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Yum! Brands Places Long John Silver's and A&W All-American Restaurants for Sale

Yum! Brands, Inc. announced its plans to place its Long John Silver's and A&W All-American Food Restaurants for sale, and has begun a process to identify a buyer. The Company is sharpening its long-term growth focus on building leading brands in every significant category in China, driving aggressive international expansion, and improving its U.S. brand positions by building new day-parts and sales layers at Taco Bell, Pizza Hut and KFC. "Over the past decade, Yum! has delivered annual EPS growth of 13 percent, exceeding our 10 percent annual growth target. This has been driven by aggressively building restaurants in China and Yum! Restaurants International at a pace of nearly four new restaurants every day of the year. We do not believe Long John Silver's and A&W-All American Food restaurants fit into our long-term growth strategy," said David C. Novak, Yum! Brands, Inc. Chairman and Chief Executive Officer. "Accordingly, we have decided to put these two great brands up for sale and we will complete the sale only once the right buyer or buyers have been identified and we can ensure a seamless transition." The Company does not expect the eventual sale to have a material impact to its ongoing earnings or cash flow. In 1998, when Yum! Brands was spun-off from PepsiCo, 22 percent of its profits were sourced internationally. Today, about 65 percent of the Company's profits are from the China and Yum! Restaurants International divisions, and the Company expects that percentage to grow to 75 percent by 2015. In the U.S., Taco Bell accounts for approximately 60 percent of the Company's profits, followed by Pizza Hut and KFC. The Long John Silver's and A&W All-American Foods Brands account for a total of 1,630 restaurants, all of which are owned and operated by franchisees.

Source: Yum! Brands, Inc.

Arby's Restaurant Chain Put Up for Sale

Wendy's/Arby's Group plans to sell its struggling Arby's roast beef sandwich chain to focus on the Wendy's hamburger business, undoing a 2008 deal engineered by billionaire investor Nelson Peltz. The move comes as improving credit trends, a slowly healing U.S. economy and private equity firms' appetite for deals are spurring some restaurant operators to put all or parts of their companies on the block. Wendy's shares were up 8.7 percent to \$4.86 in afternoon trade Thursday on the New York Stock Exchange, giving the combined company a market value of just over \$2 billion. The two fast-food chains were combined when Peltz's Triarc Cos, Arby's parent, bought Wendy's for \$2.2 billion to create the world's third-largest publicly held fast-food chain. Nearly all its restaurants are in the United States. Arby's generated about 30 percent of

the company's sales in its third quarter, but its performance -- among the industry's worst -- has been a drag on the overall company results. Arby's was late to offer a value menu and lacks the international exposure that has helped top fast-food chains like McDonald's Corp. and Yum Brands Inc. grow despite the U.S. economic downturn. Analysts said Arby's could be a tough sell. It is still in need of a turnaround and it might be hard to find another restaurant operator willing to buy it. "Not to say that there is not a potential private equity buyer, but it may be that Arby's winds up being sold to its franchisees, in a deal that may have to be partly financed by the company," Roth Capital Partners analyst Tony Brenner said in a note to clients. A sale could bring in \$400 million to \$600 million, Oppenheimer analyst Matthew DiFrisco said in a client note.

Source: Reuters

Four Fast-Food Chains Find Room to Grow in Chicago

A quartet of fast-food chains is staking a claim or expanding in Chicago. Einstein Noah Restaurant Group Inc. signed a multi-unit development deal with Springfield, Mo.-based RT Development Chicago LLC to open five Einstein Bros. Bagels restaurants in the Loop over the next four years. The first of those debuted last month, at Lake Street and Michigan Avenue, and the firm is now looking at sites near Millennium Park, on Adams Street and on Wacker Drive. Lakewood, Colo.-based Einstein Noah Restaurant Group has 33 locations in the greater Chicago area and 564 nationwide. Meanwhile, Moe's Southwest Grill continues to grow in the suburbs. The Atlanta-based unit of Focus Brands Inc. has sold franchise agreements to open 10 new units in the Chicago market, adding to the current four local locations for the 400-unit chain. Jersey Mike's Subs has opened its first downtown Chicago store, at 200 W. Monroe St. The 500-unit chain based in Manasquan, N.J., is known for its Northeast-style submarine sandwiches and has 15 suburban restaurants. And Jake's Wayback Burgers, based in Cheshire, Conn., plans to open its first Chicago unit later this year. As independents fail in the recession, more chains are filling in those spaces, according to Darren Tristano, executive vice-president at retail consultant Technomic Inc. "We're seeing continued momentum where chains are continuing to take share from independents," he says.

Source: Crain's Chicago Business

Quick-Serve Chains Expanding Rapidly

Last June, Maysser Mikhail opened a Subway sandwich shop inside his MetroPCS store on Detroit's east side. In a neighborhood with few fresh food options, there's no shortage of residents with a hankering for a steak and cheese sub or a chicken flatbread sandwich. To staff his new carry-out restaurant, the 34-year-old small-business owner hired seven workers who live in the area, ranging in age from 18 to 35. "I love the food," said Mikhail, who yearns to open a second Subway. "It's an easy operating business." In a state desperate to put people to work, franchised, quick-serve restaurant chains like Subway are fast becoming a major generator of low-skill, low-wage jobs. Mikhail's Detroit store is one of 30 Subway stores that opened in Michigan last year. But it's not the only chain finding fertile ground in the state. Tim Hortons has added about 20 locations in Michigan during the past two years, with many others to come. Biggby Coffee is also racing ahead, with its franchisees launching 20 stores in the state in 2009 and 2010 and planning dozens more. And Olga's Kitchen is preparing to franchise 28 restaurants in Michigan over the next five years. These and other expansions are expected to create hundreds of new jobs. "We have a decade of growth here for sure," said Michael McFall, president of Biggby, which has 97 coffee shops serving Michiganders and aims to triple or quadruple that number. "Our focus the next couple years is to dominate Michigan as best as we possibly can." Despite its weak economy, Michigan still ranks as the eighth most-populous state in the country, with 9.9 million mouths to feed. To capitalize on this demand, a number of franchised restaurant chains plan to dramatically increase their presence in the state, with some already doing so. They will need thousands of new food-service workers over the next few years.

Source: Detroit Free Press



NRA Reminds Congress that ‘America Works’ in Restaurants

The National Restaurant Association announced the launch of a campaign called "America Works Here" that will help educate opinion leaders, policymakers, and their staff members about the breadth, depth, scope, and influence of the restaurant industry on the American economy. "The 112th Congress brings many new leaders to Capitol Hill, so this is a great opportunity to welcome those new members and help them better understand our complex industry, and how they can help create an environment where restaurants can continue to be an engine of economic and job growth," says Dawn Sweeney, president and CEO of the National Restaurant Association. "We will also be showcasing the tremendous opportunities that our industry offers, as well as the positive role restaurants play in the daily lives of Americans." "The breadth of policy issues that affect the restaurant industry has grown tremendously in recent years," says Scott DeFife, executive vice president of policy and government affairs. "Many elected officials think about their own neighborhood or hometown restaurants, but may not think of the collection of restaurants and all the associated parts of the supply chain that make up the restaurant industry, which encompasses nearly one million locations and is the nation's second largest private sector employer. We believe the time is right to retell the industry's story and educate policymakers about the large scope of our industry." Each installment of the campaign will focus on a specific theme—a different “chapter” in the industry’s story—such as the vast array of career opportunities within the industry, the diversity of managers and restaurant owners, and the billions of dollars that restaurants provide in charitable contributions each year in communities across the nation. With the new Congress’ intense focus on job creation, the first ad in the campaign highlights the 13 million jobs and the \$1.5 trillion the industry provides to the economy.

Source: QSR

Ben E. Keith Expands Oklahoma Business

Ben E. Keith Foods, a food service distributor with a major presence throughout Texas, has bought Dan’s Foodservice in Oklahoma City. Dan’s Foodservice specializes in sales to pizza restaurants. Founder Dan Purvis will join the Ben E. Keith - Oklahoma Division sales team. The transition should be completed by the end of January. Dan’s customers should receive their first shipments from Ben E. Keith on Feb. 1. Ben E. Keith Foods, based in Fort Worth, is the nation’s eighth largest food service distributors. The company’s San Antonio branch alone has more than 500 employees and 4,500 customers.

Source: San Antonio Business Journal

Debt-Burdened Sbarro Could Slice Some Shops in New York

Global pizza chain Sbarro may be getting burned by the competition—and its own debts. In the wake of the news that the company has hired restructuring and bankruptcy advisors to help restructure its balance sheet, brokers say that the eatery could be eyeing several Big Apple outposts for closure. Melville, N.Y.-based Sbarro boasts a half dozen Manhattan locations, seven in Queens and one in Brooklyn, according to the company's website. Among those are three outposts in John F. Kennedy International Airport. Since many

of the Manhattan spots are in up-and-coming neighborhoods, brokers expect those shops to close first. "They have some old leases," said Ariel Schuster, executive vice president at Robert K. Futterman & Associates. "I can't imagine that when they come up for renewal they'll be able to pay the rent." He pointed to such high-profile locations on West 34th Street, between Fifth and Sixth avenues, and on Fifth Avenue at 46th Street, two neighborhoods where rents have risen significantly, partly because of the arrival of hot new retail tenants like Esprit and Urban Outfitters. Sbarro's eateries vary in size but can be as large as 2,000 square feet, according to brokers. Late last year, a longtime Sbarro outpost on East 45th Street and Lexington Avenue closed. "They're in very good locations in areas that have improved, and depending on their lease expirations, they could have a problem renewing," noted Mr. Schuster. Sbarro declined to comment on possible closures. A company spokesman could not confirm the new restructuring hires, which were first reported by The Wall Street Journal. Sbarro racked up a hefty debt-load four years ago when the company was bought out by MidOcean Partners, a private equity firm. The chain reportedly now carries near \$350 million in debt. The 55-year-old pizzeria is also facing increased New York competition from multiple newcomers. In the last year, a slew of concepts, some boasting healthful toppings or brick-oven cooking, have opened in Manhattan, including Pizzarte, an eatery from Italian actor Sergio Assisi and California-based chain Z Pizza. Village Krust, Pizza Roma and Pizza Plus have also recently opened outposts here. "In the pizza business, there are any number of really great quality gourmet pizzerias, and the difference in price is scant," said Steve Rappaport, the senior managing director at Sinvin Real Estate who handled the leases for Z Pizza and Pizzarte. "I'm sure that's hurt their model quite a bit." He noted that even in the airports and malls, where Sbarro has the majority of its locations, low-cost gourmet pizza purveyors have staked a claim.

Source: New York Crain's Business

Brinker Alum Named Denny's CEO

Denny's Corporation has announced the appointment of John C. Miller to the position of president and chief executive officer, effective Feb. 1, 2011. Miller succeeds Debra Smithart-Oglesby, who has filled the position on an interim basis since June 2010. Smithart-Oglesby will continue to serve as board chair for Denny's. Miller joins Denny's management team with more than 30 years of restaurant industry experience. Since 2005, he has served as CEO and president of Taco Bueno Restaurants Inc. Prior to Taco Bueno, Miller spent 17 years at Brinker International where he held numerous management positions. From 1997 to 2004, he served as president of Romano's Macaroni Grill, where he helped reverse three years of declining sales and growth that generated 15 consecutive quarters of sales and profit increases, and more than doubled the company's size. Miller also served as president of Brinker's Mexican Concepts and was responsible for overseeing On the Border and Cozymel's, two of the company's high growth concepts. "John is a proven leader in the restaurant industry who has the talent and experience to build upon our current momentum and accelerate the resurgence of the Denny's business and brand," said Louis P. Neeb, head of the board's CEO search committee. "We conducted an extensive international search including dozens of highly-qualified candidates and believe that John has the right combination of skills and experience to further our growth and create additional value."

Source: FastCasual.com

Fertitta Ups McCormick & Schmick's Stake

Texas restaurant tycoon Tilman Fertitta added another 20,000 shares of McCormick & Schmick's Seafood Restaurants Inc. to his stock portfolio, boosting his stake in the 96-unit Portland seafood chain to 10 percent. His latest move, disclosed Jan. 10 in filings with the Securities and Exchange Commission, brings Fertitta's holdings to 1,496,281 shares. Given his recent round of restaurant acquisitions, his move past the 10 percent mark does little to dampen speculation Fertitta could be eyeing McCormick & Schmick's as a possible addition to his restaurant holding company, Houston-based Landry's Inc. Landry's operates seafood and other restaurants in most markets. Fertitta could not be reached for comment. McCormick & Schmick's officials declined to comment on a single investor. Fertitta has been McCormick & Schmick's

single largest shareholder since March 2009, when he initially purchased a 9 percent stake in the company. Fertitta paid between \$1.80 and \$3.11 per share using personal funds. So far, investing in McCormick & Schmick's (Nasdaq: MSSR) has been very profitable for Fertitta. In the past year, Fertitta closed a series of complex deals that took Landry's private and secured ownership of the Claim Jumper, Oceanaire Seafood Room and Bubba Gump Shrimp Co. restaurant chains.

Source: Portland Business Journal

Lessing's Expands Food Service Division with Acquisition: Company's Culinary Reach Now Extends Through Out Northeast

Lessing's, a food service and hospitality company based on Long Island, has greatly expanded its customer base with the acquisition of the food service division of Next Generation Vending and Food Service of Canton, MA, it was announced by Michael Lessing, Chief Operating Officer of Lessing's. The terms of the agreement were not disclosed. With this acquisition, the privately-held company will add nearly 80 college and business accounts throughout Upstate New York, Connecticut, Massachusetts, and Rhode Island to its growing portfolio. "We have successfully provided catering and hospitality services for many generations," said Lessing. "It is important to us to continue to grow, expand into new markets, and continue to provide first class service to our current clients and those coming aboard with this strategic acquisition." With this important purchase, Lessing's is positioned for additional growth and expansion as the company, known for its innovation, its commitment to sustainability, and its focus on nutrition, will now develop client and customer relationships beyond Long Island. "We look forward to showcasing our talents in the new accounts," said Lessing. "Our commitment to using the freshest ingredients and providing first class service is unwavering. Our team delivers a dining experience that customers enjoy and appreciate and we are excited about serving new customers and clients with Lessing's personal touch." According to Joe Rogan, COO of Next Generation Vending, "We have always been proud of our excellent service but we have chosen to refocus our organization solely on vending services. With Lessing's, the customers will continue to enjoy great food and service, operated by a well-respected hospitality company."

Source: Lessing's

Groupon Expands Local Commerce Platform to India, Israel and South Africa. Acquisition of Leading Local Deal Sites Widens Global Footprint to Five Continents Served

Groupon announced the launch of Groupon India, Groupon Israel and Groupon South Africa via acquisition of daily deal sites SoSasta, Grouper and Twango, respectively. Terms of the deals were not disclosed. Using the principles of collective buying, Groupon negotiates unprecedented discounts with popular businesses and shares them with subscribers via free daily emails. The deals are activated only when a minimum number of people agree to buy, encouraging subscribers to share the promotion with family and friends. By guaranteeing a large number of new customers, Groupon has created a powerful new marketing vehicle for local merchants in thousands of cities worldwide. This innovative approach to e-commerce has brought millions of dollars in new revenue to local businesses while saving more than \$1.5 billion for consumers around the world. The acquisitions continue Groupon's rapid global growth and extend its reach across India, the Middle East and South Africa. In just three months since launch, SoSasta has grown to run daily deals in 11 Indian cities. Serving Tel Aviv and surrounding cities since March 2010, Grouper is widely recognized as the first and largest deal site in Israel. Twango has rapidly grown to serve the most cities of any deal site in South Africa. All three sites will transition to the Groupon brand name and site design in coming months, and will serve deals in the local communities' primary languages: English in India and South Africa and Hebrew in Israel. "Collective buying is in its infancy in India, Israel and South Africa and we see strong potential," said Rob Solomon, president and chief operating officer of Groupon. "Groupon is shaping the way local merchants market themselves in every corner of the world." Groupon India, Groupon Israel, and Groupon South Africa will join Groupon's global network, which offers unbeatable deals to more than 50 million subscribers in 40 countries. Groupon employs more than 4,000 people worldwide.

Source: Groupon



McDonald's to Pour 500 Billion Won to Double Outlets

McDonald's is poised to invest a total of 500 billion won (\$436.4 million) over the next five years to more than double the number of its restaurants in Korea from 243 to 500. McDonald's Korea Managing Director Sean Newton announced the ambitious plan Monday, which he says will enable the firm to strengthen its footing in the potential-laden domestic market. "When you compare Korea to our other markets, you can see that we have a lot of opportunity here. Our penetration so far is less than one third of our other markets," Newton told a press conference. "And because of this opportunity and the tremendous results that we have achieved over the last five years, McDonald's global believes in this market and wants to invest over 500 billion won by 2015 and grow to over 500 restaurants." McDonald's Korea has chalked up fast growth in recent years by introducing a set of innovative ideas including 24-hour opening, home delivery and customized breakfast menus faster than its rivals. The company has racked up double-digit growth for five straight years through 2010 when the Seoul-based outfit recorded a 14.3-percent rise in annual turnover from the previous year. However, it has lagged behind as far as the number of restaurants is concerned compared to homegrown brands although its sales put it among the top players. The reason: The fast food giant has employed a unique strategy of managing the stores itself. As a result, less than a dozen franchisee contractors operate McDonald's restaurants across the country. Newton, who took charge of McDonald's Korea early last year, vowed to change the outfit's strategy. "At the center of our growth is our plan to increase the number of franchisee restaurants. In other successful global markets, currently, 60 percent of our restaurants worldwide are operated by franchisees," the 43-year-old said. "In Korea, we will put this model into place. By 2015, approximately 40 percent of our restaurants will be run by franchisees business partners. This means that up to 200 restaurants would be run under the franchise contracts by 2015, around 20 times more than now.

Source: The Korea Times

Bales Named Chief Concept Officer at FOCUS

FOCUS Brands Inc. names Gary Bales chief concept officer. Atlanta-based FOCUS Brands Inc., the franchisor and operator of more than 3,300 ice cream stores, bakeries, restaurants and cafes, has named Gary Bales its chief concept officer. Bales is also president of Carvel ice cream, but he will now also oversee creative services, supply chain and all brand licensing initiatives for both consumer and foodservice for the parent company. FOCUS Brands consists of Auntie Anne's pretzels, Carvel, Cinnabon cinnamon rolls, Schlotzsky's sandwiches, Moe's Southwest Grill burritos and Seattle's Best Coffee International beverages. Bales joined Carvel in 2002 from TCBY, a division of Mrs. Fields Famous Brands. He's also been president of Cinnabon for FOCUS Brands. "Gary has been an integral part of the Carvel and Cinnabon teams for many years now," said FOCUS Brands CEO Russ Umphenour. "We look forward to utilizing Gary's expertise in other areas of our businesses for all of our great brands."

Source: Atlanta Business Chronicle

Dixie Cream Donuts Signs Middle East Deal

Beautiful Brands International (BBI) has signed an agreement with Emirates Associated Business Group (EABG) to open nearly 100 Dixie Cream Donut Company restaurants in Iraq, United Arab Emirates, Jordan, Syria and Qatar. The first store from this agreement is set to open by June of 2011. This will make Dixie Cream Donuts only the second American restaurant brand to enter the new Iraq. This marks the second international agreement BBI has inked for Dixie Cream since joining forces in 2009. The first was signed in October for development in Egypt. Additionally, EABG has plans to develop BBI's Camille's Sidewalk Cafe, Rex's Chicken, and FreshBerry further into the Middle East, including portions of Iraq. "This development deal marks a huge milestone for BBI internationally," said David Rutkauskas, founder, president and CEO of BBI. "Our growth strategy puts the Middle East at the center of our overseas expansion and will open new opportunities for BBI to grow and develop." Founded in 1929, the Dixie Cream Donut Co. has become famous for a unique donut recipe that blends the finest ingredients for a tender yet flaky taste. Dixie Cream Donuts was bought by Daylight Donut Flour Company in 2005, which then joined with BBI in 2009 to franchise and market the brand worldwide. "Partnering with EABG is a huge step forward to our expansion plans and growing our worldwide operations," said Rutkauskas. "Dixie Cream's one-of-a-kind model will translate well across the Middle East and will allow us to share our brand of excellence with millions of new customers who love delicious donuts and deli-style sandwiches." Dixie Cream Donut Co. is one of 12 concepts marketed and developed by BBI, including Camille's Sidewalk Café, FreshBerry Frozen Yogurt Cafe, Rex's Chicken, Caz's Chowhouse, Greenz Salads, Top That! Pizza, Smallcakes Cupcakery, Blazing Onion Burger Company, In the Raw-Sushi, and Le Beau Rouleau Crepes and Croissants.

Source: QSRweb.com

Domino's Pizza Opens First Outlet in Bulgaria

Domino's Pizza has opened its first store in Bulgaria. Anatron Food Services, who also serves as the master franchisee for Domino's Pizza in Greece and Cyprus, is the master franchisee for the country. The stores in Bulgaria will be operated by LN Solutions, owned by Lazgin Majid and Nikola Nikolov. The duo have experience with other fast food franchises, as well as a non-food franchise. The company has also reopened in the Philippines, with a store in City of Makati in the Greater Manila area. The new master franchisee in the Philippines is a partnership formed by the Domino's Pizza master franchisee for South Korea, Goldilocks Bakery and a minority operating partner. Domino's Pizza, through its primarily locally-owned and operated franchised system, operates a network of 9,169 franchised and company-owned stores in the US and over 60 international markets. Nearly half of the pizza brand's global retail sales come from international stores, generating roughly a third of its operating income.

Source: Food Business Review

Starbucks to Enter India With Tata Tie-Up

US giant Starbucks is set to make its debut in India in the next six months after signing a partnership deal with the country's giant conglomerate Tata, the two groups said recently. The Seattle-based Starbucks has for years been eyeing the Indian market, where large US fast food giants like McDonald's, Domino's and Pizza Hut have already established a strong presence. The first store will open some time in mid-2011, the chairman of Tata Coffee, R.K. Krishnakumar, told the CNBC-TV18 news channel after announcing the alliance with the global caffeine powerhouse. "Tata Coffee Ltd has informed the Bombay Stock Exchange that Starbucks, the US giant coffee company, is making an entry with its famed stores into India," a statement from the company said. Typically tea-drinking Indians are increasingly turning to coffee and upmarket cafes, which are promoted as sophisticated marks of affluence and good taste in the class-conscious nation. But while Western-styled local coffee chains are commonplace in Indian cities, foreign companies' entry into the country's retail sector is a sensitive issue as small shopkeepers fear being driven out of business by multinationals. The authorities have been hesitant to open up the retail sector quickly, but Western leaders have pressed them to accelerate the process during a recent spate of official visits to the country. Regular coffee in India costs less than 10 rupees (about 22 US cents) at small restaurants,

while more exotic flavours are priced between 50 rupees to 75 rupees (\$1.1 to 1.6) at Western-style cafe chains. "India is one of the most dynamic markets, with tremendous potential," said Howard Schultz, chairman and chief executive of Starbucks Coffee, in a statement. "India can be an important source for coffee in the domestic market and across many regions globally, where Starbucks has operations," he added. Tata Coffee is a coffee bean supplier with operations spread across different growing districts in southern India. Starbucks said it plans to source beans from Tata Coffee estates and will roast them locally. Tata and Starbucks will train local farmers, technicians and agronomists to improve coffee-growing and milling skills. India exports about 70 to 80 percent of its total coffee output, estimated at 299,000 tonnes for the fiscal year ending March.

Source: AFP



The Humane Society Honors QSR Chains

The Humane Society of the United States has given its inaugural Corporate Progress Award to Burger King Corp. in recognition of its work to improve the welfare of animals in its supply chain. Burger King was the first major quick-service chain to implement animal welfare policies aimed at reducing factory farm abuses, including the cage confinement of egg-laying hens in 2007. In 2010, as part of its BK Positive Steps corporate responsibility program, Burger King continued decreasing its usage of eggs from caged hens by incorporating more cage-free eggs into its supply chain. Other chains followed suit, including Wendy's, Subway, Sonic, Quiznos, Hardee's and Carl's Jr.

"Burger King Corp. has been an industry leader in improving conditions for animals in its supply chain," said Wayne Pacelle, president and CEO of HSUS. "We applaud the company's work to reduce animal suffering and hope that more companies will continue following its lead." Subway also recognized. Subway also was recently recognized by the Humane Society, earning a 2010 HSUS Corporate Progress Award in recognition of its work to improve the lives of farm animals. Last year, Subway committed to switching 100-percent of its eggs to cage-free; the first QSR to do so. "We are working with our partners at The Humane Society of the United States and our franchisee-owned Independent Purchasing Cooperative, which sources products and negotiates pricing contracts for Subway franchisees to take the steps needed to do this," said Michele DiNello, Subway's director of corporate communication. "There is much work to be done, but we are committed to conducting business in a manner consistent with accepted social practices." Just last week, the HSUS also honored Sonic Corp. for its forward-thinking animal welfare policy revolved around its efforts to phase in cage-free eggs and pork from suppliers that do not confine breeding pigs in gestation crates.

Source: QSRweb.com

Pizza Hut Discovers Taste for Environment

The passion and interest shown by university students for environmental protection may never fade away, but lack of capital may hinder their development of green campaigns. China Environmental Protection Foundation (CEPF) offers a solution for creative pioneers to help them carry out environmental protection projects. CEPF's fifth Pizza Hut small-fund subsidy program's second meeting was held in late November. Sixty projects from 522 applicants were finally approved and are now in line to receive about 490,000 yuan

(\$73,898) in grants. The small-fund subsidy program was initiated in 2006 by CEPF. Yum! Brands Inc's Pizza Hut began to subsidize it in 2008. It aims to provide financial support for the best green projects dreamed up by students and is made up of two parts - providing small-fund subsidies to approved environmental protection projects and holding training exchanges between project leaders and related experts. This latter also began in 2008. Zhang Rui, leader of the Environment Protection Association at China University of Mining and Technology, said that their project got the green light and a subsidy of 7,000 yuan. "Since our project includes three investigation trips in the mining area of Xuzhou, Jiangsu province, and each time there will be about 20 members participating in the trips, the expenses for food and accommodation will be huge," Zhang said. "The subsidy of 7,000 yuan brought us much relief and enabled us to proceed with our project," he added. Initially, the students did not have much confidence in the small-fund subsidy program, said Li Wei, secretary-general of CEPF. "After a few years, the panel's active participation and professional advice propelled the program's development and our confidence grew a lot." Shen Shen, a researcher at the Research Center for Philanthropy and Social Enterprise at Beijing Normal University, who also helped decide which projects won subsidies, said: "It's rare for Chinese university students' environment campaigns to last for a couple of years." Most activities of this kind will just go on for one year or less and they will end immediately after they win prizes, Shen added. Shen said a students' union in Africa had been operating a campaign combating AIDS for 18 successive years, something rarely seen in China. "The China Environmental Protection Foundation realized this prevalent drawback and put great emphasis on the sustainability of projects of this kind as well as their originality," Shen said. Long Qinggang, director of the project development office at CEPF, said the continual flow of students through university created difficulties in continuity. He said he hoped this program could encourage more sustainable environmental protection projects among university students.

Source: China Daily



Panera Bread Prepares to Open Third Pay-as-You-Go

A Panera Bread location in Northeast Portland, Ore., was closed Jan. 11 to transition into the company's third pay-as-you-go restaurant. The store will reopen Saturday under the name Panera Cares Community Cafe and will be run by the Panera Bread Foundation. The purpose of the program is to make sure everyone gets a meal, even those who can't afford one, said Panera Bread board chairman and former CEO Ron Schaich. "It's not a hand out, it's a hand up," Schaich said. "And it's not a problem somewhere else, it's a problem in our community." Portland was the third market selected to receive the cafe based on its diverse demographic. The first Panera Cares cafe opened in early 2010 in Clayton, Mo., and a second opened up during the company's fourth quarter in Detroit. According to the foundation, 60 to 70 percent of cafe customers pay in full while 15 percent pay more, and another 15 percent pay less or nothing. Locations are selected based on a community's ability to support it and its accessibility to those who use its service.

Source: FastCasual.com

Top That! Pizza Inks Multi-State Deal

In a push to enter the small fast casual pizza segment (with a quick-service price-point), Lori Walderich -- chief creative officer at IdeaStudio -- and her husband Jeff recently founded Top That! Pizza, which taps

into the create-your-own concept made famous by chains such as Chipotle and Subway. Beautiful Brands International CEO/founder David Rutkauskas was immediately sold on the idea and added Tulsa, Okla.-based Top That! to his company's brand portfolio as a client. It seems Rutkauskas isn't the only one attracted to the model. This week, Top That! announced its first development agreement for unit expansion throughout Oklahoma, Kansas, Arkansas and North Texas. The deal is one of the largest in BBI's franchising history and will be springboarded by development agents Pat and Deborah Calhoun of Tulsa. Pat Calhoun grew up working in the restaurant industry and has extensive experience in human resources, training and team-building. At the end of January, he will retire from his career at the Tulsa Police Department and begin work on his first store. "We are shooting for an early spring open date," he said. "I have a location picked out and we're actively negotiating it now." Calhoun said he wanted to be the concept's first developer because he fell in love with the idea of fast casual custom pizzas. "I was there on opening day and kept coming back each week, trying all the different options and studying the way the concept works. I knew early on that it was going to be big and I wanted to be a part of it," he said. The concept The first Top That! Pizza unit opened in October in a former Quiznos store. The conversion took six weeks and incorporated 90 percent of the existing Quiznos equipment, which saved time and money on buildout. The smooth transition and utilization of Quiznos equipment outlines the new brand's build-your-own concept, but with pizza. The Top That! menu allows guests to choose, assembly line-style, from three kinds of gourmet style crusts (white, multigrain and honey wheat), as well as nine sauces, including bold Italian red, basil pesto, creamy nada vodka, barbecue, Thai peanut, sweet Roma red and angry Alfredo. "This concept satisfies customers on so many levels," Lori Walderich said. "The price is right, the pizza is delicious and it's fast enough to draw a valuable group of customers who don't have much more than 30 minutes for weekday lunch. Then in the evenings the restaurant scores with families and kids. I think the versatility explains why repeat business has been so strong. It's actually surprised all of us how quickly this idea has caught on." Moving forward, Top That! will utilize BBI's organizational and support systems to franchise the brands in national and international markets. "This (potential) 200 unit, four-state deal is a landmark accomplishment for our company and I'm thrilled to be a part of it," said Rutkauskas. "Top That! Pizza has a solid business model and the potential to become a star player in our client portfolio. There truly isn't anything like TTP anywhere and we're excited to work alongside Jeff and Lori to make it a terrific success."

Source: QSRwb.com

Cole Named Cinnabon President

FOCUS Brands Inc. promoted Kat Cole to president Of Cinnabon Inc. She replaces Gary Bales, who will step down as president of Cinnabon, but will remain president of Carvel. Prior to joining Cinnabon as chief operating officer, Cole was vice president of training and development for Hooter of America, Inc. "Since joining us only three months ago, Kat has made a tremendous impact on the Cinnabon brand, assessing and addressing key strategic opportunities while learning and leading the business," said Russ Umphenour, CEO of parent company Atlanta-based FOCUS Brands. "Kat is a natural leader and a relationship-builder. She has spent a great deal of time in the field getting to know our franchise partners and their teams, as well as learning about their day-to-day needs and challenges."

Source: Atlanta Business Chronicle

Steve Sather Named President and CEO of El Pollo Loco, Inc. Restaurant Industry Veteran Samuel N. Borgese Appointed Executive Chairman of the Board of Directors of El Pollo Loco, Inc.

EPL Intermediate, Inc., parent company of El Pollo Loco, Inc., announced the promotion of Steve Sather to President and CEO of El Pollo Loco, Inc. and the appointment of Samuel N. Borgese to Executive Chairman of the Board of El Pollo Loco, Inc. Sather joined El Pollo Loco in January of 2006 to lead both company and franchise operations, bringing over 30 years of restaurant industry and executive management experience to the Company. As Senior Vice President of Operations, Sather aligned employees and

franchise owners around a quest for operational excellence. Sather was appointed acting President and CEO of the Company in mid August of 2010.

Prior to joining El Pollo Loco, Sather was Senior Vice President of Retail Operations for Great Circle Family Foods, LLC, franchise operator of Krispy Kreme Doughnuts in Southern California. Earlier, Sather was Chief Operating Officer for Rubio's Restaurants, Inc. and held senior management positions with Rally's Hamburgers, La Salsa Holding Company and Taco Bell. Sather holds a bachelor's degree in business from Miami University in Oxford, Ohio.

"Steve brings a wealth of experience, passion for the brand and proven leadership to his new role as President and CEO, and we are confident that he is the right executive to execute strategic initiatives and expand the El Pollo Loco platform," said Dean Kehler, Managing Partner of Trimaran Capital Partners, LLC. EPL Intermediate, Inc. also announced the appointment of Samuel N. Borgese to Executive Chairman of the Board of Directors of El Pollo Loco, Inc. In this role, Borgese will be actively involved in helping El Pollo Loco execute its strategy. "We are thrilled to have these two gifted and highly experienced restaurant industry executives at the helm of El Pollo Loco and know that they will lead our dedicated group of employees and franchisees in growing this outstanding brand," said Dean Kehler, Managing Partner of Trimaran Capital Partners, LLC.

Source: El Pollo Loco, Inc.

Burguesa Burger Heads for the Border

Burguesa Burger Franchise Inc. has signed a deal with Eddie Burger LLC to open six restaurants in the Rio Grande Valley as part of the company's strategy to increase its footprint in U.S.-Mexico border towns. The agreement will bring the total number of restaurants in the valley to eight. Eddie Burger president Nicky Runnels currently operates a Burguesa Burger in McCallen, Texas, which was the first unit to open outside of the Dallas-Fort Worth market. "The community and neighborhood have been great supporters of our restaurant," said Runnels, who was born and raised in McAllen and whose family has been in business in the Rio Grande Valley for three generations. Burguesa Burger represents something different for those craving a great burger while satisfying the taste profiles of our market. There are many unique qualities of this concept — from the special sauce and spicy fries to cane-sugar sodas. We pride ourselves on what we do differently from other burger restaurants." Burguesa Burger's concept focuses on authentic Mexican-influenced flavors and uses Mexican brands, products and ingredients — from buns to beverages. Restaurants accept both pesos and dollars. It was founded in Dallas in 2009.

Source: QSRweb.com

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



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