



Making airport concessions history in Los Angeles

In a landmark move at Los Angeles International Airport, minority partner Concord Collective recently took over ownership of SSP America's dining business, becoming the first Airport Concessions Disadvantaged Business Enterprise (ACDBE) to become a prime operator. **Dermot Davitt** spoke to Concord CEO & Managing Partner **Greg Plummer (pictured)**, Los Angeles World Airports CEO **Justin Erbacci** and Unibail-Rodamco-Westfield Airports Executive Vice President and Group Director Airports **Mike Salzman**.



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Editor's Introduction: *Minority-owned small business Concord Collective made history recently at Los Angeles International Airport (LAX) – it became the first Airport Concessions Disadvantaged Business Enterprise (ACDBE) business to take over the entire portfolio of a major food & beverage concessionaire.*

Los Angeles-based Concord Collective acquired SSP America's business at the airport and now has eight dining locations under its ownership.

"To be a major business owner in one of the world's largest and busiest airports is a dream come true," Concord CEO & Managing Partner Greg Plummer said in a statement last month. "A lot of hard work and collaboration went into getting us to this point. Everyone recognised the significant opportunity at hand and came together to make it work.

"Unfortunately, the trend has been for larger prime operators to buy out smaller minority JV partners," he added. "We are charting a new course and are committed to helping launch more 100% minority-owned and operated businesses."

Concord Collective worked closely with Los Angeles World Airports (LAWA), LAX commercial developer and manager Unibail-Rodamco-Westfield Airports (URW Airports) and SSP America to take over the business.

Dermot Davitt spoke with Greg Plummer and URW Executive Vice President and Group Director Airports Mike Salzman about the takeover, minority partnerships in airport concessions and about the prospects for the business under Concord Collective's management.

Tailor-made for T1: Panda Express is among the new dining locations introduced by Concord Collective



Q Greg, tell us please about how this agreement came about and its significance for you?

Greg Plummer: I had been working with SSP Americas as a partner and they were looking to divest this business. They asked me if I would be willing to sell my share, but instead I said I'd like to buy it outright. So we set to working on a plan, alongside SSP, LAWA and URW to make it happen. I have to say that SSP were great people to work with and they do right by their partners.

I know that in the last two years there has been a lot more focus on diversity & inclusion in this business channel but for me it was all about being an owner. I started my company to make this happen. The opportunity was staring me in the face, and that coincided with the right time in the market when people were more receptive to the idea.

I believe fundamentally that travel is going to come back, I believe that LAX is going to come back. So even though there was a pandemic I wasn't going to walk away from my dream. That doesn't mean it has been easy. Fortunately my wife was very supportive. She could see that it meant a lot to me, and that matters a lot of course.

Q What do you believe will be the keys to succeeding as an owner and prime operator at LAX?

Greg Plummer: I have fantastic partners in the company who share ownership with me, and you need experienced people with you. We complement one another. They could see my passion for the business, and I was able to articulate what we could do if given this opportunity.

We also have great partners like URW that are really open to new ideas and to helping a small company like ours.

Then we had to think, how can we be more attractive as a company to work for, and how do we communicate to our teams that everyone benefits from this.

We are in the people business. Bringing people along and getting them to live up to their potential, nurturing them and showing them what's possible is among the most exciting things for me.

What we do is about making people feel good in their jobs so that they can provide a great experience for the guest. And that is what we have emphasised.

Q Mike, what is the URW view and is this a template for encouraging other minority partners to become owners?

Mike Salzman: We view this as a real milestone. You are almost flipping the script, taking a great

[Click on the video for more on the Concord Collective story](#)

company that goes from being a joint-venture partner to a principal. It is Greg's accomplishment but from a URW standpoint, it's perfectly consistent with the way that we think about diversity & inclusion.

We are certainly looking for opportunities for principal owners of small businesses to succeed. Of course, there is always going to be room for joint-venture partners. But we think we are really adding value when we can create some of those opportunities, and create these sorts of outcomes. We could not be happier for Greg, and it also comes down to the relationship between our two companies. But it is his effort, and his success, and we are here to support that and hopefully create more opportunities in the future.

Q How will you create those opportunities for smaller companies in the face of the considerable challenges of operating at the airport?

Mike Salzman: Yes there are barriers to operating in the airport space. Financing is a notable one, and raising money to make a transaction such as this one happen is a barrier. We think a lot about this, and have contributed some of our own dollars to these transactions as well.

In terms of URW's support, at the time the Terminal 1 food court was completely dark. URW leveraged temporary COVID rent relief and created more flexible terms to support the timely transfer and

Doubling up: The combination concession for Qwench and Wetzel's Pretzels



reinvestment/reconcepting of units. By thinking outside the box, we not only helped Greg quickly reopen the business and bring employees back to work, but also made some critical enhancements to the guest experience.

Financing is just one element. Others include getting accustomed to working in the airport environment, although in this case as Greg is so experienced our help was not required on that. He has done it as a principal, he was a joint-venture partner and is now taking it to the next level. So you can look at the barriers, but this is a great example of showing that they are not insurmountable. They just take some thought, and most notably, effort and intent. If we all have the intent to get to these outcomes, which is having small business owners participating in the airport, then we can make it happen.

Q How do you sum up those challenges Greg?

Greg Plummer: Financing is a very challenging aspect of our business. This is not a traditionally bankable business where you own the actual asset so you have to deal with non-traditional financing. And unfortunately a lot of that is predatory for small businesses or minorities. However, there is opportunity out there with the right partners and where you certainly can find the capital. URW offered their support too and that combination really helped us right the ship. COVID was a real challenge but the circumstances created this opportunity. We had to look at this openly and honestly with all our partners and decide if this was the right deal for us. And I believe it was.

Q Mike, to what extent has COVID forced you to think differently about your airport concession contracts?

Mike Salzman: No doubt it has been a quite a challenging couple of years, and there's been a lot of creativity in deal-making. What was important for us was to create a sustainable platform where partners of all sizes could succeed, but particularly it was right for smaller owner-operator partners.

This was an example where we saw fit to lean in and make sure that it happened, but you need to be creative. At the end of the day, we were facing a programme in which a lot of stores hadn't reopened including these ones. Our choice was to remain closed, or take on a new partner that would not only reopen but would also reconcept the space. The result is that Greg came in at a challenging time but we believe he and we are going to ride the recovery together.



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– Unibail-Rodamco-Westfield Airports Executive Vice President and Group Director Airports Mike Salzman

View from the top: LAWA CEO Justin Erbacci

"This is a hugely significant moment." That's how Los Angeles World Airports CEO Justin Erbacci (pictured) sums up the move by minority-owned small business Concord Collective to take over SSP America's portfolio at Los Angeles International Airport.

"We have been trying to increase the participation of ACDBE companies for some time now and put initiatives in place to promote that, especially in the last two years. Having an ACDBE purchase a prime contractor and direct owner is a milestone. It's the kind of activity we hope will increase."

Offering minority partners a greater place at the table is not just desirable, but should be happening in one of the most diverse cities in the world, says Erbacci. "Participation in the economic opportunities here should reflect the diversity and demographics of the area."

Programmes include Build LAX, where the airport company helps small, local, and disadvantaged businesses to understand how to certify themselves to join the airport partner network, and then how they should work to become part of bid processes.

Another vehicle is the ACDBE Working Group, formed by LAWA and involving partners such as the Airport Minority Advisory Council and others, to help minority partners navigate the airport system. That also includes a mentorship programme where established players such as Concord Collective can help others.

Overall, says Erbacci, "our objective is to increase the participation of ACDBEs, so we will measure ourselves by how many more we can help join, and how many of those can become successful".

Crucially, LAWA is working to creatively help minority partners gain financing to support their ambitions. "Finance is the biggest obstacle to an ACDBE participating in the airport," says Erbacci, "but there are others. When we began the Working Group we asked what the biggest obstacles were to participation. And the main one was understanding how to become and register as an ACDBE, and take part in the complex structures and procurement rules we have here as a municipal corporation.

"So certifying themselves is one thing, and helping them take part is a big thing. Beyond that was the issue of financing, which is either inaccessible or not possible without personal guarantees.

"So we have taken it on ourselves to try and help find that financing, or to create ventures where they don't need to come up with as much capital, where we or other primes can invest. We are investigating various ways forward, guaranteeing loans, or working with URW to allow a new



type of venture with an ACDBE partner where they don't have to invest as much. We are looking at how that can work with direct investment or rent relief or other structures. We hope to announce a pilot on this quite soon.

"The other challenge is how can they be successful once they enter the airport? Here, mentorship is vital and people like Greg are already playing that role."

The new support system will hopefully play a part in ensuring the future viability of ACDBEs, many of whose existences were threatened by closure during the pandemic.

Erbacci says: "Certainly the pandemic highlighted the challenges that ACDBEs have in comparison with some of the major concessionaires. It was much more difficult for them to get through it financially. Many don't have access to the financing or to reserves that some of the bigger companies did. It showed the vulnerability of ACDBEs. But we were already planning to encourage more participation even before the pandemic. We are focusing on diversity, equity and inclusivity in everything we do here at LAX."

Finally, we ask, what message does the CEO have for partners looking to enter or increase their participation at LAX today as the impact of the pandemic eases?

Erbacci says: "Greg's example is a good one to show that we are trying to do everything we can to facilitate this type of activity here. And the fact that it happened at LAX is no coincidence. We have been working for a while with our ACDBE partners to try to help them be successful here, and we will continue to do that. We hope that with the work coming out of our ACDBE Working Group, and with the example that Greg has shown, we will be able to work with more partners to also become primes. We really aspire to that here and will do what we can to make it happen."

Greg Plummer: I kept coming back to the table saying, I need a little more help here, let's be creative there. And URW responded. We all realised that this was the best solution to come out of this situation. It solved problems: SSP wanted to exit, we were already involved and knew the business, and from knowing URW for the past eight years I had a feeling for what might work between us. Now we are positioning ourselves for the future, and making concept changes that will help us move forward as traffic returns.

Q Tell us what the traveller will see from these new locations?

Greg Plummer: In Terminal 1 which serves Southwest we looked at the demographic to really understand the specific customer type. We had well-established brands like Chick-fil-A and Einstein's Bagels, and we have also added Panda Express recently. In fact we opened it on Superbowl Sunday (13 February) which was exciting as we got it 'live' in just 52 days.

We have our own burger concept, Betcha Burger, which is a value-added proposition for customers. You can get a burger and fries for under US\$10, which is rare in an airport, and it's something I'm proud of. We have our new taco restaurant Ace Cervecería & Tacos, focused on the adult beverage programme, alongside great food. And again, you can get a meal for US\$15, which is very close to what you would find on the street. Plus we have a co-branded concept, Qwench and Wetzel's Pretzels, putting two brands into one box. And in Terminal 6, we operate Peet's Coffee.

We are being really creative and trying to figure out how to maximise our opportunity, but also do things that are complementary to the existing programme and that elevate the customer experience.

Mike Salzman: What's important is that this is not a one-size-fits-all approach. And that is the essence of bringing in a local operator, somebody who is in touch with what's going on in the community, who's in touch with the customer and who is thoughtful about where the business needs to evolve. That includes everything from concept to offer, menu and price point.

From day one, Greg was telling me, this isn't quite hitting the right notes and we need to evolve this or that concept. So what you see is a transformation of the offer. Even if some of the concepts are theoretically the same genre of food, he has really made the offer much more resonant to this customer. We are already seeing the results in terms of sales. It's quite impressive. Every unit in Concord's T1

What they said:

Los Angeles World Airports CEO Justin Erbacci: "At Los Angeles World Airports we're focused on creating more opportunities for small, local and disadvantaged businesses. Greg Plummer is a model for how we want to see our ACDBEs build their businesses at LAX and become prime concessioners – and help to bring in and mentor more ACDBEs. We want to congratulate Greg on his accomplishments and thank him for choosing to expand at our airport."

URW Director of the Advance Network Christopher Adkins: "Having diverse business owners is critical to creating the world-class experiences that today's airport customers expect and demand. Understanding the barriers to entry these businesses face, we're working together to bring more minority- and women-owned businesses into the airport. We're inspired by Greg and his team and hope what we're doing here at LAX can become a model for airports across the country."

Airport Minority Advisory Council President & CEO Eboni Wimbush: "Greg is not just making history at LAX but he is inspiring all of us – from front line concessions workers to business partners, airport owners and operators across the country. We all can learn from Greg and his exemplary ability to bring people together in partnership to benefit a community. LAWA and URW are changing business practices and paving a new path for a more inclusive and equitable future."

*URW launched the Advance Network in 2017 to grow and support diverse participation and new opportunities in the communities it serves including LAX, JFK, ORD, and across the airports industry. To learn more about the Advance Network and join its Supplier Diversity Network, visit www.urwairports.com/community.

programme is exceeding 2019 performance in 2022, with sales per departing passenger increasing in a range from +20% to +53%.

Q What dynamics do you see driving airport dining today and as the recovery continues?

Greg Plummer: It is exciting to see the LAX digital communications platform, and we are really excited to roll out our programmes there. We are getting all our assets together to present ourselves online in the best possible way that supports the business.

Then there is choice. People want different things today. Some want to shop brands they know and love. And some people are really exploratory. We really want to try to be all things to all people, and really focus on value for money. That is one of our big strategies.

How do we give a person who doesn't want to spend US\$20 in the airport the opportunity to buy something and have a good experience, while getting great service? If you offer them that good experience, often

A career in travel dining

Greg Plummer began his career in food & beverage at just 13 years old, when he worked at a golf course in Michigan, before supporting himself through college with restaurant work. He later took on a role as restaurant manager at Los Angeles International Airport, spending the next 12 years working his way up through minority-owned and operated CMS Hospitality before it was bought by HMSHost. During his time with CMS it grew from four to 19 locations at the airport and Plummer worked across almost every department up to Senior Vice President.

"I loved the business from the moment I walked in the door," he says. "I really enjoyed the people aspect, and we helped to change the business too. Airport F&B was really a series of concession stands 20 years ago, so to go from that to a business that features local brands and concepts, and be part of that change, is something I am proud of."

In 2016, he started his own company, Enjoy Repeat, a certified Airport Concessions Disadvantaged Business Enterprise (ACDBE)* and minority joint venture partner of SSP America.

When presented with the opportunity to take over SSP America's LAX business, Plummer assembled a team of black and minority partners to form Concord Collective, a 100% ACDBE business. Concord Collective now employs 140 people at the location.

A graduate of Morehouse College, Plummer is an Airport Minority Advisory Council (AMAC) member and AMAC Foundation Board Director.

*ACDBE certification is a U.S. Department of Transportation (USDOT) programme designed to level the playing field for small businesses aiming to participate in contracting opportunities at airports.

Certified firms must meet eligibility standards established by the USDOT including ownership of at least 51% by socially or economically disadvantaged individuals and management and daily business operations control by one or more of the socially and economically disadvantaged individuals who own it.

they can be persuaded to trade up, even if they are watching their spend closely, as many people are today.

So value for money is a big topic at LAX and we talk about it a lot. The economics can make that challenging. But when you are able to work together and look at a blended portfolio where you can create value for money, we can make it a reality.

Mike Salzman: There is so much more dynamism in the channel today and the offers are going to continue to evolve. Something that we believe in quite strongly is that we will have to adapt and evolve, and create a much wider diversity of offer in the same physical space. This is also down to the influence of digital ordering [URW took a significant minority stake in hospitality platform Servy last year -Ed]. The consumer, particularly through the

pandemic, has got accustomed to the notion of whatever, whenever, wherever.

In the past, you may have been constrained by whatever the offer happened to be across from your gate, or within proximity. Whereas today, you have got the ability to move different concepts around, so if there is a great concept one concourse over, it can be delivered or provisioned to a different time in another concourse. And then you have the ability to deliver multiple brands and concepts out of one physical space, with the notion of virtual brands and ghost kitchens, all enabled by a strong digital ordering platform and backbone.

So we can react in almost real time to what the customer is demanding at this time of day, this day of week, this time of year, or perhaps with the composition of flights. That is going to evolve over time, and essentially create an offer that is just dynamic. If you don't, it will become very stale for a customer used to getting what they want, when they want it.

Q Greg, what advice would you have for others that want to take the same path as you in the concessions business?

Greg Plummer: All of the larger companies are asking, how do we bring our partners into the fold much more today, so there is an opportunity. It's about having the right relationships, but also making sure that you are adding value, you are solving problems, you are easy to work with. Do those things and people will want to help you.

I always worked closely with URW which is welcome. It's a little different to a municipality but there the deals are structured in a way that doesn't invite much creativity. A developer like URW invites openness, flexibility and helps to create this opportunity.

Let's face it, what we do is not easy. We are an amenity in the travel space, we are not a must-have. Food & beverage contracts are very challenging. URW helped me figure this out.

So if you are thinking of going into this as an owner, be a good partner and solve a problem for others too. We helped solve a problem that could have become a bigger one if we didn't take it over. Then it's about treating people well and having the right relationships in place. I was able to lean on URW, LAWA and SSP to make this happen. And they trusted us to do the right thing, to be a good partner for the future.

Q And Mike, what advice do you have for a minority partner that has ambitions to become a lead?

Concord Collective concepts at LAX

Current Brand	Former Brand	Location	Sq. Ft.	Local	LAX First	Airport First
Ace Cervecería & Tacos*	Trejos Tacos	T1	1,076	✓	✓	✓
Betcha Burger*	Cassell's	T1	938	✓	✓	✓
Chick Fil-A	N/A	T1	879			
Einstein's	N/A	T1	436			
Panda Express	Pei Wei	T1	634			
Wetzel's Pretzels/Qwench	Qwench	T1	686	✓ (Wetzel's)	✓	✓
Peet's Coffee	N/A	T6	632			
Deli	Osteria by Fabio Viviani	T6	2002	✓	✓	✓

* indicates Concord Collective bespoke brands

Mike Salzman: We are supportive, presupposing of course that the majority partner wants to exit. But what we are seeing because of this disruption in the industry is that the big players are rationalising their portfolios. So I do expect there to be more opportunities like this, and perhaps in places that you wouldn't necessarily expect.

Let's start to think of diversity & inclusion as an opportunity for principals to participate and ultimately to win. And if we take that mindset, the joint-venture partner should be really thinking, how do I elevate my investment and my participation in a way that I can control my own destiny? This is a great example of how you could do it.

There are other ways too: you could bid directly on contracts or new concession opportunities, as Greg and his partners have also done recently. So there is nothing wrong with being a joint-venture partner.

But we do see our business evolving to where the minority players are coming out from behind these bigger companies, and taking a lead role. And that is exciting for us.

Q And the longer term ambition for Concord Collective, Greg?

Greg Plummer: The sky is the limit. We want to focus on the core business being really top-class. Down the road we can see this business doubling in size. That won't happen overnight. It is about getting the basics right, and if we show we are very good at what we do, more opportunities will present themselves at the airport.

And beyond that we want to look at creative uses of space, taking a different direction. We don't have unlimited sources of capital, but we do have unlimited creativity. 🐦

Ace Cervecería & Tacos: Part of an updated added-value proposition in T1

