

The Waffle House Index

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.

The company fully embraced its post-disaster business strategy after Hurricane Katrina in 2005. 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.

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.