



July 17, 2009

Darden Plans 50 New Locations

Darden Restaurants Inc. plans 50 to 55 new locations in the coming fiscal year, after having opened 71 during the past year. The proprietor of Olive Garden, Red Lobster and LongHorn Steakhouse chains, among others, posted a 9% sales increase for the year ending May 31, totaling \$7.2 billion. Earnings for the year fell slightly to \$372 million, but included a 21% boost in the fourth quarter to \$123 million. Sales for the fourth quarter rose 8% over the year to \$2 billion, attributed to new restaurant growth, including \$890 million from Olive Garden and \$734 million from Red Lobster. Darden's restaurant chain in the US and Canada totaled 1,773 locations at the end of the past fiscal year. The company added a net of 38 Olive Gardens, 16 LongHorns and 10 Red Lobsters over the past year, along with smaller numbers of other concepts such as Capital Grille, Bahama Breeze and Seasons 52. "In a challenging economic environment where consumers have reduced their dining-out frequency and there was a significant amount of competitive discounting, our brands performed much better than the industry," Clarence Otis, Darden chairman and CEO, stated in a release. He termed the latest results as "our finest hour" in an interview with CNBC, adding that its chains are resisting efforts by other restaurant groups to cut prices and portions. Darden forecasts that its earnings for the coming year will be down between 2% and 8%, while revenue will range within 1% of fiscal 2009. Results for the past year were affected by integration costs and accounting adjustments related to its October 2007 acquisition of Rare Hospitality International Inc., which added LongHorn to Darden's restaurant lineup.

Source: GlobeSt.com

Pizza Hut Undergoes Makeover in Jacksonville

The new contemporary look reflects the company's expanding menu. Louisville, Kentucky-based Pizza Hut is renovating all of the restaurants in the Jacksonville market, including seven dine-in restaurants and 23 delivery and carryout-only restaurants. Renovations began in Jacksonville in March and are scheduled to be complete by September. Pat Murtha, Chief Operating Officer, Pizza Hut, said: "With the introduction of Tuscani Pastas last year and the expansion of our WingStreet wing concept at hundreds of Pizza Hut locations, there's a lot more than just pizza at Pizza Hut. While as a company we'll always be known as Pizza Hut, the contemporary new look of our restaurant reflects our expanding menu, while keeping our overall restaurant feel fresh and contemporary. "Jacksonville is a great market for us. We are proud to be a part of the community and we thank our customers who have been Pizza Hut loyalists for decades. These upgrades in the market reflect our desire to stay relevant so that families can enjoy our pizzas, pastas and wings for years to come," he added. John Peyton, Mayor of Jacksonville, said: "In these challenging times, we are excited and appreciative that Pizza Hut has chosen Jacksonville to invest over \$5 million in the revitalizations of its local restaurants. Capital investments help ensure the future viability of small businesses and large companies during any economic downturn and I am pleased that Pizza Hut's commitment will benefit all of its patrons in the local area."

Source: Food Business Review

Pizzerias' Aim: To Spice Up Local Economy. Hoosier Tavis Smiley Plans to Open Several Marco's Pizza Shops

Kokomo native Tavis Smiley is a household name when it comes to radio and television, but the PBS talk show host is cutting into a savory new challenge. He plans to open 37 Marco's Pizza franchises in the next five years. Smiley hopes they will create 1,000 jobs in the Indianapolis area. His goal: to bring economic development to areas that haven't seen much growth and provide work for teens who need the extra cash. There also are entrepreneurial opportunities for those looking to someday open their own franchises. Considering sales and the work this will create for local vendors and other companies, Smiley says this will mean at least \$1 billion being pumped into the Indiana economy during the next 20 years. "Here is an opportunity for me to do something for the community and be able to give some young people some opportunity," said Smiley, who delivered newspapers as a boy. His first pizzeria has been open since April and employs about 20 people. Smiley hopes the second restaurant will be in full operation before the end of the year. A site hasn't been chosen yet for that one. He said the city's growth and Marco's positive performance during the past 11 quarters played a part in his decision to take on this business endeavor. As the majority investor, Smiley bought the rights to own and develop a minimum of 37 restaurants, which will operate under the name Circle City Hospitality. Longtime friend and business partner Harold Patrick is managing the investment company and overseeing much of the operation. In the past six months, 20 Marco's Pizza stores have opened in California, Florida and Virginia, among other states. Last year Pizza Today ranked the chain 30th out of 100 top pizza companies based on gross sales. In all, according to its Web site, Marco's Pizza has more than 180 franchised and company-managed stores in 17 states. All four Indiana stores are in Indianapolis. As for the risks, Smiley is aware that things might not go as planned, but he has a positive outlook. "Business is investing money, taking a risk and hoping that it works," he said.

Source: indystar.com

Cracker Barrel Old Country Store, Inc. Announces Completion of Sale-Leaseback Transactions

Cracker Barrel Old Country Store, Inc. announced the closing of the sale-leaseback of its retail distribution center and fourteen of its store locations, with a fifteenth expected to close on or before July 31st. The transactions are expected to produce aggregate gross proceeds of approximately \$57.6 million, consisting of \$12.4 million relating to the distribution center and slightly more than three million dollars for each of the 15 store locations. The sale-leaseback transactions were the result of a competitive bidding process. Commenting on the transactions, Cracker Barrel Chairman, President and Chief Executive Officer Michael A. Woodhouse said, "We are pleased that these transactions, essentially completed a month ahead of schedule, generated proceeds within the initial estimated range first announced in February, especially considering the recent volatility of the real estate market." The Company indicated that the net proceeds of the transactions will be used to reduce outstanding debt, as previously announced.

Source: Cracker Barrel Old Country Store®

BJ's Restaurants Opens in Mesquite, Texas

BJ's Restaurants, Inc. announced the opening of its 85th restaurant in Mesquite, Texas. The new BJ's Restaurant & Brewhouse is located at 1106 Town East Mall on the southeast corner of I-635 and Town East Boulevard, at the super-regional 1.25 million square foot Town East Mall. The restaurant is approximately 9,000 square feet, includes seating for approximately 280 guests and features BJ's extensive menu, including BJ's signature deep-dish pizza, award-winning handcrafted beer and our famous Pizookie® dessert. "We are very excited to open a BJ's restaurant in Mesquite," commented Jerry Deitchle, Chairman and CEO. "Our new restaurant represents our fifth location in the Dallas/Fort Worth Metroplex and our 14th restaurant in the state of Texas, which has been a strong market for BJ's for several years now. We were very pleased with our first-day sales in Mesquite. We continue to remain on

track to open as many as 9 to 11 new restaurants during 2009, of which three have already opened to date. All of our remaining potential new restaurants for 2009 are currently under construction.”

Source: BJ's Restaurants, Inc.

Fuddruckers Opens New Location near Reno, Veteran Restaurateur Luther Mack Joins the Franchise

Fuddruckers, the home of the “World’s Greatest Hamburgers,” will open its 230th location in Sparks, Nevada, at The Legends at Sparks Marina, a few miles from Reno. Along with the new restaurant, Fuddruckers welcomes a new franchisee – Luther Mack – a restaurant professional with a distinguished track record in restaurant ownership and operations. Although not as much of a household name as his long-time friend, actor and comedian Bill Cosby who will join him for the opening, Mack is well-known in the franchise world and a respected business leader in his home state of Nevada. For 35 years, Mack owned and operated 11 McDonald’s restaurants in the Reno/Sparks area, earning accolades for both his commitment to the company and the quality of his restaurants. He officially retired from the burger behemoth and sold all of his restaurants in January of 2009. Now, just six months later, the 69-year-old former Marine who believes in raising the bar, is back in the restaurant business to build a better burger. With nearly 6,000 square feet and 240 seats, including the only outdoor seating in The Legends shopping center, this location will be the largest Fuddruckers in the state of Nevada. “I like the family atmosphere of the restaurant and I like what the brand exemplifies,” said Mack. “I was impressed with how they treat their guests and very impressed with their product—fresh buns and fresh, quality meat.” “Luther is a tremendous asset to our brand,” said Peter Large, CEO of Fuddruckers. “He represents our commitment to quality, fresh food and delivering high levels of service and value to our guests.”

Source: Fuddruckers

Starbucks Sets Eco-Friendly Goals for New Stores

Not just the logo will be green at Starbucks’ new stores. Starbucks announced that the company aims to earn LEED certification on all new company-owned stores beginning in 2010. Among the company’s eco-friendly goals for all new company-owned stores are that 50 percent of each store’s energy be derived from renewable sources, and that they will be 25 percent more energy efficient. The company has set long-term goals including replacing all stores’ incandescent bulbs with LED bulbs and ensuring 100 percents of its cup supply is reusable or recyclable by 2015. Beyond the energy-saving measures, the company aims to give its stores a more local feel. All new and renovated stores beginning in 2010 will tap the skills of local craftsmen and use materials associated with the store’s neighborhood. One recently built store that reflects this new strategy is the company’s 1st Avenue and Pike Street store in Seattle, opened in March of 2009. The bar’s leather façade is made of scrap leather from local shoe and automobile factories, the cabinets from fallen trees in the Seattle area, and the community table from a nearby restaurant. “We recognize the importance of continuously evolving with our customers’ interests, lifestyles and values in order to stay relevant over the long term,” said Arthur Rubinfeld, president of Starbucks Global Development, in a statement. “Ultimately, we hope customers will feel an enhanced sense of community, a deeper connection to our coffee heritage and a greater level of commitment to environmental consciousness.”

Source: BrandWeek

Red Lobster Moves Ahead with Restaurant Makeovers

Red Lobster will move forward aggressively with makeovers for its restaurants, remodeling 50 of them to invoke images of coastal Maine this year. Executives with Orlando-based Darden Restaurants discussed the renovation plans about the company’s fourth-quarter and annual earnings report.

Source: The Miami Herald



Baskin-Robbins Plans 50 New Outlets in Gulf

The economy may have melted down, but there is no melting of ambition at the Baskin-Robbins ice cream brand, which plans to open an additional 50 stores in the Gulf region within the next 12 months and further extend its lead here in the retail ice cream market. Baskin-Robbins, known for its '31 flavors,' opened its 450th store at the Palm Jumeirah in Dubai. Together with Galadari Ice Cream Company, its exclusive licensee in the Gulf, the US brand expects to open 25 new parlors by the end of this year and another 25 by the end of next June, executives told a news conference. "We are on an aggressive stance to pursue our expansion plans in spite of the general economic slowdown. We are confident of a sooner-than-expected turnaround in the region," Manoj Loya, General Manager of Galadari Ice Cream, said in a statement. Baskin-Robbins is one of two brands owned by privately-held US company Dunkin' Brands Inc.; the company's other brand is Dunkin' Donuts, which also operates outlets in the Gulf. Dunkin' Brands Chief Executive Officer Nigel Travis said that for the past two years, the Middle East has been the fastest-growing market in the world for Baskin-Robbins. So far this year, the brand has seen its sales in the Middle East grow by more than 20 per cent compared to the same period of 2008. Travis declined to specify the brand's revenues or profits. "We believe the Middle East will continue to do well," he said. "Despite some of the struggles at the moment the Dubai will continue to grow for long-term...Global circumstances affected every country in the world but despite the trouble we are doing @very well." Baskin-Robbins claims to have a 90 per cent share of the region's ice cream parlour business. It opened its largest store in the world in Jeddah, Saudi Arabia, in March; the parlour covers a total store area of 5,000 square feet. In the UAE, it operates 108 stores. "Our commitment to the public is to serve premium-quality Baskin-Robbins ice cream no matter where they are in the GCC. We are proud to reach a landmark 450 stores and there are more coming up," said Khaled Soliman, chief operating officer of the Galadari Group, which owns Galadari Ice Cream. Loya said Baskin-Robbins and Galadari are exploring new markets in the Middle East such as Jordan. "It is still at an early stage. But hopefully by the next year at least we will start in one or two new markets in the region," he said. "The company is also looking at South Africa. There are some strong local players, but the good thing is that there is no international brand." Galadari Ice Cream's plans include diversifying into new store formats such as Café Baskin Robbins and BR Express, Loya added.

Source: khaleejtimes.com

Eatery Pret A Manger Loads Up on Real Estate

British sandwich shop Pret A Manger is on an expansion tear in the city. Over the past two months it opened four new stores in Manhattan, bringing its total number of eateries in the city to 21. And more stores are in the pipeline, according to the chain's real estate advisor, Jeffrey Roseman of Newmark Knight Frank Retail. But aggressive expansions are bound to result in some stumbles, as Pret discovered last week when it quietly closed a shop that was open just six months on Third Avenue between East 44th and East 45th streets. "That one store was not a great location for them," Mr. Roseman said. "That block is tough." More likely, however, is that Pret has saturated that stretch of midtown. It has two other stores a couple of blocks from the shuttered Third Avenue eatery and another six within close proximity. "You'd be hard-pressed to find any chain with a concentration so dense in the city, with the exception of Starbucks," said Andrew Moger, chief executive of BCD, a restaurant development firm. Pret A Manger did not return calls for comment. The London-based chain learned a decade ago that expanding in the Big Apple is challenging. It opened 16 shops and wound up quickly closing nearly half of them. Then the privately-held company retrenched, installing a new management team. "It's a different company than it was 10 years ago when they came here a little unprepared," Mr. Roseman said.

Source: Crain's New York Business.com

BBQ Chain Smokey Bones Turns Staff Into Hosts of Web Communities with Thousands of Followers

While many marketers are starting to understand that their employees can be their greatest asset, one small barbecue chain has taken it to an entirely new level. Smokey Bones, a 68-unit franchise concentrated in Florida and on the Eastern seaboard, has given some of its employees second jobs -- as its social marketers. The concept is the brainchild of Smokey's agency of record, Push, Orlando, Fla. Push was tasked with rebranding the chain last year after it was divested by Darden Restaurants, which owns Red Lobster and Olive Garden. Smokey had previously sported a log-cabin, summer-camp look and catered to an older, barbecue-centric crowd. New owner Sun Capital, a buyout firm that also owns Boston Market, wanted to reinvigorate online communication and build a younger, hipper persona on a limited budget. The chain's sharper new look, both online and in restaurants, emphasizes the bar and shows activities by location. A 'fantastic army:' "Essentially it kind of snowballed out of much bigger top-line idea of basically localizing a website," said Mark Unger, new-media creative director for Push. For each location, the chain selected someone who worked there to be a "web host." Each restaurant-employee-cum-spokesperson runs a web page for his or her particular location and communicates with that location's "Smokey Bones family" members (what one might call fans or friends on a social-media site). Each web host or hostess has a mirror site on Facebook and MySpace. Some restaurants have between 5,000 and 10,000 followers. "It almost created this really fantastic army that's out there working hard on a local level," Mr. Unger said. "It's really changed the brand from being a very Darden establishment to be a very exciting place that's really relevant right now." The specific restaurant pages, which consumers reach by entering a zip code at smokeybones.com, list events coming to the location, games that might be on at the bar, drink specials or photos from recent events. Since the new website and associated features went live in February, web traffic is up 50% and the chain's e-mail list has increased 30%, "to the six-figure range," Mr. Unger said. Building the e-mail database was critical for the agency, which will rely heavily on e-mail blasts for future marketing efforts. Across the Facebook, MySpace and corporate pages, Mr. Unger said, the chain is adding about 2,200 followers each month. The web launch was accompanied by limited print and outdoor support. "Let's give them points -- they're doing something a whole lot of small restaurants aren't doing," said Chris Brogan, president of Boston-based New Marketing Labs. He added that while the initial e-mail list and fan base are encouraging signs, they don't necessarily equate to new customers, or repeat customers. He suggested building on the initial success with measures that will foster "true engagement," such as discounts associated with signing up online. To get this far, Push and Smokey Bones identified staff members who were already web-savvy and put them through social-media training, complete with a handbook. The company owns its local social-network pages, which are distinct from the web hosts' personal Facebook or MySpace pages. While each Facebook page carries the host's likeness, it may be called something like "Julie Web Hostess." The pages are monitored at the agency, corporate and franchisee levels. Since the chain, like any other in the restaurant business, has relatively high turnover, web hosts who leave the company surrender access to their pages so another staff member can take over. But Smokey Bones probably won't have trouble finding replacements, as it pays the web hosts over and above their regular salaries to run the pages.

Source: AdAge.com

Tim Hortons Wants to Reorganize as Canadian Firm

Tim Hortons Inc. said that it has started to take steps to try to reorganize as a Canadian public company. The Canadian coffee-and-doughnut chain made a regulatory filing with the U.S. Securities and Exchange Commission and said its proposed reorganization will include a combination with a newly formed subsidiary. The company would then become a wholly owned subsidiary of a business also named Tim Hortons Inc. under the Canada Business Corporations Act. Tim Hortons said in a statement that the reorganization would help to streamline its operational and administrative functions and help it expand in Canada and overseas. It will also be able to take advantage of lower Canadian tax rates starting the year after the potential reorganization. Tim Hortons stressed that it still plans to grow its U.S. business and will keep dual listings on the New York Stock Exchange and Toronto Stock Exchange. The proposed reorganization requires both shareholder and board approval. A special shareholders meeting will be held on Sept. 22.

Source: Forbes/The Associated Press

Starbucks Fine Tunes Food Choices

Seeking better reputation for its menu, Starbucks will emphasize taste, healthfulness and wholesome ingredients. Seeking to strike a better balance between taste and health and wellness, Starbucks Coffee Co. announced it has "simplified many of its recipes" as part of an effort to give its food choices greater appeal. Starbucks said its updated menu would feature "authentic, high-quality ingredients," such as whole grains, Oregon blueberries and Michigan cherries. As competition for the specialty coffee drink market has heated up with inroads made by several competitors, notably McDonalds Corp., the need for Starbucks to bolster the quality of its food has intensified. "Bringing the same passion Starbucks has in serving customers some of the best coffee in the world, the company went back to the kitchen and started from scratch," the company said. "Starbucks baked and tasted hundreds of recipes to make its food more as nature intended, cutting out all artificial flavors, dyes and high-fructose corn syrup, as well as artificial preservatives wherever possible." Health and wellness as a priority was emphasized in a number of ways in the announcement. For instance, Starbucks said it was "saving" customers 7 billion calories per year, equating to nearly 5 million lbs of fat, by using 2% milk as the standard in its beverages and by setting what it calls "nutrition guardrails" for new products to be less than 500 calories. The company said artificial trans fatty acids have been removed from all foods and beverages in North America. Additionally, the food and beverage portfolio has been expanded with healthier choices, including fruit cups, yogurt parfaits, skinny lattes, Vivanno smoothies and oatmeal. "Many people do not realize how many hidden calories can be in the average smoothie or restaurant salad," said Katie Thomson, a senior nutritionist at Starbucks. "And no one wants to think they're making a healthy choice just to realize they've accidentally consumed half their day's calories on a smoothie. At Starbucks, our salads and smoothies were designed to deliver real nutrition and great flavors at a sensible calorie level. Our two salads are 250 and 300 calories with dressing and our new Strawberry Banana Vivanno smoothie provides 15 grams of protein, 7 grams of fiber, and 100% of your daily vitamin C — at just 280 calories." Starbucks is expanding its Vivanno smoothie line with a strawberry banana flavor and is introducing a Farmer's Market salad, containing blue cheese, almonds, dried cranberries and apples on romaine lettuce with a balsamic vinaigrette dressing.

Source: FoodBusinessNews

Denny's Corp. is Trying to Restake its Claim as a Nocturnal Hot Spot for Young Adults

The restaurant chain -- which conjures images of seniors and families digging into morning pancake platters -- has been trying to set a different scene for night owls. Between the hours of 10 p.m. and 5 a.m. it pipes in rock and country music and it is scheduling after-concert parties for up-and-coming bands. It has added late-night menu items fashioned by well-known musicians including Rascal Flatts and Good Charlotte. Denny's, based in Spartanburg, S.C., has offered 24-hour restaurant service since its inception in 1953. But the chain has suffered in recent years as rival chains such as McDonald's and Burger King started staying open later and attracting young adults in the process. Taco Bell, a subsidiary of Yum Brands Inc., two years ago coined the term "fourthmeal" to describe the meal between dinner and breakfast served at many of its stores open until 1 a.m. or later. Denny's declined to provide specifics on how much its late-night business was hurt by the competition, but Mark Chmiel, chief marketing and innovation officer, described the decline as "significant." Good Charlotte band members Joel (left) and Benji Madden with the Denny's burritos they created. To stem the loss of customers, Denny's last year created the "Allnighter" program, which includes adopting emerging musicians and offering a "rockstar" menu for night patrons. It gives adoptees \$1,000 in Denny's gift cards so they can eat while touring. Then, Denny's uses Twitter and MySpace to inform its target market of 18- to 24-year-olds when and where the adopted bands' after-parties will be held and when new menu items are added. Denny's now is pushing to get the late-night program better known on campuses, negotiating to get schools to rename existing college eateries "Allnighter" and offer items from its rockstar menu. Denny's works with Filter Creative Group, a Los Angeles-based marketing firm, to identify up-and-coming bands to adopt and to choose established musicians to create menu items.

Source: The Wall Street Journal/ Denny's Corp.



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Benihana Picks Wieden

Wieden + Kennedy said its office here has added the Benihana chain to its client roster. Wieden, an independent, said it was hired to spearhead a "a 360-degree restaging of the Benihana brand" being led by recently appointed client CEO Richard Stockinger. The shop will launch a multimedia push and also handle media planning and buying. Benihana had recently worked with Cronin and Co., an independent shop in Glastonbury, Conn. "We are enhancing every aspect of our guests' experience, and W+K's expertise with strong global brands makes them the ideal partner for communicating this commitment to our guests," said Stockinger, in a statement. The client last year spent slightly less than \$3 million in measured media, and its ad outlay so far this year has already exceeded that amount, per Nielsen.

Source: AdWeek

The Fastest Growing Burger Franchises

One of the fastest growing restaurant franchises in America is the massive success story of Five Guys Burgers and Fries, which has grown to 500 franchises since 2002. The franchise recently made national news when President Obama was filmed by NBC visiting a Five Guys to order lunch. The "better burger" market is heating up with a number of newcomers. The big guys are coming in too. But leading the pack is novice Five Guys Burgers and Fries, a chain that started franchising in 2002. It now has some 500 franchises. Last year when the big restaurant chains were by and large stalling in sales, Five Guys Burgers and Fries was number one in unit and sales growth by double the growth of the number two guy, Jimmy John's Gourmet Sandwich, according to restaurant research firm Technomic Inc. Adding more heat to the fire, U.S. President Barack Obama recently visited a Five Guys near the White House. The visit was broadcast on NBC's nightly news for the whole country to see and talk about. (The video appeared on Blue MauMau within minutes of the event.) Other better burger brands are also heating up, the newest being Smashburger, a Denver-based chain affiliated with Quiznos. The chain is seeded by private equity firm Consumer Capital Partners. Its first franchise store opened in Grand Junction, Colorado this week. In the last few weeks it has signed area deals for Iowa, Nebraska, New Mexico and Texas. "Fast casual success and competitiveness is pushing the niche," says Darren Tristano, executive vice president for Technomic. The problem is that the big chains are joining in. "I think we will see a shakeout in the years to come as some of the fast casual brands go head to head regionally, but for the next few years, there seems to be ample opportunity to grow." Tristano emphasizes that the upside in this sector is very good. "I think there is no limit to the demand for 'better' when it comes to food," he states.

Source: Blue Mau Mau/NuBlueWire Investor

Fast-Food Restaurants Prepare to Put More Nutrition Information on the Menu

The eateries must comply with a California law that takes effect Jan. 1, 2011. Fast-food restaurants are pondering how to deal with a new California law that tells restaurants to make more nutritional information available to

customers. For now, eateries must make brochures with calorie counts and other nutritional information readily available. In 2011 they will have to post the information on their menus and menu boards. Panda Express, the Rosemead-based chain that dominates the Chinese food segment of the quick-serve market, is trying to get ahead of the curve. It just introduced what it calls its Wok Smart logo and menu. The idea is to prove that the owner of more than 1,200 fast-food outlets has healthful eating options among its fare. The Wok Smart logo identifies 18 side dishes, entrees and appetizers that contain 250 calories or less per serving. The logo is displayed where the items are listed on Panda Express' menu board, on its nutritional brochures and on the chain's website. The items aren't new offerings. They are regular Panda Express menu choices. What's different is that the chain is now actively directing consumers to its more healthful selections. We want to help our calorie-conscious guests take the guesswork out of planning their meals at Panda Express," said Glenn Lunde, the chain's senior vice president. Panda Express says its two-entree plate of mixed vegetables, black pepper chicken and broccoli beef is 540 calories. That is about 27% of a daily 2,000-calorie diet and includes the five daily servings of vegetables that nutritionists recommend, Lunde said. But like other fast-food chains, Panda Express has its share of salt- and fat-laden entrees. California was the first state in the nation to require chains to provide more nutrition information.

Source: The Los Angeles Times

Emerging Restaurant Chain: Pro on Protein

Meal-replacement shakes are the mainstay of Protein Bar, a new quick-service restaurant concept from former packaged-food-industry manager Matt Matros. Though he's only 29, Matt Matros has been about healthful food and drink for some time now. As a brand manager for a consumer-goods manufacturer, he managed health-skewed product lines. At the same time, Matros' personal fitness quest resulted in his 60-pound weight loss with the help of a largely beverage-centered high-protein diet. Putting personal and professional moxie together, Matros just opened his first unit of Protein Bar, a quick-serve concept in downtown Chicago. Patterned to look like a stylish hotel bar with bright orange accents, cool-glowing self-serve bottled-beverage displays and counter service for food and drink. The menu includes breakfast bowls, soups, wraps, salads and other high-protein items. "But the main focus is meal-replacement shakes," Matros says. Nine signature high-protein drinks include the best-selling Michigan Ave-alanche, with vanilla protein, choice of milk, choice of yogurt, banana, granola and almonds. And the Wrigley Peeled has chocolate protein, choice of milk, all-natural peanut butter and banana. Each is priced at \$5.15. Guests can choose between whey, egg or soy protein, can customize drinks with mix-ins or natural sweeteners such as honey or agave nectar, or go for the Build a Drink, completely custom option. Matros is banking on the loyalty of clientele who want low-fat, high-protein meals several times a day. "Customizing what we have to meet the needs of the guest and to cultivate regulars—that's important," Matros says. "Today I had someone interested in coconut water and hemp protein. So I'll be testing those." Matros plans to expand the concept in Chicago and, if it succeeds, take it elsewhere.

Source: Chain Leader

European Fast-Casual Concept Expanding in U.S.

Vapiano, the European fast-casual restaurant and lounge chain, announced that a franchisee has purchased rights to open new locations in New York City. The chain, with over 55 locations in 16 countries worldwide, also recently announced new deals in markets such as Houston, Chicago, and Atlanta. It currently has six U.S. locations open, including two in Washington, D.C., along with stores in Arlington, Virginia; Dulles, Virginia; Dallas, Texas; and Fort Myers, Florida. "We picked this market knowing it's the number one restaurant market in the country," says Christophe Scherman, the franchisee who purchased the rights to the New York locations. "It's also extremely rare to see New York territory available. The sites we are getting looks at and the way the unit economics are working out, it proved to make more sense for us to move from Europe to New York City. Once you factor in the imbalance between the euro and the dollar, the current economy really works to our advantage. We fully expect to be 50% above Vapiano's average same-store sales here in the U.S. The time is right and the time is now for a concept like Vapiano here in Manhattan." Mark Frankel of Newmark Knight Frank Retail, the tenant broker representing Scherman, says, "The timing for Vapiano couldn't be better. Prime locations, previously priced too high for casual

and fast-casual restaurants, are back within reach. Landlords are particularly reaching for quality brands that can be positioned to add value to their properties. Dropping rents often combined with aggressive concessions are significantly lowering costs of going into business." Scherman's deal will add to more than 100 new Vapiano units already in development throughout the next four to eight years, expanding the concept's presence in North America, eastern Europe, and the Middle East. In the U.S. alone the company has closed deals for six stores in southwest Florida; ten in Dallas; two in San Jose, California; five in Houston; and three stores each in Boston, Detroit, and Atlanta. New international locations are in the making throughout Mexico, Australia, Bulgaria, Czech Republic, and France.

Source: QSR

Jamba Sells Multi-Unit Restaurant As Part Of Broader Refranchising Strategy. Existing franchise operators in Oregon purchase nine Jamba juice restaurants

Jamba, a California-based Juice company, has announced the sale of nine restaurants as part of its ongoing strategic refranchising program on May 28, 2009. The overall refranchising initiative is expected to involve about 150 Company-owned restaurant locations primarily outside of California. The company has reportedly completed the sale of nine restaurants in Oregon to The Cinnamon Bums Inc (TCBI). An existing Jamba Juice franchisee currently operates nine other Jamba Juice restaurants in the Northwest region. John Whittaker, a Principal of TCBI, said: "We are always looking for the right opportunities to expand our restaurant portfolio. We felt the program offered by Jamba, with their dedicated training and support for franchisees, their brand strength, and their commitment to growth, was the right concept in which to further our investment. Thibault de Chatellus, SVP of Global Franchise and Development, Jamba, said: "John and Steve are multi-franchise operators with over fifty years of restaurant experience between them and we are very pleased to have the opportunity to expand our relationship with such committed and successful business operators. The sale of these restaurants will further consolidate our presence in the market and position our brand for greater growth." James White, President and CEO, Jamba said: "The sale of the Arizona restaurants to an existing franchisee in March and now these restaurants in Oregon to current franchisees John and Steve, is outstanding news. It is a testament to the strength of the Jamba Juice brand that our existing franchise operators are seeking expansion opportunities with us when they have so many other alternatives in which to invest their capital."

Source: Food Business Review

Baskin-Robbins Whips Up Two Store Concepts

Baskin-Robbins, a subsidiary of Canton, Mass.-based Dunkin' Brands Inc., has plans to widen its market by implementing two new store concepts, according to PatriotLedger.com. The company hopes to attract a more upscale demographic with Cafe BR, which will go for a trial run at Patriot Place in Foxborough, Mass. Originally opened in Seoul, Korea, in 2005, the high-end concept features a specialty dessert and coffee bar, a pastry chef and a make-your-own sundae bar, and will test the profitability of menu novelties, such as chocolate-covered cheesecake on a stick. Baskin-Robbins will also experiment with BR Express, which was designed with the current economic state in mind. The low-cost store model will offer a kiosk-style soft-serve ice cream bar and have low start-up fees. According to Srinivas Kumar, chief global brand officer at Baskin-Robbins, there is a "strong pipeline" of BR Express stores opening in 2009.

Source: BrandWeek

Pizza Patrón Expanding Quick-Serve Pizza Concept

Latin pizza brand Pizza Patrón recently opened its second quick-serve pizza outlet in San Antonio. The restaurant is located on Zarzamora Street just west of downtown. The new location opened for business in June and immediately

rose into the company's top three stores in weekly sales in its first week. Pizza Patrón is advancing its quick-serve pizza concept to further merge fast-food to the pizza segment. The new restaurant is a standalone location that features three distinct points of service for customers: a drive-thru order menu with pick-up window, a walk-up order window, and a colorful lobby strategically developed with a retail environment. "We work diligently to be innovative leaders in our industry, and we have a singular driving purpose—to do a better job serving our customers," says Andrew Gamm, director of Brand Development for Pizza Patrón. "We learned a lot from the launch of our first [quick-serve pizza] location, and we are thrilled to be expanding this segment-changing concept." Pizza Patrón worked with Lincoln Ovens to develop the new "Fast-Bake" technology that can be added to any of the company's existing impinger-style ovens. The new system allows for custom-made pizzas to be baked in just over three minutes, which decreases customer wait time and increases production capabilities. The company hopes to add more quick-serve units in other markets soon and has developed models for custom-build projects, as well as existing pad-site remodels.

Source: QSR

Real Mex Restaurants Appoints Lowell Petrie as Chief Marketing Officer. Industry Veteran Returns to His Mexican Food Roots

Real Mex Restaurants, Inc. announced the appointment of Lowell Petrie as Senior Vice President/Chief Marketing Officer ("CMO"), effective July 20, 2009. Petrie will report to RMR CEO and Chairman Richard E. "Dick" Rivera. As CMO, Petrie will oversee brand positioning and marketing for each of the Company's restaurant concepts which include El Torito, Chevys Fresh Mex and Acapulco restaurants. Lowell is a seasoned industry veteran with more than 30 years of broad based experience in a variety of full service and quick casual restaurant concepts. "Lowell's passion for Mexican casual dining, his understanding of what it takes to deliver the brand promises in our restaurants and his demonstrated marketing skills will be a valuable addition to our senior leadership team," Rivera said. "He will play a pivotal role in the continuing turnaround and revitalization of our portfolio of restaurants." Petrie has served as the head of marketing for Mimi's Café, Ruby's Diner, Famous Restaurants, and most recently at Daphne's Greek Cafe. He was also Sr. Director of Brand Marketing at Denny's. Early in his career, Petrie worked at El Torito Restaurants over an eight-year period where he advanced to head of marketing. Petrie's return represents a homecoming of sorts. "I have always had a fondness for El Torito and have admired Chevys and other RMR restaurant operations for a long time. Their fresh, high-quality, and varied Mexican food have a great appeal to today's consumer. I am excited to be joining Dick Rivera and the rest of the RMR team to contribute to the ongoing evolution of the RMR brands and our commitment to deliver high quality dining experiences that are fresh, fun and festive," Petrie said.

Source: Real Mex Restaurants

UFood Restaurant Group Announces New Restaurant Location at Parkland Memorial Hospital. First Nontraditional Location at a Hospital

UFood Restaurant Group, Inc. announced that its Texas franchisee, Puente-Brancato Enterprises, Inc., has signed a lease agreement for a UFood Grill Restaurant in Parkland Memorial Hospital, Dallas (Texas) County's public hospital. UFood Restaurant Group's other nontraditional restaurants are located at airports in Boston, Massachusetts and Dallas/Fort Worth, Texas. Puente-Brancato Enterprises, Inc. also owns and operates the UFood Grill at Dallas/Fort Worth International Airport ("DFW") in Terminal B. UFood Grill has also recently signed a lease agreement for its second location in Boston Logan Airport.

Source: UFood Restaurant Group, Inc.

Quiznos Appoints New General Counsel. Experienced Pat Meyers, to Rejoin Quiznos' Executive Team

Quiznos named Pat Meyers as its general counsel. Meyers rejoins Quiznos after two years as a partner and chief legal officer of Consumer Capital Partners, one of the company's investors. Prior to his move to Consumer Capital Partners, Meyers served as executive vice president and general counsel for Quiznos for 10 years, working closely with the executive leadership team to establish Quiznos as a leading brand in the restaurant industry. Pat brings an exceptional wealth of knowledge and talent to this role, as he understands the intricacies of the legal system with specific regard to the QSR industry and Quiznos as a company," said Rick Schaden, Quiznos chairman and CEO. "We are pleased to have Pat, his breadth of experience and his full-time focus and attention back at Quiznos." Meyers will oversee legal functions for the company's U.S. and international franchise systems, including franchise regulatory matters, compliance, litigation, contracts and other agreements, as well as providing general counsel on company matters. Meyers will also continue to serve on Quiznos' board of managers. "Quiznos is a strong, dynamic company and I am excited to be more fully engaged with the brand and its direction," said Meyers. "I look forward to working closely with Rick and his team to promote a positive customer experience, further elevate the brand's solid reputation and continue to increase our franchise owners' profitability."

Source: Quiznos

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

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