



## Peters Billiards: Cuing up a comeback

• Greg Peterson has weathered road construction and a recession but hopes the worst is behind him.

By TODD NELSON  
Special to the Star Tribune

Forgive Peters Billiards owner Greg Peterson if he feels like he's been behind the eight ball lately.

Road construction and the recession both have slowed traffic to his landmark south Minneapolis store, a regional destination for billiards tables and in-home games and recreational equipment.

Peterson, though, now sees hope on at least one front: progress on the massive, multi-year 35W/Crosstown Hwy. 62 reconstruction project. The opening last month of new Lyndale Avenue exits from the Crosstown brought an end to confusing detours and the new ramps funnel drivers nearly to his doorstep.

"People aren't coming in the store for two great reasons: the freeway and the economy," Peterson said. "We're just thrilled to have at least one of those turn around for us .... People can get here now."

Peterson may get a sense of how the economy is doing this week when he hosts his first storewide sale in more than two years.

"We're just trying to get our customers back and celebrating the end of the whole storm that we've been through," Peterson said, though work on the Crosstown is to continue for roughly another 12 months. "Perhaps in a year the freeway will be done and the economy will be back to normal."

Times have been particularly trying



Photo by Glen Stubee

*Greg Peterson owner of Peters Billiards, deal in pool tables, games and recreational equipment. But dealing with the 35W/Crosstown construction was no fun at all. new exits onto Lyndale Avenue from the Crosstown mean customers no longer have to hunt far a route to his store, a problem earlier in the construction.*

in part because of Peterson's decision, upon learning of impending Crosstown work in 2004, to build a gleaming new superstore slightly west of his previous site. Peterson decided to build largely out of concern for his staff. Many of his 45 employees have worked at the store for decades and about half are relatives, including three children who intend to continue running Peters Billiards, a family-owned business.

The three-story, 37,000-square-foot store showcases new billiards tables from top manufacturers Brunswick and Olehausen, as well as carefully restored antique pool tables.

The new store, three times larger than the old location, also provides expanded space for other product categories, including bar and kitchen stools, home theater seating, custom bars and entertainment centers, video games and patio furniture.

After buying a pool table from Peters Billiards 20 years ago, Jim Jordan returned recently when he wanted a table and games for his grandchildren at his summer home in Hudson.

"They're just super nice people to deal with," Jordan said. "They do business the old-fashioned way. They value a customer and they take very good care of their customers."

The Peters Billiards superstore also was designed to be tall

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Greg Peterson, owner of Peters Billiards

enough to catch the eyes zipping by on all 12 lanes of the rebuilt Crosstown.

"If you go by, the second story of our building along with the big logo on top is perfectly visible," Peterson said. "The first floor and ground floor, you can't see them. We did a lot of work with MnDOT to make sure our design was going to be visible from the freeway."

About half the cost of the new building came from the payment he received from the state, which took his former property through eminent domain, Peterson said. Bank financing paid the balance.

"Financially, dollars in the pocket for me personally would have been the best thing for me," Peterson said. "I could have just closed it all up. But whether it's an employee or whether they're family, they're like family because we've spent eight hours a day with them for 30 years. It's a team effort. No one wanted to shut it down."



*Peterson employs many of his relatives at landmark Peters Billiards. Hew new store is three times larger than the old place*

Peterson, of course, had no idea he was building one of the country's largest game-room stores just before the worst recession since the Great Depression.

Peters Billiards finished moving into the new store three years ago this month. Business was fine initially but sales dropped as housing starts and home remodeling projects slowed.

Last year's revenue was about \$7 million, down about 15 percent from 2007. "We can survive on that level but we'd like to prosper," Peterson said.

Peterson has responded to the downturn

by cutting bonuses, reducing employees' hours, letting vacancies go unfilled and opening the store on Sundays, believing customers would have an easier time navigating detours when traffic was lighter.

McDonald's. It just ended up being a great thing."

The expert says: Prof. Lorman Lundsten, chairman of the marketing department at the University of St. Thomas Opus Col-

## PETERS BILLIARDS

**Business:** Regional retailer of billiards tables, in-home games and recreation equipment, plus bar and kitchen stools, home theater seating, lighting, custom bars and entertainment centers and patio furniture

**Founded:** 1957; founder Ken Peters sold to Greg Peterson in 1972

**Headquarters:** Minneapolis

**Website:** [www.petersbilliards.com](http://www.petersbilliards.com)

**Employees:** 45, including some part-timers

**Executives:** Greg Peterson, owner

**2008 revenue:** \$7 million

**Strategy:** Continue cost-saving measures made in response to the downturn, promote the end of Crosstown Commons road construction and the store's diverse product line to try to lure back customers who avoided detours and attract new ones.

"The industry average is [down] 30 to 40 percent or out of business," Peterson said. "Some of the biggest guys in the country are gone."

Some failed after opening a number of smaller stores in recent years, Peterson said. His goal, in contrast, has been to have a destination store in a prominent location that would draw customers from the Twin Cities metro area and neighboring states.

"It's just kind of a retailer's dream location," Peterson said. "It's part of the brand to be on the busiest highway in town. I don't think anybody could ever be happier with a retail location than we're going to be when this is done."

Peterson had been a frequent customer before he bought Peters Billiards in 1972 from founder Ken Peters, who had opened the original store on 31st Street and Nicollet Avenue in Minneapolis in 1957.

Then 23 and a recent University of Minnesota architecture grad, Peterson built his first pool table when he was 15, after his father declined to buy him one. Peterson built and sold tables through high school and college and hasn't looked back.

"I kind of got the entrepreneurial thing as I was starting," Peterson said. "I built that first one and sold it and a little thing clicked in my mind: Hey, I made some money. And it beat what my friends were making at

lege of Business, said Peterson's immediate need is likely to recapture some of his working capital, now on his showroom floor in the form of pool tables and other products from major manufacturers.

"He's talking about having a sale, and I think that's a good idea," Lundsten said. "The saying in retailing is, the first markdown is the cheapest markdown: Cut the price deep enough to have people actually come in. Get people in, get the stock turned over and recapture some capital."

Peters Billiards may benefit from those holiday shoppers ready to buy big-ticket items, Lundsten said. But while the recession continues, Peterson may need to change his approach.

"He may need to restock at the bargain end of the line and stay there for a while," Lundsten said. "That probably would break his heart because it's not a cheap-type operation. I'm sure that's not what he wants to do. But he may have to wait out the recession that way."

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