



August 13, 2009

Bob Evans Restaurant Redesign Set for Greene County Debut

An overhaul of the design for Bob Evans Farms Inc.'s restaurants goes on public display next week. The Columbus-based dining chain plans to open its first so-called Home of Homestyle restaurant in Xenia on Monday. The prototype design is based on the Bob Evans family homestead in Rio Grande in southern Ohio, with what the company calls a "contemporary and relevant twist" in architecture and interior design. Xenia, about 50 miles west of Columbus, also is the site of a company food processing plant that employs 87 workers. While the Xenia restaurant will mark the newest look for the company's dining spots, Bob Evans Farms has restaurants in Centerville and at the Graceland Shopping Center in Columbus that use elements of the newest look. Dublin-based WD Partners Inc. provided the company with the prototype design. Features in the Xenia restaurant will include flat-screen televisions and free wireless Internet for customers. The restaurant will employ curbside carryout – a service offered by some competitors – and its staff will wear redesigned uniforms.

Source: Dayton Business Journal

Roark Places Bets on Franchised Brands. Money Invested by Private Equity Firms has Dropped Dramatically

At a time when many investors are holding tight to their cash, Roark Capital Group could invest more money this year than in its previous eight years with new deals expected to be reached within the next two months. The Atlanta-based private Equity firm already has invested in 14 franchised or multi-unit companies that combined have more than \$3 billion in annual systemwide sales. Its companies include Moe's Southwest Grill, McAlister's Deli, Cinnabon, FastSigns, Primrose Schools and Batteries Plus. Roark said it's in active discussions with several companies that should lead to new investments soon. Roark expects to add to its portfolio this year with equity investments that could total \$200 million to \$250 million, executives said in a recent interview at their Midtown offices. These investments mean the Atlanta-based firm could have even more ties to up-and-coming franchised businesses. They also reflect a belief by Roark that the economy has bottomed out. "We have been concerned and bearish about the economy and the debt markets for about 18 months now," said Neal Aronson, Roark founder and managing partner. "We have been cautious and haven't invested our capital. Now, we feel like we're ready to start investing again." Along with the rest of the U.S. economy, the private equity business has been operating in an uncertain environment for more than a year. Private equity firms, such as Roark, use money from investors to buy all or part of businesses. They typically make money by reselling these businesses or turning them into publicly traded companies with a stock offering. The private equity world was booming just a few years ago. U.S. private equity firms invested \$537 billion in 2007, according to PitchBook Data, a New York-based firm that tracks the industry. But through the first six months of this year, the amount invested has reached just \$26 billion. Activity stalled as the recession began and the banking crisis unfolded, said Adley Bowden, Pitchbook Data managing editor. To buy companies, private equity firms pair their money

with loans from banks and other financial institutions. That money has dried up, Bowden said. Private equity firms and the businesses they're trying to buy are having a more difficult time coming to terms on a deal, he said. It's hard to value businesses in this environment, and with limited access to borrowed money, the private equity firms have less money for bids. "A lot of them are looking at deals," Bowden said. "But they just haven't been able to close that seller-buyer gap yet." For Roark, the economic downturn began as it closed on its second fund. Aronson formed Roark eight years ago after selling U.S. Franchise Systems, a hotel franchisor that included Microtel Inns & Suites, Hawthorn Suites and Best Inns & Suites. Roark invested about \$150 million before raising money for a \$413 million fund in 2005. Among its early deals, it bought Carvel, Money Mailer, FastSigns, Seattle's Best International and Cinnabon. Roark closed last year on a second fund that totaled \$1 billion. Its acquisitions through the second fund include Acworth-based Primrose Schools and Atlanta-based Simply Floored. It also expects to close soon on a deal to buy Pet Valu, a Canada-based chain of pet food and supplies stores. These deals, though, are just the beginning. So far, Roark has invested \$70 million of the second fund, Aronson said. The investment firm could add a dozen companies to its portfolio in the next five years, he said. "We have a couple of businesses that we're working on right now that we hope in the next 60 days will come to fruition," he said. "And our pipeline behind that continues to grow." Despite the banking crisis, Roark is well-positioned because it relies less on borrowed money than most private equity firms, Aronson said. Roark's deals on average involve about 60 percent of its equity and 40 percent debt. Most private equity firms use debt for well over half of the purchase. Roark also follows a long-term strategy, Aronson said. It's only sold two companies, Pike Nurseries and U.S. Arbitrage Finance, and has no plans to sell more in the near-term, he said. As it considers acquisitions, Roark executives said they plan to build on their expertise in franchised companies. Late last year, Roark added Steve Romaniello as a managing director. Romaniello previously was CEO of Focus Brands, which runs five Roark-owned restaurant brands. Geoff Hill, who has been president of Cinnabon, also is transitioning to Roark as a vice president. The timing is right for investments in more franchised businesses, Romaniello said. Many owners are looking for investment partners that can give provide the capital and experience to distance themselves from competitors, he said. So far, Roark has focused on investing in franchisors, the companies that own the brands, but it's also looking at franchisee groups, companies that buy the rights to operate restaurants under the brand, Romaniello said. "We're in active discussions right now with a number of companies like that where we could work on the other side of the equation," he said. "I think more than anything it demonstrates our belief in the model of franchising."

Source: The Atlanta Journal-Constitution

Quiznos CEO Rolls Out Product Flex Plan

Quiznos CEO Rick Schaden has announced the Quiznos' Flex Plan business model, a pipeline for new product innovation that adjusts based on economic shifts. The Flex Plan was rolled out systemwide by Schaden at the company's annual meeting in St. Louis. The Quiznos' Flex Plan is a tiered product development strategy that allows for the simultaneous development of different products based on price point. The plan is a guide for future product innovation at Quiznos, allowing the company to respond proactively to consumer feedback. "Food is a staple. The key is to provide the right food at the right time for the right price," Schaden said in a news release. "That's why we spend a lot of time talking to our customers. Quiznos' Flex Plan allows us to immediately implement customer feedback and anticipate trends to benefit both our customers and our franchise owners." Quiznos' Flex Plan charted the course for two recent product introductions, the \$4 Toasty Torpedo and the \$3 Toasty Bullet. The products accounted for more than 20 percent of Quiznos' product mix following their launch. In a more robust economy, the plan provides for innovation of more indulgent products, such as Quiznos' premium, double-meat sandwiches. "This economy presents unique challenges, particularly as consumer confidence ebbs and flows," Schaden said. "We knew there was a better way to address the changes that came with this economy. By preparing for eventualities, we're taking the guesswork and delay out of product innovation and allowing for an immediate response to customer feedback. It's better for our customers and it's better for our franchise owners." The plan also incorporates a strategy for seamless product rollout — from product development and operations to vendor relations and marketing.

Source: fastcasual.com



Friedman Fleischer & Lowe Acquires Church's Chicken®. San Francisco-Based Private Equity Firm Becomes Parent Company of the Home-Style Chicken Chain

Church's Chicken announced the completion of its sale to San Francisco-based private equity firm, Friedman Fleischer & Lowe LLC (FFL). Church's Chicken was formerly owned by Arcapita Bank B.S.C. ©, a leading international investment firm headquartered in Bahrain. FFL and Arcapita announced the signing of a definitive agreement to sell Church's in June. "Now that the transaction is official, the Church's management team welcomes the opportunity to work closely with the team at FFL to explore new opportunities for the brand," said Harsha V. Agadi, President and CEO of Church's Chicken. "We look forward to further mapping out our long-term growth plans both internationally and domestically with this highly capable and experienced investor team," Agadi added. "We are excited to partner with Harsha and the entire management team as we embark on the Company's next phase of growth. The opportunity for unit expansion domestically and internationally, as well as for sales growth through menu expansion is compelling." said David L. Lowe, vice chairman of Friedman Fleischer & Lowe, in a press statement. With over 1,650 locations in 22 countries worldwide, Church's serves traditional home-style fried chicken and other popular chicken products in a simple, no-frills restaurant setting. The chain focuses on providing complete meals and snacks at low prices for a cross section of multicultural, cross-generational customers while emphasizing value, quality, and family/fellowship. The fried chicken concept operates under two brands worldwide: Church's Chicken and Texas Chicken.

Source: Church's Chicken®

Applebee's Expanding Big in the Neighborhood

The downturn presents opportunities for an aggressive restaurant franchisee who plans to open more eateries this year than ever. Apple-Metro, the exclusive franchisee of Applebee's Neighborhood Grill & Bar in the New York metro area is on an expansion tear in the city, opening two restaurants this month in the Bronx alone. Capitalizing on a weakened real estate market, Apple-Metro plans to open six restaurants in total this year, investing about \$15 million to do so. "I have never opened this many restaurants in a single year," said Zane Tankel, chief executive of Apple-Metro, which operates 29 eateries in the area. "I noticed the downturn early last year and began aggressively pursuing sites." The company has a bank loan and is using its own cash to fund the projects. Next week, he is opening an eatery across from Fordham University and later this month an Applebee's in the Bronx Terminal Market. Other restaurants are planned in Flushing, Queens, Harlem and Westchester County. The Harlem eatery's opening was briefly derailed last month but seems to be back on track. On July 17, a State Supreme Court justice ruled against Apple-Metro in a lease dispute, in which the company was supposed to open an Applebee's in a Harlem building co-owned by the National Black Theater and Nubian Partners. The theater's founder, the late Barbara Ann Teer, had argued that Applebee's is not consistent with the theater's cultural mission. While Apple-Metro counter sued for breach of contract—and the litigation continues—it recently signed another deal across the street from the theater at 1 W. 125th St. "We lost hundreds of thousands of dollars on the first deal," said Mr. Tankel, but he believes he is saving money on the terms of his new lease. "Two years ago," he said "rents in Harlem on 125th Street were running between \$125 and \$150 a square foot. I'm paying less than \$100 a foot now."

Source: crain'snewyorkbusiness.com

The Taco Maker Signs Agreement for NYC Expansion

The Taco Maker announced it has signed an area-development agreement to develop the New York City/Manhattan metropolitan areas. The agreement between the Taco Maker and restaurant and real estate developer Juan Nunez is part of an expansive strategy by the Taco Maker to grow the brand globally. At least 40 stores will open over a 10-year period in Manhattan. Of those stores, five to six will be stand-alone restaurants, while the rest will be designed to complement an urban landscape setting. "This agreement is a critical part of our expansion strategy to grow the Taco Maker into a leading worldwide franchise," says Carlos Budet, president and CEO of the Taco Maker. "Our goal is for the millions of worldwide visitors who come to NYC to experience the truly unique taste of The Taco Maker...and ultimately take a Taco Maker franchise back to their home town or their own nation." The Taco Maker Inc. is the parent company of the Taco Maker restaurant, which is the largest Mexican quick-service restaurant in Puerto Rico. The first store in New York is slated to open within six to nine months on the upper east side of Manhattan. "I can't tell you what a thrill it is to be working with the Taco Maker to bring this incredible concept to the Big Apple," Nunez says. "There's no question, with the growth potential of the Taco Maker, we have an enormous opportunity to strategically develop the brand and capture a considerable portion of the Mexican [quick-serve] segment in New York."

Source: QSR

US Food Stamp List Tops 34 Million for First Time

For the first time, more than 34 million Americans received food stamps, which help poor people buy groceries, government figures said on Thursday, a sign of the longest and one of the deepest recessions since the Great Depression. Enrollment surged by 2 percent to reach a record 34.4 million people, or one in nine Americans, in May, the latest month for which figures are available. It was the sixth month in a row that enrollment set a record. Every state recorded a gain in participation from April. Florida had the largest increase at 4.2 percent. Food stamp enrollment is highest during times of economic stress. The U.S. unemployment rate of 9.5 percent is the highest in 26 years. Average benefit was \$133.65 in May per person. The economic stimulus package enacted earlier this year included a temporary increase in food stamp benefits of \$80 a month for a family of four. Food stamp enrollment, Month Total: May 34.409 million; April 33.758 million; March 33.157 million; February 32.556 million; January 32.205 million; December 2008 31.784 million; November 2008 31.097 million; October 2008 31.050 million; September 2008 31.586 million.

Source: 2009 Reuters

California Pizza Kitchen Enters Into Agreement with JSM Corporation and Daud Arabian Trading. First Restaurant to Open in Summer 2010

California Pizza Kitchen has entered into an agreement with new franchise partners JSM Corporation and Daud Arabian Trading to expand into India. The company said that as part of the agreement, a minimum of fifteen new California Pizza Kitchen full-service restaurants are expected to open in India over the next ten years with the first restaurant scheduled to open in the summer of 2010. Rick Rosenfield and Larry Flax, co-founders and co-CEOs of California Pizza Kitchen, said: "We are thrilled to be expanding our CPK brand into India, a country with a growing consumer economy and that represents one of the world's largest emerging markets." JSM is a restaurant group based in Mumbai and is the exclusive franchisee for Hard Rock Café across India, operates the Asian-inspired Shiro Concept and other independent restaurants. Daud Arabian Trading, headquartered in the UAE, is a subsidiary of The Daud Group of Oman which has additional operations throughout the Arab Gulf, Taiwan and India. California Pizza Kitchen is a casual dining chain featuring a line of hearth-baked pizzas, including the Original BBQ Chicken Pizza, and a

broad selection of distinctive pastas, salads, appetizers, soups, sandwiches and desserts. Of the chain's 252 restaurants, 208 are company-owned and 44 operate under franchise or license agreements.

Source: Food Business Review

Business Meal Deduction Legislation Introduced, NRA Applauds

In a move widely applauded by restaurant owners and operators throughout the United States, Representative Neil Abercrombie (D-Hawaii) today introduced legislation that would increase the federal tax deduction for business meals from 50 percent to 80 percent. The measure would restore fairness in the tax code for legitimate business deductions and help local restaurants and small businesses, particularly during these difficult economic times. "On behalf of restaurant owners and operators throughout the country the National Restaurant Association strongly supports this legislation which would help restore, sustain and create jobs and provide a tremendous boost to the economy," said Dawn Sweeney, President and CEO of the National Restaurant Association. "We - and the many restaurant employees who have seen their income reduced in these challenging economic times - applaud Congressman Abercrombie for his leadership and urge Congress to pass this important measure." According to research conducted by the National Restaurant Association, the restaurant industry continues to be a key driver for the U.S. economy, with overall economic impact expected to exceed \$1.5 trillion in 2009. An increase in the tax deduction for business meals to 80 percent would boost business meal sales by \$6 billion a year and create a \$18 billion increase to the overall economy. The industry currently employs an estimated 13 million people, or 9 percent of the U.S. workforce. It is estimated that for every additional one million dollars in restaurant sales an additional 33 jobs are generated for the economy. "We believe that particularly during these difficult economic times, the cost of business meals should be treated fairly along with other allowed business deductions," said Sweeney. "This legislation is an important step that will benefit local restaurants and businesses in communities throughout the nation." The National Restaurant Association has long supported fully restoring the federal tax deduction for business meals since it was reduced to 50 percent in 1993. Restaurants, along with small businesses, self-employed individuals and the travel and tourism industry, are most negatively impacted by the current policy. An increase in the business meal deduction would benefit the restaurant and small business community. Restaurants are the number one preference for small business people who conduct meetings outside the office and two-thirds of people who claim the business meal deduction are small business owners who rely on the deduction to grow their businesses and stay competitive.

Source: NRA

Starbucks to Concentrate on Expansion in China, Has No Plans to Enter India

Starbucks, the US coffee chain, said that it is planning to expand further in China and currently is not planning to enter India, according to Bloomberg. The coffee chain opened its first shop in China in 1999. According to the news source, Starbucks is concentrating on expanding its current market presence in China, Russia and Brazil and is also reportedly trying to save about \$550 million in 2009 by taking the necessary cost cutting measures. The company also plans to market the Via instant coffee, a new coffee blend across the US in one year. Bloomberg has quoted Martin Coles, the president of Starbucks who heads the company's operations outside the US, as saying: "China clearly is a huge opportunity for us, today and into the foreseeable future. We certainly have aspirations to have operations in India, but this is not something that is on the front burner and about to happen."

Source: Datamonitor/Bloomberg



Jamba Juice California Flatbreads Debut in New York

Jamba Juice Co. has debuted its California Flatbreads at 18 New York City locations. In June, the company expanded its retail offerings to include Grab and Go food, flatbreads and cold tea infusions at its 222 California locations. The California Flatbreads are available in four flavors, including Four Cheesy, Smokehouse Chicken, Tomo Artichoko and MediterraneYUM. Each flatbread contains less than 330 calories and costs between \$3.50 and \$3.75. "In a fast-paced place like New York City, our customers are always looking for something they can eat on the go," said Brian Lee, vice-president of innovation and quality. "Without sacrificing taste and quality, we are committed to offering our customers food served fast they won't feel guilty about eating — at lunch, or dinner, or any time in-between."

Source: FoodBusinessNews.net

Sodexo Challenges Chains to a Campus Burger Throwdown

The recession-defying success of such new-breed burger concepts as Five Guys, Smashburger, The Counter, Mooyah and others hasn't been lost on the companies that manage college dining programs. On at least three campuses this fall, Sodexo will introduce a new proprietary burger concept called The Original Burger Company that's heavy on burger customization. Taking the concept beyond colleges to healthcare and corporate accounts is under consideration. At the same time, Aramark, another major player in what Technomic defines as a \$12.4 billion college-dining marketplace, is taking a similar tack this fall by introducing a college-campus retail concept called Burger Studio. Sodexo won't place its own brand in direct competition with Burger King or other national burger chains in college food courts. Rather, Original Burger Company was developed around those qualities that college students have demonstrated an interest in and often need to go off-campus to find. "What you see in these concepts [like Five Guys] is that, first, they keep it simple," says Husein Kitabwalla, president of Retail Brand Group LLC (RGB), the Allentown, Pa.-based unit that develops Sodexo's retail restaurant concepts. "They focus their menus on a few core items and give customers the ability to choose toppings to make a really big sandwich. Second, they stress quality." Original Burger Company units will build on just two patties: a quarter-pound patty and a third-pound Angus burger. A crispy chicken patty (marinated and breaded on site and cooked to order) is another option. A limited selection of salads and sides (fries, onion rings) complete the menu. Where every burger is an original" is the concept's marketing slogan, says Erica Milios, RGB director of brand development. Burgers will be priced in the \$4-to-\$6 range depending on toppings (a few premium toppings will be available to begin with, with more added as customer preferences are gauged). Locations will have the option of adding a limited breakfast menu as well, she says. Greater customization and faster speed of service set Original Burger Company apart from Sky Ranch Grill, another Sodexo retail concept that serves burgers, Kitabwalla says. Sky Ranch is fast casual edging up to casual dining with premium-price burgers; Original Burger Company is fast casual leaning toward quick service with mid-price burgers. As such, the new brand fills a void in Sodexo's concept portfolio, he says. Confirmed locations this fall for Original Burger Company include three Sodexo clients: Fort Valley State University, Fort Valley, Ga.; North Carolina A&T University, Greensboro; and Salve Regina University in Newport, R.I. Additional locations this year are likely. RGB has extended other retail foodservice concepts beyond college campuses. Its Jazzman's Café coffee shop and Pandini's pizza/sandwich-cafe concepts have been opened outside colleges by franchisees. Kitabwalla and Milios consider it is unlikely the Original Burger Company will be

franchised, but establishing the concept in hospital or corporate-dining locations is quite possible. "Those markets also aren't immune to the pressures of what's on the street," says Kitabwalla. Original Burger Company could help keep a hospital's staff and visitors on-site with their lunch dollars, for example. "We wanted a baseline burger concept that could be used across [Sodexo's market] channels." Philadelphia-based Aramark's Burger Studio concept is similar in many ways to Sodexo's Original Burger Company. Both emphasize have-it-your-way customization and have been developed with extensive input from college students. Burger Studio's key difference is its use of electronic kiosks where customers make their choices of bun, burger patty and toppings. Aramark tested burger recipes with students at University of Delaware, Newark, Del.

Source: Sodexo

North Korea Plans to Open More Fast-Food Restaurants

North Korea's first fast-food restaurant has quickly become popular among local residents and foreigners and plans to open branches in the future, a restaurant manager said last week. North Korea opened the Samtaesong restaurant in its capital, Pyongyang, last month. It is the isolated communist nation's first fast-food restaurant and offers hamburgers, french fries, waffles and draft beer. "Our restaurant specializes in serving popular food that's well-known throughout the world," manager Ko Jong Ok told broadcaster APTN in Pyongyang. "It is not so long since its opening, but our restaurant has become popular among our people and foreigners," she added. "We are planning to set up branches in many places of the city in the future." "I think it is very clean and I think every effort has been made to present the food very well," George Bottomley, a British visitor, told APTN. North Korea calls hamburgers "minced beef and bread" in an apparent attempt not to give the impression that its citizens have embraced the American food icon. And the North's ever-present propaganda was close at hand. On the wall of the building that houses the restaurant is a banner reading, "Long live the Songun (military-first) revolution ideology." Songun is a key policy of authoritarian leader Kim Jong Il that calls for putting priority on the country's armed forces. The minced beef and bread at the restaurant costs \$1.70, according to the Choson Sinbo, a Tokyo-based newspaper considered a mouthpiece for Pyongyang. That would eat up more than half of the average North Korean's daily income. South Korea's central bank put last year's average per capita income at \$1,065. Choson Sinbo reported last week on the opening of the restaurant, which it said occurred last month.

Source: The Associated Press

California Pizza Kitchen to Expand into India

California Pizza Kitchen Inc , said it plans to open its first restaurant in India in the summer of 2010, after signing franchise agreements with two partners. The Los Angeles-based chain, known for unconventional menu items such as Thai Chicken pizza, said last week it expects to open a minimum of 15 restaurants in India over the next decade. It said its partners are JSM Corporation Pvt Ltd, a Mumbai-based group that franchises the Hard Rock Cafe across India, and Daud Arabian Trading, a unit of Oman's Daud Group, which has opened restaurants under U.S. brand names such as McDonald's in the Middle East.

Source: Reuters

Carl's Jr., Hardee's to Offer Monster Energy Drinks

Carl's Jr. and Hardee's have become the first major quick-serve restaurants to offer Monster Energy drinks as a permanent menu item. CKE Restaurants Inc., parent company of Carl's Jr. and Hardee's, has partnered with Monster Beverage Co., a division of Hansen Natural Corp., to offer the popular Monster drink in more than 3,000 restaurants throughout the United States. Carl's Jr. is immediately offering Monster Energy drinks in all company and franchise units. Hardee's company-owned units will begin selling Monster

Energy in mid-August, with franchised units joining later. "This partnership provides increased availability of Monster Energy for our consumers at Carl's Jr. and Hardee's restaurants nationwide," said Mark Hall, president of Monster Beverage Co. "Our unique approach to marketing through action sports sponsorships and music lends itself to a successful partnership with Carl's Jr. and Hardee's, both of which are respected, innovative brands that serve similar core consumers."

Source: QSRweb.com

Some Burger Joints Offering Alcohol in an Effort to Lure Customers

Fast-food customers are hearing something new as they order burgers, pizza and all things fried: Would you like wine with that? No one's selling cases of McMerlot just yet, but a number of so-called "quick-serve" restaurants are adding beer and wine to the menu, partly to boost sales but also with an eye to amping up the ambiance. "We simply wanted to create a different kind of dining experience," says Jeff Harvey, CEO and president of Burgerville, a 39-unit chain in the Northwest which recently added wine and beer to one of its restaurants in Vancouver, Wash. The trend comes at a time when "quick serve" or "quick casual" restaurants — a restaurant that has counter service but aspires to offer something more than typical takeout — are looking to attract cash-strapped diners searching for cheaper options, but not willing to give up the amenities of full-service restaurants. "If you're more of an upscale fast food restaurant and you're trying to trade upon that image as more of a premium product, wine really fits in with that image," says David Henkes, vice president of the Chicago-based market research firm Technomic. Among the quick serve restaurants selling alcohol is Denver-based Chipotle Mexican Grill, which sells beer and margaritas. Meanwhile, Seattle-based Starbucks Corp. announced in July that it will change the name of one of its existing stores in Seattle — to 15th Avenue Coffee and Tea — and begin serving wine and beer as well as coffee and tea. For Burgerville, wine and beer was a logical next step in their program of using local ingredients to create monthly dishes based on seasonal ingredients. There was some resistance from customers who didn't want the 48-year-old chain to change. But "for the most part everybody's been very favorable toward this. The guests have been surprised, but very pleased with the idea," Harvey says. Sales are up at the Vancouver restaurant selling beer and wine, but says Harvey, "That wasn't our motivation. My measure of success is really more the dialogue that's happening at the tables." At the three-location Shake Shack in New York City (part of the Danny Meyer empire that also includes Union Square Cafe and Gramercy Tavern), owners decided to sell beer and wine when the first restaurant opened at Madison Square Park five years ago. "Shake Shack is about coming together, hanging out in the modern version of that old roadside burger stand," says managing partner Randy Garutti. "We felt that beer and wine was a crucial part of who we are. It was just a part of keeping people at the Shack to hang out, not one of those fast-food joints that has uncomfortable chairs so you leave." The Shack even has its own beer, created with a local brewery, Shack Meister Ale, as well as wines including Shack Chard and Shack Shiraz. And if you want something a bit more upscale with that burger, you can have a half bottle of Opus One for \$99, not a bad price since a full bottle of the '05 retails for up to \$200. Like Burgerville, Shake Shack's plans to serve beer and wine drew concerns it would create problems, particularly since the restaurant is in a park. "Of course, the opposite is true," Garutti says. "People hung out longer and made the park the safest it's been." Serving beer and wine isn't a step to take lightly. Restaurants need to obtain a license, which can be a complex and expensive process, and the servers must be 21 or older and trained to serve alcohol. At Burgerville, for instance, officials are considering offering alcohol at other locations, though they already know there are some where it won't work, partly due to the layout of the restaurants. Their system involves keeping wine and beer sales separate from food. A pioneer in the burgers-n-Burgundy movement is Taylor's Automatic Refresher, a three-location chain in Northern California. The quick-serve restaurant, founded by winemaker Joel Gott and his brother, Duncan, 10 years ago, is known as a place where you can get a hearty burger, onion rings and a half bottle of such Napa Valley aristocrats as Shafer Vineyards. "It's just a mellow place to go," says operations manager Staci Raymond. On a recent afternoon, Sean Brown, CEO of the Internet advertising site BuzzHub, was enjoying a glass of red at the Taylor's in San Francisco's restored Ferry Building while discussing business with a friend. He liked the combination. "It's a comfortable way of enjoying an adult beverage with an adult conversation," he says.

Source: The Associated Press

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Loan Helps Pair Open Restaurant

Tuna Poke has come to Tuna Wharf, courtesy of the American Recovery and Reinvestment Act. Sister and brother Talia and Khalib Khan opened 7th Wave Restaurant with a \$499,000 loan backed by the US Small Business Administration. The federal economic stimulus program allows the SBA to temporarily eliminate loan fees and guarantee 90 percent of a loan to help thaw frozen credit markets. The Khans saved \$11,500 in loan fees, which enabled them to invest money in fixing up the restaurant on Tuna Wharf. “It made a big difference,” said Talia, 23, a former event planner who graduated last year from Johnson & Wales University. “We scrounged up all the money we could to get started. Saving those fees made it a lot easier and cheaper.” No-fee loans and higher guarantee rates are available until the end of this year. Another temporary loan program provides up to \$35,000 for a borrower to pay down debt. Since the changes were made and the funds became available, SBA loans in Massachusetts have increased 45 percent, officials said. “It’s doing the trick,” said Robert Nelson, acting New England regional administrator for the SBA. “The elimination of the fee and the increase to 90 percent [guarantee] is making it that much easier to obtain a loan.” In Massachusetts, 575 SBA loans totaling \$105 million have been approved with the stimulus funds. The average loan is \$140,000, Nelson said. In the North region, 125 SBA loans have been given out to businesses ranging from a software firm in Haverhill to law firms in Salem to wholesalers in Woburn. “We knew we had to act,” Nelson said. “Across the board, we were seeing business owners not willing to take the risk, and banks were not willing to make the loans. Businesses were starved for capital. The recovery act couldn’t have come soon enough.” It came just in time for the Khans to buy an old chowder house. The pair watched as the sale price dropped from \$1.2 million to \$699,000 last December. “The location was too good to pass up,” said Khalib, 26, a former sound engineer. “We had always wanted to own our own business. We figured we might as well do it now.” They took their business plan to Rockport National Bank to ask about an SBA loan. The SBA usually guarantees 75 percent, lessening the risk for the lender. But while they were waiting for approval, the stimulus funds became available. Their banker, Mike Luster, told them they qualified for a no-fees loan. “We were surprised and really excited,” said Talia, who handles marketing and business operations. The Khans grew up in Wilmington, two of five children born to their Trinidadian father, Farouk, and Elaine, their Irish-American mother from Medford. The 140-seat restaurant opened on June 2, offering fare described as New England fusion. The menu includes appetizers such as tuna poke, which is sushi flavored with Hawaiian spices, and a lobster roll that comes with fries.

Source: BusinessWire

DRH Board Gives Approval for Management to Evaluate the Benefits of Franchising Bagger Dave’s

Diversified Restaurant Holdings Inc. announced that its Board of Directors authorized management to begin evaluating the benefits of franchising Bagger Dave’s Legendary Burgers and Fries® at their meeting held on July 30, 2009. “Bagger Dave’s was created and launched by our Company in January 2008,” said T. Michael Ansley, President and CEO of Diversified Restaurant Holdings. “We compete in the underdeveloped, mid-range price point sector of the fast-casual restaurant market bracketed on the low end by Wendy’s and at the upper end by Red Robin,” added Ansley. The menu features freshly made burgers (never frozen) accompanied by more than 30 add-on toppings and fresh-cut fries, Bagger Dave’s also focuses on local flair with the interior showcasing historic photos of the city in which it resides.

Source: Diversified Restaurant Holdings, Inc./ Bagger Dave's

Einstein Noah Restaurant Group Announces the Retirement of General Counsel and Secretary Jill B.W. Sisson

Einstein Noah Restaurant Group, operating under the Einstein Bros.® Bagels, Noah's New York Bagels®, and Manhattan Bagel® brands, announced that the retirement of Jill B.W. Sisson, General Counsel and Secretary, effective September 3. Ms. Sisson will be available to the company for a transitional period until her successor is named. Ms. Sisson joined the company as a consultant in December 2003 and was appointed as General Counsel and Secretary at that time. Jeff O'Neill, Chief Executive Officer and President of Einstein Noah, stated, "On behalf of the executive team and the board of directors, I want to thank Jill for her commitment to our company and wish her the best in her well-deserved retirement. Jill leaves behind a strong legacy at Einstein Noah and a distinguished record of service. We have truly valued her leadership, legal expertise, and the exemplary role she has displayed in demonstrating our company values." Jill Sisson, stated, "I have been fortunate to work at Einstein Noah for nearly six years and it has been both personally and professionally rewarding to participate in the growth and success of this company. After a very satisfying legal career, I am looking forward to the next chapter in my life.

Source: Einstein Noah Restaurant Group

New Wave of Pi Fare. Mark Pi Jr. and Siblings Follow in their Restaurateur Father's Footsteps in Opening their Own Ventures

After a few years of quietly concentrating on their restaurant chains, including Mark Pi's Express, China Gate and Feast of the Dragon, the Pi family is making a new imprint on Columbus. Mark Pi Jr. has opened Kogen's Far East Fare and siblings Ko-Rely and Konan Pi plan to open Mark Pi's KoKo Light-Hearted Fare in October in the new food court at Nationwide Children's Hospital. Kogen's is a particular passion for Mark Pi Jr. He had attended Ohio State University but quit school to concentrate on the Columbus-based chains his father started in the 1970s. He also had to deal with the company's Chapter 11 reorganization in the mid-1990s, when it went from 90 stores across the United States to fewer than 30. After more than a decade, and with his father in semi-retirement, the son, now 39, decided to create his own brand. "I thought it was time for our family to get back into the full-service arena, and to make something family-friendly and fun," he said. The name expresses his personal involvement. Kogen, he said, was the name his father wanted for him. (His grandmother prevailed in naming him after his father.) He has spent nearly a year working on the concept, which features a menu of the sort he would want at home, offering dishes from Vietnam, Thailand, Korea, China and Japan. The restaurant seats about 90 people, and a sushi bar backs up to a 36-seat patio. The bar serves about 40 rolls, and the menu includes dishes for children. Lunches cost about \$7; dinners range from \$11 to \$16. Meanwhile, Ko-Rely and Konan have taken charge of the new location and concept planned for Nationwide Children's Hospital.

"Our values are aligned with their values," Ko-Rely Pi said, in describing the use of ecologically friendly materials in the dining spot that will serve heart-healthy versions of items sold at a Mark Pi's Express. "We want people to eat what they want and yet know that what they're eating is good for them," she said. Although the space is only about 850 square feet, "We told our designers to create an oasis for people, a place where they can relax and ease some of their concerns." "This is another way to enhance what we have to offer our patients, visitors and staff," said Kathy Grover, director of nutrition services at Children's, who also advised operators of a Subway sandwich shop before it opened in the food court. Burgers in the air. The fourth Five Guys Burgers and Fries in central Ohio has opened on the second floor of Easton Town Center's main building -- an unusual place to find a burger shop. "It's unique, being inside a mall rather than outside on the street," said Bob Dorfman, whose TCH Restaurant Group is the local franchisee for Five Guys. "But (mall developer Steiner and Associates) was extremely supportive and cooperative."

Source: THE COLUMBUS DISPATCH

UFood Grill Announces Space Permit Approval at Oakland International Airport

UFood Restaurant Group, Inc. announced they have been approved for a Space Use Permit at Oakland International Airport. This news comes shortly after UFood Grill announced they signed the lease for their second location at Boston Logan Airport. Food Grill has a third airport location at Dallas/Fort Worth International Airport, the seventh busiest airport in the world. Oakland International Airport ranks 33rd in enplanements, according to 2008 statistics by ACAIS. George Naddaff, Chairman and CEO, said, "We're pleased that UFood will be in another airport. This is a testament to the traction we're getting from nontraditional locations such as airports and hospitals, and we see opportunities to expand into other nontraditional locations such as colleges and travel plazas. Earlier this year we were very pleased to be recognized as the "Best New Food & Beverage Concept" in the Small Food & Beverage Operator category by Airport Revenue News' 2009 Best Airports & Concessionaires competition. The UFood concept is increasingly being recognized for its ability to answer the needs of consumers who are looking for an affordable, convenient, quick-service restaurant offering 'better-for-you' and delicious food choices. The Oakland Airport location will be our fourth nontraditional restaurant to open and we're working hard to continue this growth."

Source: UFood Restaurant Group

If you would like to have news about your company, please send all editorial contributions to Mario Schacher: mschacher@yahoo.com



Thank you for reading The Global Foodservice E-newsletter from American Recruiters!

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