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### **2011 AutoQuotes Roadshow Training Dates Announced by MAFSI**

AutoQuotes 360 is the latest and most complete version of AutoQuotes, the full featured electronic database for the foodservice equipment and supply industry. AutoQuotes 360 is the single biggest productivity booster in the industry today. Get the latest time-saving tips and tricks to produce quotes faster and make your job easier. AutoQuotes 360 is simply a browser based version of AutoQuotes. There's no software to install. There are no more progress bars or waiting on information to synchronize. You can log in from anywhere and start working immediately, anytime you want. There's no burden on your computer because everything is accessed via our secure server network. And, because any upgrades are automatic, you're always on the latest version, with access to the latest features, performance, and security enhancements. Learn how to make the most out of AutoQuotes 360 and stand out from your peers by attending a training seminar in a city near you. Upcoming Dates - Spring 2011: Orlando - February 9 (A day before the NAFEM Show); Charlotte - March 15; Philadelphia - March 24; Seattle - May 10; Chicago - May 20 (A day before the NRA Show). Fall 2011: Boston - September 15; St. Louis - September 27; Houston - October 13; Milwaukee - October 25; San Francisco - November 1. To register or for further details please visit [www.mafsi.org](http://www.mafsi.org)

Source: MAFSI

### **Pizza Hut to Invest \$10 million in Louisiana Markets**

Pizza Hut Inc. will invest \$10 million in New Orleans and Baton Rouge, La., within the next 18 months. The plan includes the creation of "Model Markets" in partnership with the National Urban League and the Urban League of Greater New Orleans, including state-of-the-art restaurants that serve the communities. The plan's objective is to establish urban renewal and economic empowerment to both cities. "Pizza Hut is totally committed to making our restaurants in New Orleans and Baton Rouge the best in the country. We will build brand new restaurants over the next 18 months, replacing all existing restaurants with state of the art facilities to best serve our customers," said Scott Bergren, president of Pizza Hut. "We are very pleased to partner with the National Urban League and believe our investment is both good business, and will stimulate economic development." Up until now, a franchisee has operated Pizza Hut units in these two markets. However, the owner was unable to meet financial obligations to taxing authorities at the federal, state and local levels. As a result, these franchised restaurants have closed and will not reopen. All is not lost for Pizza Hut fans in these markets, however. The company has identified locations in NOLA and Baton Rouge and will immediately begin building the new units. Once they are up and operating, Pizza Hut will work with the NUL to seek a new franchisee. At the same time, Pizza Hut is offering displaced employees from the closed units job counseling, training and career placement, with assistance from the ULGNL. Pizza Hut has committed to spend \$1 million with both organizations for this training and counseling. Long term, the company is committed to rehiring former employees as the new restaurants come on line. Former franchisee Larry Lundy has agreed to help the company with its transition to a model market in both cities, and will serve on a contractual basis with the company for the next five years. "We

are pleased and honored to partner with Pizza Hut as they revitalize New Orleans and Baton Rouge with a significant investment in the community and conduct extensive employee training, job counseling and placement," said Marc H. Morial, president and CEO of the National Urban League.

Source: PizzaMarketplace.com

### **Manitowoc Foodservice Leadership Changes Emphasize a Customer and Solution Focus**

Manitowoc Foodservice announces organizational changes to align with corporate strategies in support of its commitment to offer innovative equipment solutions to its customers throughout the foodservice industry. Effective immediately, Larry Bryce will become executive vice president of Refrigeration Solutions for the Americas. Companies reporting to Bryce include Manitowoc Ice, Multiplex, Servend, Delfield Custom Solutions, McCall, Kysor Panel Systems, Kolpak, and Jackson. Bryce will also lead the development of global service strategies, a core part of providing integrated global customer solutions. Mike Buelow, currently vice president of service for the Americas will work with Bryce to achieve all service goals. Phil Dei Dolori has been named executive vice president of Cooking Solutions for the Americas. Dei Dolori will oversee the Manitowoc companies of Cleveland, Garland, Lincoln, Merco, Varimixer, Frymaster, and Dean. In additional organization changes, Steve Beck, senior vice president of global accounts will continue to focus on sales growth of Manitowoc's strategic accounts and will be reporting to Mike Kachmer, president of Manitowoc Foodservice. Kevin Clark, currently vice president and general manager for Custom Fabrication and Refrigeration will move into the vice president of sales – strategic and global accounts group. Chris Karssiens will succeed Clark as vice president and general manager for the Custom Fabrication and Refrigeration operating company which includes the Delfield and McCall brands. Gary Dykstra, vice president and general manager of Lincoln Foodservice will succeed Karssiens as vice president of sales for the Dealer Channel. Asia-Pacific Region (APAC) To allow for greater focus across a very large, complex and rapidly-growing market, the APAC region will be divided into three sub-regions. CT Yeo will continue in his role as executive vice president overseeing the entire APAC Region and will also act as the vice president and general manager for China, one of the newly-formed sub-regions. A new vice president for India and the remainder of Asia is expected to be announced sometime in the first quarter of this year. Europe, Middle-East and Africa (EMEA) Mike Hicks, senior vice president finance for the Americas, succeeds Phil Dei Dolori as executive vice president for the EMEA Region and will focus on the ongoing implementation of new regional sales, marketing, and service organizations along with the integration of Merrychef and Convotherm into a single Advanced Cooking operating company. Hicks will be relocating to England and will be working out of the Guildford facility. Craig Reuther, currently vice president of finance and accounting will be replacing Hicks as Manitowoc Foodservice senior vice president of finance.

Source: Manitowoc Foodservice, a division of The Manitowoc Company, Inc.

### **11 for '11: Technomic Names Leading Restaurant Trends**

As the nation begins to emerge from recession, restaurants are seeing lapsed customers return. Same-store sales are inching up, signaling the industry's initial rebound to health; hiring is also up, signaling positive expectations for 2011. But this isn't the same restaurant industry as before. Big changes are on the way—on menus, in concept development and in the competitive landscape. Technomic examines the future for restaurants through the lens of 40-plus years tracking the industry, and sees 11 top trends emerging in 2011:

- 1. Action in adult beverages.** As Americans decide they're once again ready to celebrate, we'll be seeing lots of action in "Mad Men"-style retro cocktails, high-cachet gin and bourbon, craft beers and punch (including sangria). Look for cocktails with herbal and floral ingredients; "skinny" cocktails; even more adult beverages in fast-casual eateries to set them apart from traditional limited-service competitors.
- 2. Beyond bricks-and-mortar.** Food trucks, facilitated by social media that notify foodies of their whereabouts, were an L.A. and Manhattan fad a year ago; now they're proliferating around the country. "Land-based" restaurants are using food trucks as brand extensions and catering aids; food-truck districts and "rodeos" are starting to appear; regulatory agencies are scrambling to keep up. Also unmooring

restaurants from their traditional street corners: temporary or seasonal pop-up eateries and kiosks. **3. Farmers as celebrities.** Once, it was all about celebrity operators; then star chefs rose to prominence. Now, the back-to-the-source mentality sends farmers and producers into the spotlight. Restaurants will feature their celebrity suppliers by offering special menus, inviting them to comment on blogs, even hosting visits. More often, farmers and artisans will be saluted in highly detailed menu descriptions. More attention to the supply chain also means more attention to food safety and product traceability as well as local sourcing. **4. Social media and technology: evolutionary spurt.** We'll see constant changes in applications for marketing and operations in 2011. Kiosk ordering, wine lists on iPads, tableside payment systems—which technologies will revolutionize operations? Couponing websites and location-based social media will grow, while the apps fad will continue to evolve, while facing new competition from developing formats and technologies. Front-of-house and back-of-house technology and social media are evolving so fast that rewards and risks are high—but the biggest risk of all is failure to innovate. **5. Korean and beyond.** The Korean taco—an only-in-America synthesis of Korean-style fillings and a Mexican format—signals the rise of Korean barbecue and Korean food in general; multicultural tacos with world ingredients, sometimes in surprising combinations; and portable street food and small plates from around the planet. **6. Frugality fatigue.** Penny-pinching was a novelty when the recession began; now it's gotten old. Anyone who can afford it will dip back into luxury dining in 2011. Look for flashy high-end restaurants and some extravagant, indulgent specials even on staid menus. Meanwhile, the middle class will gravitate to reasonably priced but high-experience-value, thrill-a-minute concepts with memorable menus. Pricy full-service concepts will continue to push bar menus, bringing in new customers at a lower price point, and gastro-pubs will proliferate. **7. How low can you go?** Consumers will continue to demand price deals, everywhere they eat. As food input prices heat up next year, sustaining the bottom line will continue to be a crucial issue for operators. Look for more restructuring of price deals—for example, “everyday low price” positioning favored by retailers. **8. Carefully calibrated brand action.** As the restaurant industry emerges from recession and capital spending picks up, we'll see more fast-casual brand extensions by full-service restaurants and even non-restaurant brands; more ultra-niche eateries with narrowly focused menus and high-concept ambiance; investment in brand refreshes and remodels instead of unit growth. What new units we'll see will be smaller, sustainably built, with more efficient layouts, often in nontraditional locations. **9. Back to our roots.** The durable hunger for comfort food develops an appetite for homestyle Southern fare, from grits to seafood; retro Italian, including meatballs; gourmet donuts and popsicles for dessert; family-style service formats and family-size portions that would look right at home in a Norman Rockwell print. **10. New competition from c-stores.** Retailers have been encroaching on restaurant turf for some time, but now the hottest action is among convenience-store operators upgrading their foodservice, where margins are 40-60 percent instead of the 5 percent typical for gas. Consumers are responding positively to upgraded offerings, variety and ambiance. **11. Healthful vs. indulgent: the little angel says one thing, the little devil another.** As federal menu labeling requirements take effect in 2011, the issue of healthful vs. indulgent fare—on the menu and in menu descriptions—gets complicated. Look for more items and detailed descriptions on “healthy” menus—including gluten-free fare as well as more “under x calories” items. Limited-time offers (including seasonal fare) will trend up, not only because they attract attention, but also because they don't require posting nutrition data that consumers would rather not know. “Eating a little better” will translate into menu modifications such as slightly-lower-sodium, slightly-more-glamorous sea salt; “eating better some of the time” will lead to more innovations like “Meatless Mondays.”

Source: Technomic, Inc.

### **Wingstop to Add 20 Mexico Restaurants**

Fast-food chain Wingstop is expanding internationally with plans to add 20 stores in Mexico over the course of the next three years. The company already has 600 locations operating or under development. The Richardson-based chicken wings retailer just signed a development deal with franchisee WIS de Mexico S.A. de C.V. to open and operate additional stores. The owners behind the franchise already have six Wingstop restaurants in Mexico City as part of a 10-store franchise agreement that was completed in 2010. With the second development deal, the franchise will open locations in Mexico DF, Estado de Mexico, Puebla, Morelos, San Luis Potosi, Queretaro, Guerrero, Quintana Roo and Jalisco.

Source: Dallas Business Journal



### **Powering the Hotel Industry's Recovery through Effective Revenue Management**

The hotel industry is on the road to recovery, but it hasn't progressed as far as it could. Tourist spending in the U.S during 2010 grew 11 percent, according to U.S. Commerce Department, with a large amount of that increase ending up in hotel cash registers. Although an encouraging metric, it wasn't enough to make 2010 the recovery year that many predicted: the hotel industry is still not at the level it was during the era of prosperity before the recession, leaving many wondering: Is there a better way forward for the industry than the path it has been following? The answer is a resounding YES. As revealed in REVPAR GURU's new guidebook, "Rethinking Revenue Management: A Collection of Articles," hotel revenue management processes and strategies worldwide have much room for improvement. All too often, revenue management has been treated as an inflexible process of setting a price for a room and hoping a customer will accept it. But using sophisticated RM software, hoteliers have a powerful, flexible tool that provides a much wider scope for customer acquisition, retention, and most enticingly, revenue maximization. And today, RM hasn't been utilized to anywhere near its potential. "Rethinking Revenue Management: A Collection of Articles" provides the road map to reaching that potential. The guide explores how hoteliers can effectively master the three key principles for maximizing RevPAR: understanding, anticipating and influencing the customer. Additionally, the guide examines why hotel pricing is - or SHOULD be like - the stock market, and illustrates how this can be accomplished through good RM software and a savvy, proactive revenue manager. To thrive in business, the modern revenue manager must yield to practicality, optimizing customer needs and purchasing trends, while anticipating consumer resolutions - all in a rapidly changing environment. Revenue management is a complex and ever-evolving art which is difficult to master.

Source: REVPAR GURU

### **U.S. Foodservice-Albuquerque Breaks Ground on \$24-Million Distribution Center**

U.S. Foodservice-Albuquerque broke ground on a \$24-million distribution center. The 135,000-square-foot facility will enable the company to provide better service to customers throughout New Mexico, West Texas and Southern Colorado. The new facility will occupy a 42-acre site at 3700 Prince Street SE and is expected to be complete by October 2011. More than 50 community leaders, U.S. Foodservice employees and government officials attended today's groundbreaking. Local officials in attendance included Bernalillo County Commissioners Art De la Cruz, Maggie Hart Stebbins and Michael C. Wiener, representatives from the offices of U.S. Senator Jeff Bingaman and Congressman Martin Heinrich, as well as representatives from the Bernalillo County Management and Economic Development teams. "The new facility will greatly increase the volume and variety of products we offer customers, as well as improve our operational efficiency," said John Szurek, Division President, U.S. Foodservice-Albuquerque. "In a challenging economy, we are especially proud of our ability to grow, maintain high levels of customer satisfaction and support our community." Szurek said the new facility will allow U.S. Foodservice-Albuquerque to provide its more than 1,300 customers with about 40 percent more products. The expansion will more than double the company's current cold storage capacity and increase the number of shipping and receiving docks. The facility currently employs more than 125 and is expected to add jobs in the coming years with the addition of new customers and increased sales volume. The 42-acre site also allows for future expansion as demand increases.

Source: U.S. Foodservice



### **Pizza Hut's 500th Chinese Restaurant Opened In Lanzhou**

The chain pizza restaurant Pizza Hut has announced that its 500th pizza restaurant in China has opened in Lanzhou, capital of Gansu province. According to Zhu Zongyi, president for the China business department of Yum Brands, parent company of Pizza Hut, over the next two years Yum plans to invest CNY30 million in Lanzhou. Zhu said that Yum started developing the Chinese western market ten years ago and in 2010 the number of its restaurants in the Chinese western areas was seven times as five years ago. Gao Yao, general manager for the Pizza Hut brand of Yum China, said that unlike other multinational enterprises who usually focus on the development in coastal cities in China, Pizza Hut has been exploring cities of various tiers step by step. Its footprints are all over China, from the coastal and economically developed regions to the southwestern, northeastern, and northwestern regions. As the parent company of Pizza Hut, Yum Brands is one of the world's largest food and beverage groups and it has over 37,000 chain restaurants in 110 countries and regions around the world. Its fast food brand KFC has over 3,000 chain restaurants in China and its East Dawning and Pizza Hut Delivery brands have also entered the Chinese market.

Source: ChinaRetailNews.com

### **Buffalo Wild Wings Breaks Ground on Construction of First Restaurant in Canada**

Buffalo Wild Wings, owner, operator and franchisor of Buffalo Wild Wings Grill & Bar in the US, has started construction of its first restaurant in Oshawa, Ontario, Canada. In addition to the on-site progress in Oshawa, Buffalo Wild Wings has also hired four managers being who will be provided in-restaurant training. The newest members of the Buffalo Wild Wings team include GTA residents Robert Stewart in the role of regional manager for Canada, Carol Law as general manager of the new Oshawa location, Gary Mulhall as assistant general manager and Jennifer Kwietniowski as bar manager. Buffalo Wild Wings International managing director Mo Sawda said along with construction beginning in Oshawa and the hiring of the company's management team, it has also signed its lease for a site in Mississauga and is aggressively working on multiple other leases within Ontario and additional provinces within Canada. The Oshawa location is currently slated for a May opening and is the first of 50 locations the company plans to open over the next five years.

Source: Food Business Review

### **T.G.I. Friday's to Open 30 More Outlets in the Middle East**

Casual dining operator T.G.I. Friday's has announced plans to open another 30 restaurants in the Middle East in partnership with its regional franchisee, the Kuwait-based Americana Group. T.G.I. Friday's International president and chief operating officer Ian Saunders said: "A core component of T.G.I. Friday's overall growth strategy is identifying the right partners who can help us reach our goals. "We have established a tremendous relationship with Americana, and this new development agreement emphasizes the strength of our partnership, a partnership that will add 30 new Friday's restaurants to this thriving region." Americana, whose territory encompasses Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria and the UAE, currently owns and operates 36 T.G.I. Friday's restaurants. The group —

a publicly traded company on the Kuwait Stock Exchange — operates more than 1200 restaurants with in excess of 45,000 employees from 21 nationalities across 14 countries between the Atlantic Ocean and Caspian Sea. International franchises within Americana's portfolio include Krispy Kreme, Costa Coffee, KFC, Pizza Hut and Hardee's. In total, T.G.I. Friday's, which is part of hotel operator Carlson, operates more than 900 restaurants in 60 countries worldwide.

Source: HotelierMiddleEast.com

### **P.F. Chang's Promotes KC Moylan to President of Pei Wei Asian Diner**

P.F. Chang's China Bistro, Inc. announced the promotion of KC Moylan from Chief Operating Officer to President of Pei Wei Asian Diner. In addition to his ongoing leadership and oversight of Pei Wei operations, Mr. Moylan will be responsible for Pei Wei marketing and coordinating Pei Wei real estate development strategies. "Over the past several years, KC has successfully led the Pei Wei operations team through a transformation to improve the operating efficiency and profitability of our Pei Wei concept," said Rick Federico, Chairman and Co-CEO. "His strong leadership abilities will position Pei Wei for both long-term growth and success. We all congratulate KC on this well-deserved promotion." Mr. Moylan has over 25 years of experience in restaurant operations leadership. He has served as Chief Operating Officer for Pei Wei operations since 2007 and was appointed an executive officer of the Company in February 2010. Prior to 2007, Mr. Moylan served as a Pei Wei Regional Vice President since joining the Company in 2001. Prior to joining the Company, he served as President and CEO of Champps Americana Inc. Mr. Moylan has also worked with several other restaurant companies including TGI Friday's and Peasant Restaurants.

Source: P.F. Chang's China Bistro, Inc.

### **Starbucks to Raise Some Product Prices in China**

Starbucks Corp will raise prices for some of its products in mainland China from Jan. 1, a company spokeswoman announced, as surging raw materials costs pressure food companies around the globe. Starbucks will raise prices of its Frappuccino products by 2 yuan (\$0.30), Caren Li, a Starbucks spokeswoman in Shanghai, said. Mid-sized cups of the beverage currently cost 25-33 yuan. "The upward adjustment was partly to reflect recent increases in commodities prices," said Li. But Starbucks would also cut prices for some of its products, including the vanilla latte, she said. "The vanilla latte is a very popular product of ours. We hope to provide the best value for our customers with the price cut," she said. Commodities prices, especially for agricultural commodities, have surged to multi-year highs in 2010. Arabica coffee futures have hit a more than 13-year high, while raw sugar futures were at a 30-year high. Starbucks CEO Howard Schultz told Reuters in an interview last month that high coffee prices were unsustainable and driven by financial speculators. Smaller Chinese rival Pacific Coffee said it had not raised prices in mainland China. But the chain, 80 percent-owned by Hong Kong-listed China Resources Enterprise Ltd., had on Dec. 4 increased the price of espresso-based coffee in Hong Kong, while prices for tea and bottled drinks remained unchanged. A Pacific Coffee spokeswoman in Hong Kong declined to say whether the company was also considering a price increase in China. Pacific Coffee operates two outlets in Beijing, one in Shanghai and three in Guangdong province, compared with more than 300 operated by Starbucks in the mainland. Last month, U.S. restaurant chain McDonald's Corp. raised menu prices in mainland China to offset higher food costs in the world's fastest-growing major economy. Other restaurant chains, including Pizza Hut and KFC parent Yum Brands Inc., have said they expected higher labor and commodities costs to weigh on near-term margins in China.

Source: International Business Times



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### **Pizza Chain Seeks Slice of Bicultural Pie. Business That Long-Catered to Older Spanish-Speaking Immigrants Reaches Out to Younger Clientele**

Pizza Patrón, a 100-unit restaurant chain that has long catered to a Spanish-speaking clientele, is turning its charms on English speakers. The Dallas-based chain, which offers such pizza toppings as chorizo sausage and jalapeno peppers, decided to rethink its marketing after noticing that more young Hispanics—the fastest growing segment of the youth population in the U.S., according to a recent analysis by the U.S. Census Bureau—are bilingual and bicultural. "These are Hispanics born in the U.S. who have one foot in each culture," says Andrew Gamm, Pizza Patrón's brand director. "They are very into adopting American culture without fully letting go of their Hispanic roots. In our previous 25 years of doing business, we focused on these peoples' parents." The shift comes as many traditional marketers, such as Kraft Foods Inc. and Anheuser-Bush InBev NV, are courting Hispanic consumers with Spanish-language advertising and products such as lime-infused beer. Pizza Patrón, a privately held chain that expects revenues of more than \$40 million this year, is re-allocating its advertising budget, re-jiggering commercials, opening restaurants in new areas and using more English on menus. It's tricky because Pizza Patrón wants to lure new, younger clientele without alienating its historic base of immigrant customers. Mr. Gamm says that's something he's concerned about but "a lot of my worry is alleviated by the fact that many of these young people have the purchasing power in the household. They do the translating for mom and dad. In that respect, I think we'll be OK." Attracting a broader demographic makes sense because "statistics demonstrate that virtually every ethnic group has largely integrated into American culture by the second or third generation," says Todd Hooper, restaurant strategist at retail consulting firm Kurt Salmon Associates. The first Pizza Patrón was opened in Dallas in 1986 by Antonio Swad, an Ohio-born man of Italian and Lebanese descent. Although Mr. Swad didn't set out to target Hispanics, most of his customers were and they placed orders in Spanish, Mr. Gamm says. Mr. Swad, still the company's chief executive, viewed marketing to Spanish speakers as an opportunity to differentiate the brand. So the chain added items like churros, which are fried dough desserts; lime-and-pepper-flavored chicken wings; and cheese sticks dubbed "QuesoStix." Sometimes the restaurants also offer limited-time Mexican offerings like caramel candies made with goat milk and pecans. As the Hispanic population grew, so did Pizza Patrón's popularity. In 2007, the chain drew international attention—and attracted more business—when it began accepting Mexican pesos as payment. Typically, Pizza Patrón opened pizzerias in neighborhoods in which at least half the population was Hispanic. Most of the company's growth came in the Southwestern U.S. and large cities where Hispanics congregated, and nearly all of its ads were on Spanish-language media outlets. The company now is opening restaurants in areas with as little as 30% Hispanic residents, and expanding into other areas where Hispanics have moved, such as Michigan, Oregon and North Carolina, and in smaller cities within new and existing markets. The company plans to open about 20 restaurants in 2011 and another 40 in 2012. Instead of menu boards and promotional materials being mostly in Spanish, English will now be the dominant language. For instance, in the past, pre-made pizza that didn't have to be ordered ahead of time was branded as "lista," meaning "ready now." Now, the chain will include both the Spanish word and the English translation. To keep traditional customers from straying, Pizza Patrón plans to add more Latin-themed specialty pizzas and to post in-store graphics honoring holidays many Hispanics celebrate, such as Día de los Reyes Magos, or Day of the Three Kings, coming up in January. Pizza Patrón also is using phrases like "bueno, bonito y barato," which literally means "good, pretty and cheap" while conveying a deeper meaning about the value of a product. "By themselves those words mean just what they say, but combined, it's a phrase that only our Hispanic customers would get," Mr. Gamm says. "It's a way we wink at them and say, 'We get you.'"

Source: The Wall Street Journal



### **Sophie's Cuban Cuisine Continues Franchising**

Sophie's Cuban Cuisine, a Cuban-style restaurant chain, said that it will resume offering franchises for their lunch concept after a three-year break. Sofia Luna, co-founder and president said that their franchising start in late 2006 resulted in three franchised Sophie's that are doing very well but that the severe recession that began in their core downtown Manhattan market convinced them to stop until the financial crisis subsided. With the economy finally on the upswing and renewed interest from potential franchisees, Sophie's is now poised for renewed growth. The restaurants offer Cuban specialties such as Ropa Vieja (Shredded Beef Stew), Camaron al Ajillo (Shrimps In Garlic Sauce), Maduros (Fried Sweet Plantains), Papa Rellena (Mashed Potatoes Stuffed With Ground Beef Stew), Ox Tail Stew, plenty of Arroz con frijoles (Rice and beans), and Cuban sandwiches. The main courses offer pork, beef, chicken, goat, turkey, steak, shrimp, and fish with a variety of special sauces. Luna estimates that initial development costs for a Sophie's in New York City range from \$355,000 to \$645,000 (including the Initial Franchise Fee and excluding real property) depending on factors such as the size and shape of the space and whether it had previously been used as a restaurant.

Source: Food Business Review

### **Private-Equity Firm Buys Controlling Stake in Noodles & Co.**

Broomfield-based Noodles & Co. has sold a controlling stake in the chain to private-equity investment firm Catterton Partners of Greenwich, Conn. Terms of the transaction were not disclosed. Restaurant analysts said the deal will allow noodles, already on a fast growth curve, to open more outlets. The chain operates in 18 states with 255 locations — more than twice the number of restaurants it owned five years ago. The first Noodles outlet opened in 1995 in Cherry Creek. The company will continue to be based in Broomfield and will operate with the same management team. Catterton's \$2.5 billion investment portfolio includes Outback Steakhouse and Restoration Hardware. Previously, it owned stakes in P.F. Chang's, Baja Fresh, Caribou Coffee and Odwalla. Noodles & Co.'s slogan is "real food, real quick." It offers made-to-order noodles with various toppings, as well as soups, salads and sandwiches. "They've been recognized in the industry as one of the best examples of the fast-casual concept," said Ron Paul, president of Chicago-based restaurant-consulting firm Technomic Inc. Paul said Catterton Partners likely sees potential in expanding the chain through franchising. Forty-three Noodles outlets are operated by franchisees. Few changes in restaurant operations should be expected, Paul said. "It's not a turnaround situation," he said. "Private-equity firms almost always want to take a hands-off approach, especially with a firm showing good financial fundamentals." Noodles & Co. is privately owned and does not report financial results. Technomic estimates that annual sales grew from \$123 million in 2005 to \$230 million in 2009. Kevin Reddy, chairman, chief executive and president of Noodles, said he and other unnamed investors will continue to own a minority stake in the company. Catterton managing partner J. Michael Chu said the firm is "excited to enter into this partnership" and that it sees significant growth opportunities for Noodles. Noodles' biggest market is Colorado, followed by Illinois, Wisconsin and Minnesota.

Source: The Denver Post

## **Restaurateur's Widow Sues Benihana**

Keiko Aoki, the widow of Benihana's legendary founder, is suing the restaurant's current operator for breaching their trademark agreement and planning an overseas expansion. Knives are flying again inside the Benihana restaurant empire as Keiko Aoki, the widow and third wife of founder Rocky Aoki, filed a lawsuit earlier this month against the restaurant chain to try to stop its expansion overseas under the Benihana banner. Ms. Aoki, who lives in Manhattan, sued on behalf of her late-husband's trust, the New York City-based entity Benihana of Tokyo, which owns the name and trademark. The lawsuit targets Miami-based Benihana Inc., which licensed the Benihana name in the 1990s and has since opened restaurants all over the U.S. It now runs more than 60 of the popular Japanese steakhouses, 25 RA Sushi restaurants and nine Haru sushi restaurants. Ms. Aoki's lawsuit, filed Dec. 3, attacks Benihana Inc.'s intentions to open restaurants in Europe, Asia and Africa, which came to light earlier this year when the company registered the Benihana trademark with the international trademark licensing body. "They don't have the full rights to the name," Ms. Aoki said. "They know this, but they're trying to do it anyway." According to the suit, the licensing agreement granted Benihana Inc. the right to use the valuable name to open restaurants in the U.S., Central America, South America and the Caribbean only. The rest of the world, according to the suit, belongs to Mr. Aoki's firm, Benihana of Tokyo, which already operates restaurants in more than 11 countries in Europe and Asia through licensing agreements. But Ms. Aoki was alarmed to discover that in April, Benihana Inc. filed to register the trademark in Iceland, Iran, Monaco, Singapore, Ukraine, Vietnam and Zambia. Furthermore, according to the suit, Benihana Inc. had filed the paperwork not with its own corporate name, but instead under Benihana of Tokyo, "falsely asserting" to have rights to the trademark in those countries. Executives from Benihana Inc. declined to comment. The restaurant operator has yet to file a response to the lawsuit. Ms. Aoki is trying to get a judge to prevent Benihana Inc. from using the Benihana name in countries outside the assigned territory, and force the company to change its marketing language to reflect that it only has locations in the U.S., Central America and South America. The suit also seeks legal fees and damages. The embattled restaurant chain has been in and out of court since Mr. Aoki's death in 2008. He left six children, two ex-wives and a widow, and his will had been revised several times over the years. Complicating matters further, Benihana of Tokyo, the family trust, owns a 38% stake in Benihana Inc. Ms. Aoki became the sole trustee of Benihana of Tokyo in the fall, after winning a two-year lawsuit in Manhattan's Surrogates Court against several of Mr. Aoki's children from previous marriages. "I only found out about this [trademark breach] after I took over three months ago," she said. "We need to do more discovery, to find out how and why certain things happened." Benihana Inc. recently reported financial results for the second quarter ended Oct. 10, announcing a loss of \$3 million, or 21 cents per share, on revenue of \$72.3 million, compared to the year-ago quarter when it reported a loss of \$839,000, or 7 cents per share, on revenue of \$69.3 million. The company spent nearly \$1 million on legal fees during the recent quarter.

Source: Crain's New York Business.com

## **Carl's, Hardee's Launch Mobile Rewards App**

The Carl's Jr. and Hardee's QSR chains have launched a GPS-enabled loyalty program that rewards users for checking in at the restaurants' locations across the U.S. The Happy Star Rewards app, available for iPhone and Android smartphones, is the first within the fast-food industry to combine location-based check-in technology and rewards, according to parent CKE Restaurants, Inc. In addition to enabling digital tracking of customer visits, the new app offers guaranteed rewards, a restaurant locator, a social media interface, streaming videos, menus and nutritional information. "We're dragging the antiquated punch-card type of loyalty programs into the 21st century," comments Carl's Jr./Hardee's EVP, marketing, Brad Haley. The Happy Star Rewards app can be used to cross-post users' location check-ins on Facebook, Twitter and Foursquare. It also integrates with the chains' existing digital communities, offering the same look and feel as the brands' Facebook pages and streaming YouTube videos, and provides a real-time content feed from Facebook and Twitter streams. The app builds on CKE Restaurants' community approach to social media, which has driven their combined Facebook fans to 1 million, notes Glenn Cole, chief creative officer at 72andSunny, CKE's digital agency of record and creator of the app. "Whether a user is on their smartphone or sitting at their home computer, their interaction with the Carl's Jr. or Hardee's brand remains accessible

wherever and whenever they want." Users who download the rewards app from the iTunes App Store or Android Market and check in at any of the chains' locations begin earning awards immediately. The first check-in and every subsequent fourth check-in earns the user a spin on "The Wheel of Awesome," the rewards app already present on both chains' Facebook pages, for a chance to win discounted and free menu items, branded gift cards, prizes and merchandise from participating partners. (Current partner prizes include Sony electronics and movie tickets to the upcoming film "The Green Hornet.") Fans can transfer coupons from the prize wheel app on Facebook directly to their mobile phones in order to redeem. Users who check in but have not yet earned a wheel spin can receive a coupon for a currently featured item. They may opt either to save the coupon for seven days or redeem it immediately (within 30 minutes) in-store or at a drive-through. Once redeemed, users can share the experience with friends by posting on Facebook and Twitter. Reward offers increase in value with frequency of use/check-ins. For non-coupon prizes, users are prompted to enter additional information in order to set up prize delivery.

Source: Media Post News/MarketingDaily

### **Dunkin' Donuts Outruns Other NYC Chains**

The pink-and-white pastry shops expanded by 9% in the city this year, giving it 77 more stores than No. 2, Subway; Tasti-D-Lites, Pizza Huts are shrinking. In a year when consumer-driven businesses helped the New York City economy recover much faster than expected, more national retail chains expanded their presence in the city than reduced their footprints here, according to a report released recently. Dunkin' Donuts topped the list of chain retailers in the city for the third straight year, with a 9% jump to 466 locations across the five boroughs. That's 77 more stores than Subway and 210 more than Starbucks, which came in second and third, respectively, according to the nonprofit Center for an Urban Future. In the third annual ranking of national chains in the city, cell phone stores exhibited particularly strong growth, with Verizon Wireless growing by 11% to 50 locations, T-Mobile expanding by 22% to 117 stores, Sprint increasing by 38% to 33 shops and Metro PCS quintupling its presence to 35 locations. Some 280 national retailers in the city operate a total of 6,335 locations, a 4% increase in door-count over 2009. Of those retailers, 39% increased their presence in the city in 2010, 20% reduced their number of stores and 41% remained the same. The increases were seen in each borough, with Brooklyn exhibiting the strongest growth in chain stores, jumping by 5% to 1,325. "It's hard to say if the growth is good or bad," said Jonathan Bowles, director of Center for an Urban Future. "You could argue there are too many chains and that they've crowded out independent businesses. But it's good that national businesses have invested in the city, particularly in a tough time." Indeed, food and drink establishments and retail stores accounted for 13,600, or 21%, of the private sector jobs added in the city this year through November, according to an analysis of state Department of Labor data by real estate services firm Eastern Consolidated. The growth of retail here is being fueled by Wall Street's surprisingly rapid rebound, a booming tourism industry and a growing number of overseas companies that want to establish a presence in the city, said Richard Hodos, an executive vice president at CB Richard Ellis. "New York is still New York," he said. "It's unlike any other city in the country." Dunkin' Donuts maintained its place at the top of the list even though it is only the fourth largest national retail chain in Manhattan—with 115 stores in the borough—trailing Starbucks, Subway and Duane Reade. But it has the most locations in each of the other four boroughs. Mr. Bowles said the growth of national retailers like Dunkin' Donuts and Subway during difficult economic times might be because it's easier for budding entrepreneurs to get financing with the backing of established brands. Starbucks has 11 more stores in the city this year, for a total of 256, despite highly-publicized closures around the country. It moved up to third in the citywide rankings, from fourth in 2008 and 2009. Duane Reade climbed up one notch, to fourth, with 248 stores, while McDonald's dropped to fifth from its No. 3 rank in 2008 and 2009; the burger giant's local restaurants fell 7% to 241. Other national retailers that cut New York City stores in 2010 included Pizza Hut, which fell 25% to 15 stores; Tasti-D-Lite, which dropped by 37% to 26 stores; and Curves, which declined by 31% to 25 locations.

Source: Crain's New York Business



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### **Leeann Chin Owner Buys Pick Up Stix From Carlson Cos.**

Lorne Goldberg, the Los Angeles financier and restaurateur who owns Leeann Chin Inc., has acquired the Pick Up Stix chain of fast-casual Asian restaurants from Carlson Restaurants Inc. for an undisclosed amount. San Clemente, Calif.-based Pick Up Stix has 70 stores, mostly in Southern California. Goldberg said he plans to be “very hands on” with the chain’s operations. He wants to improve the food, simplify the menu, modernize the stores and improve the guest experience. “We believe the brand has enormous potential,” he said. “It’s an excellent strategic fit for our organization. Following the deal, Goldberg’s restaurant business owns and operates more than 150 Asian restaurants, including 43 Leeann Chin locations in the Twin Cities area, 35 Mandarin Express in the Southeastern United States and Leann Chin spinoff Chin’s Asia Fresh. The Bloomington-based company now has approximately 2,000 employees. Goldberg bought Leeann Chin from private equity investors Mellon Ventures and BNP Paribas in March 2007 and revitalized its look and menu. Carrollton, Texas-based Carlson Restaurants, a division of Carlson Cos. Inc. in Minnetonka, said it decided to sell the Pick Up Stix chain in order to focus more attention on its core brand, T.G.I. Friday’s.

Source: Los Angeles Business/Minneapolis-St. Paul Business Journal

### **CKE Restaurants, Inc. Closes Its Offer to Exchange Its 11.375% Senior Secured Second Lien Notes Due 2018**

CKE Restaurants, Inc. announced the closing of its offer to exchange any and all of its \$600.0 million aggregate principal amount of 11.375% Senior Secured Second Lien Notes due 2018 (the “Old Notes”) for new 11.375% Senior Secured Second Lien Notes due 2018 (the “Exchange Notes”) that have been registered under the Securities Act of 1933. Of the \$600.0 million of Old Notes, an aggregate of \$599.615 million were exchanged for Exchange Notes. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Source: CKE Restaurants, Inc.

### **A Grand Slam: Denny's Return to the Top 10. A Focus on Value and Franchising Helped the System Turn its Business Around.**

Technically, Denny’s is not new to the Franchise 500®’s Top 10, but considering that Ronald Reagan was still in the White House the last time the quaint, beloved restaurant chain made an appearance, we thought we’d celebrate the company’s return. So what has put Denny’s back in the top -- No. 10 on the Franchise 500® list -- after a quarter century? Simply put, it became a franchise company. Though the chain has been franchising since 1963, it was always a corporate-heavy operation, splitting its time between operating company units and dealing with franchisees. That divided focus wasn’t satisfying franchisees or franchisors. Steve Dunn, Denny’s vice president of development, says over the last three years Denny’s has restructured

its franchise model through its Franchise Growth Initiative, franchising 301 corporate-owned stores since 2007, with 70 more to rebrand. "This is a key philosophical shift in how we operate. Everything we do has to support our franchisees in a meaningful way, and that's something different for Denny's," says Dunn, who adds that the company's 1,600-plus locations are now almost 90 percent franchisee-owned. "We've looked at our operations, our development, our food and procurement systems, and our marketing co-ops to make sure they support franchisees." The commitment to franchising has attracted some heavy hitters to Denny's table, including new COO Robert Rodriguez, the former Dunkin' Donuts president, hired in August. And the largest franchisees for Jack in the Box, Carl's Jr. and Long John Silver's have all bought into the system. A buyout of 140 Flying J Travel Centers that are being converted to Denny's means that by next year, the Grand Slam will be the most common breakfast on America's highway system. But the other part of Denny's success equation is its marketing. In 2009 the company made a huge gamble and shelled out for a Super Bowl television commercial, offering everyone in the United States a free Grand Slam breakfast that following Tuesday (if they were willing to wait). Almost 2 million customers took Denny's up on the offer. "That Super Bowl promotion reintroduced us to America and to our lapsed customers who hadn't been here for a while," Dunn says. "It created good will at a time when people needed a shot in the arm, and certainly gave people a new understanding about what our brand is all about."

Source: Entrepreneur

### **Corner Bakery to Double Texas Presence**

Dallas-based Corner Bakery Cafe will expand its reach in Texas to 140 locations — double its current size — including the chain's first Austin store. "Austin is a booming market that has long been on our radar," said John LaBarge, Corner Bakery vice president of franchise business development. "The large student population, presence of young business professionals and strong economy of our state capital make it the perfect place to offer our fast-casual dining experience." The fast-casual restaurant has already signed franchise deals with owners in Houston, San Antonio, East Texas and El Paso. Officials said several company-owned locations are on the horizon in Austin and Central Texas. Houston-based franchisee Fairview Capital Management Group LLC plans to open 19 locations during the next eight years, while Bakery Ventures I Ltd. has four planned in El Paso. The Whistler Bakery Group LLC, owned by two Culinary Institute of America graduates, is opening 11 cafes in the San Antonio area. Another company, RKO Bakeries LLC of Tyler, has eight locations planned in East Texas and North Louisiana during the next five years. Their first cafe in Tyler is slated to open in 2011. Corner Bakery sells made-to-order egg breakfast, oatmeal, sandwiches, homemade soups, salads, pastas and freshly-baked sweets, among other offerings. The company started in 1991 and now operates 118 locations nationwide.

Source: Austin Business Journal

### **Fazoli's Italian Restaurants Take New Spin on Look, Service Style in Kentucky, Missouri & Illinois**

Fazoli's will give a new look and new, expanded service at five restaurants in Paducah, Kentucky; Cape Girardeau, Missouri; and southern Illinois. In 2010, the quick service Italian chain has opened new locations in Poplar Bluff, Missouri. and Edwardsville, Illinois, and recently remodeled restaurants in central Illinois. Several more Kentucky restaurants are scheduled for renovation this year, with expanded service added. Guests visiting restaurants in Paducah and Cape Girardeau, as well as, Carbondale, Mt Vernon and Marion, Illinois, will now be served meals and unlimited breadsticks. Along with updating its restaurants, Fazoli's has overhauled its menu. Traditional plates and silverware have replaced Styrofoam, plastic and paper. Fazoli's president and CEO Carl Howard said the company has created dozens of new items and improved the flavor of long-time favorites, and its entrees and sandwiches are cooked fresh when ordered.

Source: Food Business Review



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