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### **McDonald's to Add Outlets in Asia, Africa and Middle East. Targets Asia's Beef Eaters With 20% Spending Boost**

McDonald's Corp. may boost investment in Asia by at least 20 percent this year as consumer spending recovers, moving into "beef eater" markets such as South Korea.

The seller of Big Macs will invest \$415 million in Asia, the Middle East and Africa this year to add 520 restaurants, Tim Fenton, head of the chain's regional business, said in an interview in Hong Kong. Spending in the region was about \$350 million in 2009, he said. "McDonald's is really the only company with the best portfolio of markets around the world," Joel Silverstein, president of Hong Kong-based restaurant consultant East West Hospitality Group Ltd., said in phone interview. "In Asia, they are still growing." Oak Brook, Illinois-based McDonald's last year generated 19 percent of its sales from the region, an increase from 18 percent in 2008 and 15.8 percent in 2007. Sales from the Asia Pacific, Middle East and Africa increased 2.5 percent in 2009, compared with declines in the U.S. and Europe, as rising incomes in China drove consumer spending and diners in Japan and developed countries chose less-expensive meals. McDonald's may "aggressively start expansion" in South Korea, where comparable sales growth has been "double-digit" in the past four years, Fenton said in the interview. The company operates 227 outlets in the country. "Asia Pac is growing faster than any other area of the world, faster than the U.S., faster than Europe," said Fenton. "China is a numbers game too, look at the population, the evolution and the growth of the middle class." The region's same-store or comparable sales, which strip out the effects of newly opened outlets, rose 10.5 percent in February, compared with 4.8 percent globally, Fenton said, declining to give a breakdown by country. China is the fastest-growing market globally for McDonald's, he said. The restaurant chain operates 8,482 restaurants in the region. This year, the company plans to add as many as 175 in China, 100 in Japan, 65 in the Middle East, 40 in Australia, 17 in Malaysia and 14 in Korea and the rest in India and Africa, he said in the interview. China Stores: McDonald's will add 200 outlets, the biggest addition on a global scale, in China next year, and aims to have 2,000 in the nation by 2015, Fenton said. The company, which opened its first restaurant in Shenzhen in 1990, now has 1,146 stores in the world's third-largest economy.

Source: Bloomberg.net

### **Lime Fresh Mexican Grill Thrust into the Limelight with Designation as Nation's First "Certified Humane" Fast Casual Restaurant. Growing South Florida Brand Plans to Expand Nationally in 2010/11**

A well-established and popular chain of Mexican casual eateries known for hip, stylish décor, distinctive cuisine, fresh ingredients, reasonable price points and cheerful customer service Lime Fresh Mexican Grill, also embraces a corporate philosophy that is both innovative and socially responsible, exemplified by a recent announcement by owner and founder, John Kunkel, that Lime has been "certified humane" for the ground beef that is used in all locations by Humane Animal Farm Care, a national non-profit created to improve the lives of farm animals. Lime is the first and only fast casual restaurant in Florida to earn this

certification and one of only a handful of restaurants in the United States that can make the certified humane claim. Additionally, Lime is currently in the midst of an expansion that will take the South Florida based company national and double the number of stores within one year. After opening in trendy South Beach in 2004 to long lines and an enthusiastic clientele, four other branches have since been successfully launched, with two more ready to roll out during the coming month in Miami. By year's end, the roster of healthy fast casual restaurants offering onsite and takeaway Mexican cuisine will number 10; and the dynamic brand plans to add another ten each year moving forward throughout the United States, with first forays projected for Tampa, Orlando and Atlanta.

Source: Lime Fresh Mexican Grill

### **Arras Returning to Perkins as President, C.O.O.**

Richard K. (Rick) Arras is set to return to Perkins Restaurants & Bakeries on April 19 as president and chief operating officer. Mr. Arras held the same position from 1988 to 1998. Mr. Arras most recently was president and chief executive officer of Boston Market, and he has held several leadership positions, including president and C.E.O. of Shoney's Restaurants and president and c.o.o. of Cracker Barrel Old Country Stores. "Despite dramatic changes in our industry over the past several years, fueled primarily by a challenging economy, the staying power of the Perkins brand is phenomenal," Mr. Arras said. "Not only does Perkins operate well in multiple dayparts, it has incredible appeal to a wide range of people. I truly look forward to once again being an integral part of the strategic development and future of this terrific brand."

Source: FoodBusinessNews.net

### **Positive Outlook Pushes Restaurant Performance Index to Highest Level in More Than Two Years. Expectations Index Rose to a 29-Month High; Same-Store Sales and Traffic Levels Remained Soft**

Driven by a solid improvement in restaurant operators' outlook for sales growth, capital spending plans and staffing levels, the National Restaurant Association's Restaurant Performance Index (RPI) rose to its highest level in 27 months in February. The comprehensive index of restaurant activity stood at 99.0, up 0.7 percent from January and its strongest level since November 2007. "The RPI's strong gain in February was the result of broad-based improvements among the forward-looking indicators," said Hudson Riehle, senior vice president of the Research and Knowledge Group for the Association. "Restaurant operators' optimism for sales growth stood at its strongest level in 29 months, with capital spending plans also rising to a two-year high." "In addition, restaurant operators reported a positive outlook for staffing gains for the first time in more than two years," Riehle added. "This bodes well for replacing the more than 280,000 eating and drinking place jobs lost during the recession." The RPI – a monthly composite index that tracks the health of and outlook for the U.S. restaurant industry – remained below 100 for the 28th consecutive month. The index consists of two components, the Current Situation Index and the Expectations Index. The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 96.7 in February – up 0.1 percent from January's level of 96.6. February, however, represented the 30th consecutive month below 100, which signifies contraction in the current situation indicators. Restaurant operators reported negative same-store sales for the 21st consecutive month in February, with the overall results similar to the January performance. Twenty-eight percent of restaurant operators reported a same-store sales gain between February 2009 and February 2010, compared with 27 percent of operators who reported higher sales in January. Fifty-seven percent of operators reported a same-store sales decline in February, matching the proportion who reported negative sales in January. Customer traffic also remained soft in February, as restaurant operators reported net negative traffic for the 30th consecutive month. Twenty-five percent of restaurant operators reported an increase in customer traffic between February 2009 and February 2010, down slightly from 26 percent who reported higher customer traffic in January. Fifty-five percent of operators reported a traffic decline in February, compared with 54 percent who reported lower traffic in January. Along with continued soft sales and traffic performances, capital spending activity continued to drop off. Thirty percent of operators said

they made a capital expenditure for equipment, expansion, or remodeling during the past three months, down from 32 percent last month and the lowest level on record. In contrast to the trends in the current situation indicators, restaurant operators are increasingly optimistic about improving conditions in the months ahead. The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures, and business conditions), stood at 101.4 in February – up 1.2 percent from January and its strongest level in 29 months. In addition, the Expectations Index stood above the 100 level for the second consecutive month, which signifies expansion in the forward-looking indicators.

Source: The National Restaurant Association

### **John LaBarge Promoted at Corner Bakery**

John LaBarge has been promoted to vice-president of franchise business at Corner Bakery Cafe, where he will work in partnership with Bob Hartmann, vice-president of franchise development, to serve as a liaison between franchisees and Corner Bakery's internal team. Mr. LaBarge has more than 20 years of restaurant industry experience, including 10 years with Corner Bakery. He most recently was director of franchise business, and earlier was an area director for Corner Bakery in Chicago. Prior to joining Corner Bakery he was with Brinker International. "We're excited to strengthen our executive team and reinforce our franchise development program through the promotion of John LaBarge," said Jim Vinz, president and chief operating officer for Corner Bakery Cafe. "LaBarge's many years of multi-unit operating experience and extensive brand depth ensures our franchise partners will receive an unparalleled level of service and support from Corner Bakery Cafe."

Source: FoodBusinessNews.net

### **Family-Friendly Sports Pub Franchise Appoints 30+ Year Food Service Veteran Chris Elliott**

Beef 'O' Brady's, a 250-unit restaurant franchise known for its fresh and flavorful chicken wings and burgers, as well as the bond they create with communities across the country, has appointed Chris Elliott, a 30-year broad-based food service veteran, as CEO. Elliot spent the last 15 years in key senior leadership positions at recognized national food brands, including President of Cinnabon, President and COO of Morrison's Fresh Cooking, and COO of Church's Chicken. He also led in the creation of Fiesta Brands, an El Pollo Loco franchise in Atlanta, GA. Elliott's track record of success includes strategy development in difficult turnaround situations, taking Morrison's Fresh Cooking public, and spearheading the strategic divestiture of Cinnabon. His top priorities for Beef 'O' Brady's are to grow unit-level sales, increase profitability, and expand the franchise system. "Having been in the restaurant industry for more than 30 years, with five different brands at the corporate level, as well as having the experience as a franchisee, I understand how both sides need to work together to be successful," Elliott said. "I'm energized about the opportunity and challenge to grow Beef 'O' Brady's into a respected national brand." Elliott will be replacing outgoing CEO Chuck Winship, who served with Beef 'O' Brady's since 1998 and helped grow the brand from 33 restaurants to more than 250 today.

Source: Beef 'O' Brady's/Franchising.com

### **Darden Sees Potential for 1,000 More Units**

Darden Restaurants Inc. president and chief operating officer Andrew Madsen laid out a plan last week that calls for more growth for the casual-dining company, to the tune of more than 1,000 additional units. During a fast-paced luncheon presentation at last week's International Council of Shopping Centers, Madsen highlighted Darden's various brands, their market positioning and strategic initiatives underway to drive continued growth. What had tongues wagging in the audience of financial types, leasing representatives and shopping center developers who've seen their industry wracked by the recession was

Madsen's optimistic view of Darden's growth potential along with a compelling articulation of how the company intends to execute its strategy. Orlando-based Darden, which operates nearly 1,800 restaurants under six brands, the largest of which include Olive Garden and Red Lobster, has been one of the best performers in the casual-dining space during the long economic downturn. Speaking to the company's potential for growth, Madsen said Darden has the potential to increase its base by roughly 1,000 units as it exploits its scale, a strong balance sheet and a culture focused on reducing expenses. To make that target a reality, Madsen said the company would "need to find ways to run our restaurants and support our businesses that are more efficient than they are today." He indicated that the company will remain focused on reducing incremental cost savings every year, as well as what he described as "transformative cost savings," in areas such as supply chain, procurement and sustainability. Reports have discussed Darden's interest in looking to large retailers, like Wal-Mart, to gain expertise on supply chain efficiencies and save as much as \$20 million annually.

Source: NRN



### **Five Guys Ranks as the Fastest-Growing Chain**

Five Guys Burgers and Fries ranked as the fastest-growing restaurant chain in the nation in 2009, according to data compiled by restaurant consulting firm Technomic. Five Guys had \$453 million in 2009 sales, a 50 percent increase over 2008 revenue, led by rapid expansion of its franchise locations. That ranks it No. 1 for sales growth among chains with sales over \$200 million. Tim Hortons ranked No. 2, with \$446 million in 2009 revenue, a 23 percent increase. Buffalo Wild Wings Grill & Bar ranked No. 3, with \$1.5 billion in sales, up 22 percent from 2008. The revenue gain among the top 10 chains was 19 percent, an impressive showing when cast against Technomic's overall report on the restaurant industry in 2009. The 500 largest chains saw annual sales decline an average of 0.8 percent last year after growing by 3.4 percent in 2008. Five Guys, which opened its first restaurant in Arlington in 1986, grew slowly in its first few years, with just a half dozen Washington locations by 2001. It began franchising regionally in 2002 and then nationally in 2003. The chain now has 550 locations in 35 states, and opened 300 of those locations in less than five years. Five Guys Burgers and Fries currently has 23 Washington-area locations. The rest of the ten fastest growing restaurant chains in 2009 were Jimmy John's Gourmet Sandwich Shop, Wingstop, Noodles & Company, BJ's Restaurant and Brewhouse, Chipotle Mexican Grill, Firehouse Subs and Potbelly Sandwich Works. In total, the 10 fastest-growing chains had \$5.9 billion in 2009 sales. The 500 largest restaurant chains had total 2009 revenue of \$230 billion, down almost \$2 billion from 2008.

Source: Washington Business Journal

### **New York Firm to Buy Papa Murphy's**

Lee Equity Partners, a New York private equity firm, has entered an agreement to purchase Papa Murphy's International, the Vancouver-based take-and-bake pizza chain with nearly 1,200 locations. Boston-based Charlesbank Capital Partners put the restaurant chain up for sale last year. The sale is expected to close in the second quarter. Terms were not disclosed. Charlesbank acquired Papa Murphy's in 2004 and improved domestic sales by more than 63 percent. The company reported 7 percent sales growth in 2009, with revenue of \$630 million. Same-store sales grew two percent. Most of its locations are operated by

franchisees. Private equity executive Thomas H. Lee formed Lee Equity Partners in 2006. The firm focuses on consumer brands and cited past involvement in Snapple Beverage Corp., General Nutrition Companies, PETCO Animal Supplies Inc., Ghiradelli Holdings Corp., Banana Boat and Sterling Jewelers Inc. in a press release regarding the sale. North Point Advisors and Wells Fargo Securities advised Charlesbank on the transaction. "This is an outstanding brand with a strong management team. We are very excited about the expansion possibilities into areas of the country where they have little or no presence today," Lee said. Papa Murphy's is the fifth-largest pizza chain in the country.

Source: Portland Business Journal

### **Starbucks Extends Mobile Payments to Target Stores**

Starbucks has expanded its mobile payment option for iPhone users from a small trial group of stores to Starbucks outposts in more than 1,000 Target retail locations nationwide. The coffee giant launched the Starbucks Card Mobile App for the iPhone last September, allowing people to buy products by swiping an on-screen barcode scanned just like their plastic Starbucks card. In addition to mobile payment, the app allows customers to set up and register a Starbucks card, check their balance and reload the card using a credit card. The mobile pilot program was launched in 16 Starbucks stores in the Seattle area and Northern California. A Starbucks spokesperson said the payment test had been well-received by customers so far, leading to the extension of the mobile payment to Starbucks stores within Target. She said the company would continue to evaluate feedback from consumers and employees before expanding the capability more widely. Starbucks operates more than 11,000 U.S. stores and about 16,600 worldwide. Target separately launched a mobile coupon program earlier this month that allows customers to redeem special offers and discounts through their handsets at checkout. But there is no connection between that initiative and the expansion of Starbucks' mobile payments to Target-based outposts.

Source: MediaPost Communications/Online Media Daily

### **Darden Restaurants names Caron first CMO**

Darden Restaurants, owner of the Red Lobster, Olive Garden, Longhorn Steakhouse and Capital Grille chains, has promoted John Caron to the newly created role of CMO. He was previously EVP of marketing for the Olive Garden brand. Caron will report to Drew Madsen, COO of Darden. Caron is charged with driving development and implementation of an integrated brand strategy across the company's businesses, according to a company statement. Darden declined further comment. "We created this position with an eye toward establishing a marketing structure that enables stronger integration, greater innovation and accelerated growth across all of the Darden brands," Madsen said in a statement. Caron joined Olive Garden in April 2003.

Source: DMNews

### **Golden Gate Capital Buys On the Border Restaurants from Brinker**

Golden Gate Capital has reached an agreement with Brinker International for the On the Border Mexican Grill & Cantina chain. A Golden Gate affiliate called OTB Acquisitions LLC will take control of On the Border's 160 restaurants in the U.S. and internationally. Brinker will continue to provide support services to On the Border through the end of fiscal 2011. Brinker said that On the Border saw same store sales drop 4.7 percent in the second quarter, which ended Dec. 23, 2009. The deal is expected to close by the end of the fiscal year. Brinker, based in Dallas, is the parent company to Chili's Bar & Grill. Neither company disclosed the purchase price. San Francisco-based Golden Gate Capital purchased Romano's Macaroni Grill from Brinker in December 2008. Other prominent brands in Golden Gate's portfolio include J. Jill, Eddie Bauer and Express.

Source: San Francisco Business Times



### **Artinian Leapfrogs Pack to Stake Claim to Morton's CEO Post**

Chris Artinian has been in the spotlight before. An Oscar-nominated documentary film about a controversy in the deaf community was told through the lens of a dispute that tore apart his extended family. That sort of scrutiny — cameras rolling while you argue with your brother over whether your children will have the ability to hear — will serve him well in his new job as chief executive of Chicago-based Morton's Restaurant Group. Artinian said Morton's and the upscale-steakhouse sector are finally seeing the proverbial light at the end of the tunnel, though some analysts aren't so sure. What is sure is that with Artinian, Morton's has landed a leader who knows the company from the ground up. "He started chopping onions in the kitchen and then worked his way up," said John Castle, a board member whose private-equity firm, Castle Harlan, is Morton's largest shareholder, with a 31 percent stake. Artinian, 40, took the helm at Morton's last month when previous CEO Thomas Baldwin resigned. Baldwin had been CEO since 2005 and had been the company's chief financial officer for many years before that. Representatives of two Morton shareholders, when asked about Artinian by the Tribune, said they knew little about him. But he's well known by several members of Morton's board of directors, Castle said. "He's an individual the board has been watching for a long time." Castle added that for the past year, Artinian has regularly participated in board and executive committee meetings. It was in the late 1990s when Artinian and his family became the subjects of "Sound and Fury," a documentary about the debate over cochlear implants, which can give deaf children the ability to hear. "It's a gift from God, a miracle," Artinian said. Deafness runs in Artinian's family. His older brother and sister are deaf, and Artinian, who has normal hearing, grew up learning sign language to communicate with them. He met his wife, Mari, while working part time at a sign-language school. She can hear, too, but knows sign language because her parents were deaf. One of Artinian's five kids, Peter, was born deaf, and he and his wife decided the child would get cochlear implants. Artinian's brother, also named Peter, was faced with a similar decision with his daughter, Heather, but opted against implants. The film pivots on the fissures in the Artinian family over the issue. Chris was outraged over Peter's stance, and Chris' mother-in-law and father-in-law criticized Chris for getting implants for his son. "Sound and Fury" was nominated for an Oscar in 2001, and the Artinians found themselves the subjects of news stories, including a big spread in People magazine, and TV talk shows. "It was a whirlwind," he said. Artinian called "Sound and Fury" an "amazing experience," even though it meant publicly airing strife within his family. He said it's especially rewarding when the film influences parents to get implants for their deaf children. "The best part is how many people thank us for helping them make the decision."

Source: The Chicago Tribune

### **Peltz Not to Bid for CKE Restaurants**

Triam Fund Management's Nelson Peltz, owner of U.S. restaurant chain Wendy's/Arby's Group Inc., will not be bidding for CKE Restaurants Inc., the New York Post said, citing a source close to the process. Earlier this month the newspaper had said that the fast-food tycoon was considering making a bid for CKE. However, after conducting due diligence, Peltz has decided not to enter into a bidding war with private equity firm Thomas H. Lee Partners, which had agreed to buy the restaurant for \$619 million in cash, the paper said. CKE Restaurants and Triam Fund Management could not immediately be reached for comment by Reuters outside regular U.S. business hours.

Source: Reuters

### **Diversified Restaurant Holdings Names David G. Burke Chief Financial Officer**

Diversified Restaurant Holdings, Inc., the owner/operator and soon to be franchisor of the unique, full service fast-casual restaurant and bar Bagger Dave's Legendary Burgers & Fries® and a leading franchisee for Buffalo Wild Wings®, announced the appointment of David G. Burke as its Treasurer and Chief Financial Officer, effective immediately. Mr. Burke joins DRH from Federal-Mogul Corporation, a leading global supplier of powertrain and safety technologies in the automotive industry, where he held a variety of progressively challenging positions in finance, marketing and corporate development. Mr. Burke, a member of the Board of Directors since the Company was organized in 2006, will continue to serve as a non-independent director and will relinquish his roles as Chairman of the Audit Committee and Secretary. "David has been a key contributor at the Board level for the last four years and is a strong addition to our management team," said Michael Ansley, President and Chief Executive Officer of DRH. "He is a dynamic leader with demonstrated ability to manage multiple initiatives and overcome difficult challenges to accomplish strategic objectives. Equally as important, he shares our corporate passion for the business and will be instrumental in our efforts to grow the Company and deliver value to our shareholders." Mr. Burke's new responsibilities at DRH will include all aspects of accounting and internal controls, treasury and finance, and information systems. Concurrent with Mr. Burke's appointment, Jay Alan Dusenberry is relinquishing the role of Treasurer and has been appointed Secretary and Chairman of the Audit Committee. Mr. Dusenberry has served on the DRH board and its Audit Committee since the Company's inception. Gregory J. Stevens, also a member of the Board of Directors since the Company's inception, has been appointed to the Audit Committee.

Source: Diversified Restaurant Holdings, Inc.

### **Real Mex Restaurants Announces New CFO**

Real Mex Restaurants, Inc. announced the hiring of Richard (Rick) Dutkiewicz as Executive Vice President and Chief Financial Officer ("CFO"). Dick Rivera, President and CEO of RMR, said: "Rick's experience in both restaurant and manufacturing environments make him a particularly good fit with the needs of the company. He has worked in public companies as well as with private equity groups and is a strong leader with a broad business perspective who will complement our team and help us build value for all of our stakeholders." Dutkiewicz has been the Chief Financial Officer of Einstein Noah Restaurant Group, since 2003, where he played a key role on the executive team for the nation's largest operator of bagel bakeries, helping it transform into a leader in the quick casual segment of the restaurant industry. "I look forward to partnering with Dick Rivera and the rest of the Real Mex team to help lead the organization into the future. I am an admirer of all the Real Mex Brands and believe they have significant equity with today's consumer. I am excited to be joining an organization that is so committed to its employees and guests and look forward to building on all that has been achieved at Real Mex Restaurants," Dutkiewicz said.

Source Real Mex Restaurants, Inc.

### **Mama Fu's Wants 150 More Sites. Restaurant Must First Find Franchisees**

Mama Fu's Asian House is cooking up a major expansion for the next five years, with the intention of growing from 13 stores to about 160, company officials said. The chain's expansion will rely largely on new franchisees willing to take on multiple units. To make the chain more financially attractive, the franchise brand's owners, Austin-based Murphy Adams Restaurant Group, introduced a new Mama Fu's prototype that reduced building costs by more than 20 percent, from \$800,000 to as low as \$500,000. Each Mama Fu's restaurant is typically 3,000 square feet, seats about 95 guests and employs 35 to 40 people. Currently, the chain employs 250 people nationwide, a number that will increase locally with two stores in the works in Austin — one in the Arboretum area and one in southwest Austin, said Randy Murphy, president of the restaurant group. Mama Fu's was started in 2003 by Atlanta-based Raving Brands, Inc.,

and three years later found itself in a court battle with 40 franchisees and investors who sued the company and founder Martin Sprock, alleging fraud and breach of contract. Murphy Adams stepped in, the largest franchisee of Mama Fu's with five stores at the time, which bought the company in 2008 for an undisclosed price. Since then, the Murphy Adams Group has reshaped the 17 stores it acquired at that time, downsizing to about a dozen stores, redesigning the eateries and repairing relationships with investors and franchisees. It also debuted its new look at its two newest local locations in Georgetown and New Braunfels. Now the company is positioning itself to ride the continuously rising popularity of Asian cuisine in the nation's restaurant industry, with ambitions to dominate the southern U.S. market with prices that are comparable to Pei Wei Asian Diner but an environment more like Pei Wei's upscale owner, P.F. Chang's China Bistro. Murphy said Mama Fu's has an advantage moving forward as it's following both of the fastest-growing segments in the restaurant industry: Pan-Asian, which offers a variety of Vietnamese, Korean, Thai, Chinese and Japanese dishes; and fast-and-fresh casual, in which fresh ingredients are cooked quickly for people on the go. "Consumers want more variety and spice and something that is made fresh," Murphy said. "Americans are starting to catch on to the healthy and delicious cuisines of Asia that we can offer."

Source: Austin Business Journal



### **Novelty Proves a Hit for Taco Bell in India**

Taco Bell is off to a promising start in India, with thousands of customers visiting the American fast-food chain's first Indian outlet daily, even though most have never tasted a taco. Encouraged by strong growth at its KFC and Pizza Hut chains in India, Yum Brands Inc. opened its first Taco Bell in Bangalore on March 16. The store in a mall in India's technology capital has attracted an average of 2,000 to 2,500 customers each day since then. India—with an increasingly affluent populace that isn't afraid to try new things—is the next frontier for international fast-food chains, Graham Allan, president of Yum's international division, said in an interview. "What we are seeing in India is similar to what we saw in China a decade ago," he said. "You have a young population with improving standards of living and an enthusiasm to embrace Western brands." The group hopes to more than quadruple the total number of Pizza Hut, KFC and Taco Bell stores over the next five years to 1,000. Taco Bell will probably grow to between 50 and 100 branches during that time, Mr. Allan said. To attract the Indian customer, Taco Bell's menu starts at 18 rupees, or about 40 cents. It is hoping that price is the sweet spot: just below what is on the McDonald's menu and just above street-food prices in the cities. Taco Bell had to take all the beef out of its regular menu, using chicken instead, and it created many vegetarian options for Indian consumers. Its "Crunchy Taco—Potato" and "Paneer [cheese] and Potato Burritos" are attempts to give Indian consumers a Mexican fast-food experience without the meat. Yum Brands hired extra employees to explain the menu to Mexican-food novices and placed what it calls a "tacopedia" on the wall so customers will know what they are getting and how to pronounce it. "These are totally new forms of food [in India], and people will not always get it," said Niren Chaudhary, managing director of Yum's India business. "Quesadilla is going to be a tongue twister for some."

Source: The Wall Street Journal

## **McDonald's Opens Hamburger University in Shanghai**

China's newest university has no football field or fancy library. For inspiration, it looks not to Confucius, but to Ronald McDonald. But Shanghai's Hamburger U. aspires to be a leader in higher learning for ambitious Chinese managers. McDonald's Corp. inaugurated its first Hamburger University in China on Tuesday to train new generations of managers as foreign companies step up efforts to develop and keep Chinese talent. China is McDonald's Inc.'s fastest-growing global market, said Tim Fenton, the company's president for Asia, Pacific, Middle East and Africa. He said the country's \$300 billion-a-year "informal eating out" market is expanding at an annual rate of 10 percent, compared with 2 to 3 percent in the United States. "It's because of China's strategic importance to McDonald's that we have chosen to have our new Hamburger University in Shanghai," said Fenton. "We have to get ahead of the people curve." The move comes as foreign companies in China are focusing on developing local managers but face pressure to keep them as young, ambitious employees move on for better opportunities. On Tuesday, the American Chamber of Commerce said a survey of 202 multinational companies found they are changing strategies to adapt to rising costs and high employee turnover. Companies need to offer better opportunities to keep talented employees, said Joni Bessler, a partner at consulting firm Booz & Co., which helped to compile the survey. "Innovation is required to get people to stay for more than two years," said Bessler. Shanghai's \$250 million Hamburger U., the company's seventh worldwide, has a statue of company symbol Ronald McDonald but will not teach how to make hamburgers and fries. The emphasis is on running businesses better. McDonald's, based in Oak Brook, Illinois, has more than 60,000 employees in more than 1,100 restaurants in mainland China after 20 years in the country and plans to expand to 2,000 outlets in three to five years.

Source: The Associated Press



## **BJ's Restaurants, Inc. Opens in Escondido, California**

BJ's Restaurants, Inc. announced the opening of its newest restaurant in Escondido, CA on March 29, 2010. The new BJ's Restaurant & Brewhouse is located at 204 E. Via Rancho Parkway, at the intersection of I-15 and Via Rancho Parkway. The restaurant is situated on a free standing pad and is part of the newest addition to the 1.25 million square foot regional North County Fair mall. The restaurant is approximately 8,500 square feet and contains seating for approximately 280 guests and features BJ's extensive menu. "We are very excited to open our newest BJ's in Escondido," commented Jerry Deitchle, Chairman and CEO. "Opening day sales were very strong. The new Escondido restaurant is our fifth restaurant in San Diego County, where the BJ's concept has traditionally enjoyed strong sales and brand awareness. The new restaurant represents our second opening to date during 2010. We continue to remain on track to open as many as 10 to 11 new restaurants this year. We currently have five restaurants under construction and other potential restaurant locations in their final stages of permitting and plan development before construction commences."

Source: BJ's Restaurants, Inc.

### **Pure Management to Re-launch Social House Restaurant In Crystals, Las Vegas**

Pure Management Group (PMG) will re-launch Social House, the company's Pan Asian restaurant, in Crystals at CityCenter in Las Vegas, in early summer 2010. The new Social House location will retain many elements of the original location along with new features. The new restaurant will be located on the second floor of Crystals with an enclosed dining area, along with an open dining terrace. Social House executive chef Joe Elevado is tasked with the culinary vision for the new Social House. The new menu will retain many of the dishes that made the Social House brand. The Social House brand was launched in 2006. PMG closed the original Social House at Treasure Island in July 2009 in order to concentrate on opening the Crystals location. Ned Collett, chief executive officer of PMG, said: "Pure Management Group is proud to announce that Social House restaurant will re-launch in Crystals at CityCenter. We are excited that MGM Mirage selected our Social House restaurant to be included in what has become the premier retail and dining destination in Las Vegas." Deborah Krause, chief operating officer of PMG, said: "The space and design elements of Crystals are extraordinary and will complement the Social House brand. With the Social House brand we strive to capture the attention of each Social House guest by combining amazing taste sensations, a tranquil vibe and creative design elements in order to deliver an unsurpassed dining experience."

Source: Food Business Review

### **Olive Garden and Don Francisco Go to Tuscany. Restaurant Chain Enlists 'Sabado Gigante' Host to Get U.S. Hispanics to Eat More Italian Food**

To help make Italian cuisine appealing to U.S. Hispanics, Olive Garden is sending Don Francisco, the legendary host of Univision variety show "Sabado Gigante," on a trip to Italy and the kitchens where the U.S. restaurant chain's chefs train. Don Francisco will visit Olive Garden's Culinary Institute in Tuscany in a segment airing this Saturday night on "Sabado Gigante." He accompanies Margarita Ibarra, the young chef who won Olive Garden's "Cocinando un Sueño" ("Cooking a Dream") contest. As part of this week's popular "Camara Viajera" ("Travelling Camera") feature, Don Francisco and Ms. Ibarra visit a local farmers' market together, and cook with Olive Garden's Chef Paolo at the company's Culinary Institute, located about two hours outside Florence. "Don Francisco has such a lively personality and he's a warm host," said Stephanie Gutierrez, director for brand marketing at Olive Garden. "That warmth resonates with Olive Garden." For marketers, it can be challenging to do Spanish-language branded entertainment well because the biggest network, Univision, imports many of its highest-rated shows from Grupo Televisa in Mexico. "A lot of [Univision] programming is from Televisa and comes to us canned," said Joe Zubi, chief operating officer of Zubi Advertising, Olive Garden's Hispanic agency. "To get shows where we can get written into the script is an important part of branded content strategy." The effort kicked off with a contest, in which aspiring chefs submitted their own Spanish-language videos to Univision.com, explaining why they should win Olive Garden's \$10,000 culinary scholarship, Ms. Gutierrez said. Six finalists were chosen, and Univision.com users voted to pick the winner. The social-media-savvy Ms. Ibarra campaigned skillfully for herself on Facebook. "It started as introducing an up-and-coming chef and grew from there," Mr. Zubi said. "Olive Garden said we can take the chef to Tuscany, then Univision talked to Don Francisco and then Don thought it would be great to go to Italy for a few days."

Source: AdAge.com/AdvertisingAge

### **Gelato Concept Looks to Airports for Growth**

Paciugo Gelato & Caffè, a family-owned and operated franchisor of authentic Italian gelato shops, entered into a strategic alliance with MBC Concessions Inc., an established airport concessionaire with more than 15 years in airport operations experience. The partnership will help fuel the continued growth of the

Paciugo Gelato & Caffè brand to now include commercial airports across all 48 contiguous states. With this new partnership, MBC Concessions plans on making strategic alliances with prime and minority-owned concessionaires to strategically place Paciugo gelaterias in the Atlanta Hartsfield-Jackson International Airport and beyond. "It is an exciting time at Paciugo and we are honored to align ourselves with MBC, a company known for representing the best brands in airport concessions, to help grow our brand in airports across the nation," says Ugo Ginatta, co-founder of Paciugo Gelato & Caffè. "The Atlanta Hartsfield-Jackson location will be the first of many opportunities for Paciugo and MBC Concessions to work together to introduce more and more airport travelers to our award winning gelato." "Paciugo's merchandising expertise of the concept is beyond belief. The traveling public doesn't come to an airport to eat—they come to fly," Dillingham says. "But Paciugo Gelato & Caffè will reverse that trend because of the impulse that is generated once the product is seen and tasted." The partnership announcement comes on the heels of Paciugo Gelato & Caffè's growth forecast that calls for 100 new franchises by the end of 2010. The airport expansion strategy complements the company's plans to open franchised retail gelato shops in select areas throughout the Eastern Seaboard, California, and company core markets in Texas.

Source: QSR

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