve or in concentrated form, Lamattina said. Wholesale prices are between \$10 and \$12 a gallon, he said. For added zest, he maintained, soups are named for seaside communities — from Rockport Lobster Bisque to Chatham Chowda.

He is mum on specific customers, saying only that they include one of New England's largest restaurant chains. Presently, he said, he is negotiating with a large national wholesale club, and is looking for overseas markets, especially in the Far East and Europe.

"Soup sales are growing by leaps and bounds, and we don't think we've scratched the surface. But it will take a lot of work to get beyond our image as the new kids on the block," he said.