Global Foodservice News

presented by american recruiters

July 30, 2010

Cracker Barrel CEO: Success Comes from Ignoring Discount Mania

Michael Woodhouse, president and CEO of Lebanon, Tenn.-based Cracker Barrel Old Country Store, is proud of how the chain of 594 restaurants has weathered what's being called The Great Recession. In a speech at the Nashville Business Breakfast at Lipscomb University, Woodhouse credited the company's success partly to what it hasn't done to weather the storm — slash prices, something competitors have been eager to do. "Once you devalue something, you're digging a big hole and it's (tough) to get out of that," said Woodhouse, who succeeded Cracker Barrel founder Dan Evins as CEO in 2001. Cracker Barrel made $14.4 million in last quarter, up more than 20 percent from a year earlier. By comparison, Nashville-based O'Charley's lost $4.3 million, blaming its troubles in part on its recession-inspired value menu. O'Charley's CEO Jeff Warne resigned a few weeks later. Instead of getting "caught up in price warfare," Woodhouse said Cracker Barrel focused on one of the central tenants of its brand, honest value. "We're not depending on anything happening in the economy, other than the day-to-day business of treating our guests right," Woodhouse said. Such efforts have been recognized by patrons and the restaurant industry. A recent consumer survey conducted by Technomic, Inc. rated Cracker Barrel at the top of the list of 10 national full-service restaurants. In the study, 4,000 respondents rated Cracker Barrel more favorably than competitors like Applebee's, Olive Garden and Red Lobster, among others.

Source: New Mexico Business Weekly

Restaurant Employment Picture Shapes Up. People Report Workforce Index says 42% of Respondents Expect to Add Workers

Employment expectations from restaurant operators are up in the third quarter this year, to nearly the same level they hit before the recession led to hiring freezes and layoffs, according to the latest People Report Workforce Index. Forty-two percent of surveyed operators said they expected to add hourly workers in the third quarter while just 5 percent plan to cut staff. Nearly half of the respondents plan to hire more managers and none planed to reduce their management workforce. "There may be a glimpse of optimism here for the industry," said Michael Harms, senior business analyst for People Report, a Dallas-based firm that tracks human resource trends among more than 100 restaurant companies. The quarterly index measures five employment components: actual job growth, expectation for job growth, recruiting difficulty, the increase or decrease in vacancies, and turnover. The numbers corresponding to each component are in a range of value from a low of 0 to a high of 100. Ratings lower than 50 indicate less difficulty in managing workforce issues; scores higher than 50 mean greater difficulty. Operators reported higher employment levels, greater recruiting difficulty, more vacancies and higher expectations for job growth. Turnover remained relative the same from the second quarter. Restaurants hired 64,000 jobs in the first half of 2010. Fifty-one percent reported hiring more hourly workers in the previous three months and just 5 percent said they laid off employees. Nearly 40 percent added more management staff while just 11 percent reduced their management ranks. Six months ago, only a quarter of surveyed companies said they hired more hourly workers and managers. “The trend over the past seven quarters is definitely up from where it bottomed out in 2009,” Harms said. “Even though traffic and sales are still underwater, we’re getting back to where we’re trading in positive territory. It’s not great but it’s better than what we’ve seen in the past 12 to 18 months.” Turnover has remained fairly flat as the nation’s unemployment remains high, but as the economy improves, employee churn could again become a problem for operators, said Joni Thomas Doolin, chief executive and founder of People Report. “What has really been holding (the index) down has been turnover,” she said. “If turnover does increase significantly, they are gong to have their hands full.”

Source: NRN

Smashburger Opens First Michigan Restaurant

Smashburger, a fast-casual burger restaurant concept, will open new restaurant in Kalamazoo, Michigan on August 11, 2010. This restaurant marks the first of six Michigan Smashburgers slated to open over the next three years. The Kalamazoo Smashburger will feature a regional menu created with regional flavors. The restaurant's menu includes: Michigan Olive Smashburger, Cherry BBQ and Cherry BBQ Chicken Ranch Smashsalad. Smashburgers are made using a one-third or half-pound ball not frozen Angus Beef smashed on a flat grill, served on a toasted bun and topped with a selection of cheeses, fresh produce, and some condiments. Smashburger also serves Smashchicken sandwiches, Smashdogs, and Smashsalads, with sides such as veggie frites and rosemary and garlic–seasoned Smashfries. Terry Henderson, CEO of SmashVentures, said: “I have tried burgers all over the country and Smashburger is, by far, the best burger I have ever tasted. We are excited to be opening the first Smashburger in the state of Michigan and are sure it will soon become Kalamazoo's favorite burger.”

Source: Food Business Review

Baskin-Robbins Hits 1000 Stores Mark In Japan

Baskin-Robbins, a global chain of ice cream shops owned by Dunkin Brands, has opened a new store in Japan, bringing the total company stores in the country to 1000. The new store, which is located at Decks Tokyo Beach in Tokyo, features the complete array of Baskin-Robbins ice cream, sundaes, beverages, and ice cream cakes. The new Tokyo shop offers flavors such as Vanilla and Mint Chocolate Chip, in addition to local flavors such as Popping Shower (white chocolate and creme de menthe flavor with 'pop rock' inclusions), Matcha (green tea flavor) and Musk Melon. B-R 31 Ice Cream Company is the partner for Baskin-Robbins in Japan. Nigel Travis, CEO of Dunkin' Brands, said: "The 1,000th store opening in Japan is a testament to the great successes achieved by the B-R 31 Ice Cream Company management team. "This group has repeatedly been recognized with Baskin-Robbins' highest honors for their excellence in operations and new store development." Srinivas Kumar, brand operating officer of Baskin-Robbins Worldwide, said: "B-R 31 Ice Cream Company, led by chief operating officer Senji Ozaki, has displayed all the elements that Baskin-Robbins hopes to achieve. “They have excelled at leadership through partnership with their franchisee owners, innovation in training and development, promotional activities and most importantly, ensuring the brand's promise of 'we make people happy' comes to life each and every day."

Source: Baskin-Robbins/Food Business Review

Denny’s Corporation Appoints Frances Allen as Chief Marketing Officer

Denny’s Corporation announced that Frances Allen has been appointed to the position of Chief Marketing Officer and Executive Vice President, effective July 21, 2010. As a marketing and food industry veteran, Ms. Allen brings nearly 25 years of restaurant and retail experience to Denny’s, including several leadership positions with Dunkin’ Brands, Pepsi-Cola, Sony Ericsson and Frito-Lay. Ms. Allen will be responsible for executing marketing strategies and campaigns, advertising and new programs across the

Denny’s brand to drives sales, profitability and value. Debra Smithart-Oglesby, interim chief executive officer and board chair of Denny’s Corporation, stated, “We are very pleased to welcome Frances to our team as chief marketing officer and to take this next step in strengthening our leadership team. We believe her ability to drive brand reputation through compelling marketing campaigns will play an important role at Denny’s. Ms. Allen will be responsible for enhancing the focus of our national and local marketing efforts in order to re-energize and grow the Denny’s brand.” Ms. Allen served as Chief Marketing Officer of Dunkin’ Brands from 2007 to 2009, where she executed extensive marketing efforts, including category management and price, packaging and promotion for over 6,000 U.S. based stores. During that time, she was named “Marketer of the Year” in 2009 by BrandWeek Magazine, implemented the DDSmart healthier menu and moved the chain from #3 to #2 player in breakfast sandwiches with the highly successful new “Oven Toasted” cooking platform. Prior to that, Ms. Allen held the positions of Vice President, Marketing at Sony Ericsson Mobile Communication; Vice President, Wellness and ‘PO1 Marketing for Pepsi-Cola; Director of International Advertising with Frito-Lay; and Senior Vice President with DMB&B based in Hong Kong.

Source: Denny’s Corporation

World’s Tallest Hotel to Open in Hong Kong by Ritz Carlton

If you build it, they will come. If you build it bigger and higher, they will pay to come. Maybe the Ritz-Carlton saw the Armani Hotel Dubai in the Burj Khalifa--the current tallest building in the world--as a challenge. Or, maybe the hotel group just wanted to create some local competition with the Park Hyatt Shanghai (to date the highest rooftop observation deck in Asia). Or, maybe still, the pending opening of the tallest hotel in the world was just another way for the legendary hotel group to make an unforgettable impression. Whatever the case, the Ritz-Carlton's re-entry into Hong Kong is prepped to be one of the biggest and grandest events in hotel history, and we got a sneak peak at what's to come. Standing 118 stories high, the Ritz-Carlton Hong Kong will become the flagship property for the Ritz-Carlton in Asia and occupy levels 102 to 188 in the International Commerce Centre, Hong Kong's tallest building and home to financial giants including Morgan Stanley, Credit Suisse and Deutsche Bank. While the sounds might be seem serene at 1,600 feet above the chaotic Hong Kong city streets, the view is anything but calm: the building sits directly across Victoria Harbor and offers magnificent views of the harbor, Hong Kong Island and The New Territories. Set to open in December, the 312 guest room hotel will feature an indoor infinity pool, spa, gym, rooftop restaurant and restaurants on lower floors. The interior design of the hotel, as shown in artist's renderings, depicts a modern and trendy vibe in the restaurants and lobby areas, with a soft and somewhat romantic twist in other sections of the hotel. As the world economy fluctuated over the past few years, Asia pulled through as the darling of financial strength for worldwide businesses, thanks in large part to China's economic vitality. Now the tides have turned to tourism. The opening of the statuesque Ritz-Carlton Hong Kong is another notch in the bedpost that hopes to put Asia--and Hong Kong--back in the spotlight for international leisure travel.

Source: Ehotelier.com

Daphne’s Greek Cafe to Be Sold to Investment Firm

Daphne’s Greek Cafe, which filed for Chapter 11 bankruptcy this year, will be sold to a private investment firm in August, when court proceedings are expected to be completed. Trefethen Advisors LLC, an investment banking firm that works with middle-market retail companies, is expected to form a new holding company to acquire thE San Diego chain’s assets and infuse it with additional capital. When Daphne’s filed for bankruptcy in January, the owner, Fili Enterprises, said the action was precipitated by a breach in loan rules, which required Daphne’s to maintain a defined profit level. Under the sale, Trefethen will become part of the new ownership, which will not include ex-owner George Katakalidis.

Source: The San Diego Union-Tribune

Planet Hollywood Hires New President, CEO

Orlando-based Planet Hollywood International Inc. has hired travel and hospitality industry veteran, David Crabtree as President and Chief Executive Officer. Before joining Planet Hollywood International, Crabtree spent twelve years as the Chief Operating Officer for Sales and Marketing at Westgate Resorts, where he oversaw the rapid expansion of the world's largest privately owned vacation ownership company. Crabtree also spent six years as Executive Vice President of Debbie Reynolds Hotel and Casino in Las Vegas. "I am delighted that David has joined the company as we embark on a new growth phase. I have known David for many years and he is the right person to oversee all of our interests during a very exciting time for our company," Chairman Robert Earl said in a statement. Crabtree will be president and chief executive officer of the parent entity of all of Earl's companies.

Source: OrlandoSentinel.com

Benihana Says Looking at a Possible Sale of Company

Issues relating to rising new capital and the divergent views of shareholders have made it extremely difficult for the company to implement a growth plan that would include organic growth as well as acquisitions, Chief Executive Richard Stockinger said in a statement. "Several large shareholders have expressed disagreement with the board and have indicated a desire to seek board membership to pursue a change in the company's strategic direction," Stockinger said. On March 16, a source told Reuters that private equity firm RDG Capital had offered to buy Benihana, which runs teppanyaki and sushi restaurants, for $7 a share.

Source: Reuters

Quiznos Activates Strategy to Bounce Back. Its New Lease-to-Own Plan Has Doubters

Quiznos used to be everyone's new favorite sub shop -- that kept going out of business. At least two Quiznos in Columbus have closed in the past year. It isn't happening just here. About 1,000 Quiznos nationwide closed between 2007 and 2009. After a rocky couple of years, Quiznos is trying to reboot, using a combination of new programs and incentives. "We're trying to meet customer need where it exists today, by reopening places that have closed and opening new restaurants in high-traffic areas," said company spokeswoman Ellen Kramer. "We're looking now while the economy is stretched, because there are great opportunities in real estate." Quiznos has 79 locations in Ohio, and 15 are in central Ohio. The company has said it plans to reopen at least six in central Ohio as part of the first wave of plans to reclaim its former glory. Across North America, about 4,000 Quiznos are open, down from about 4,600 in 2007 and up from 3,700 in 2009. Central to Quiznos' strategy to re-grow the chain is a new lease-to-own concept for aspiring restaurateurs. They can open a store with an initial investment of $5,000, much less than the $25,000 required for a traditional Quiznos franchise. The company will invest $65,000 in the form of a 15 percent loan. Quiznos will take 80 percent of the profit until the loan is paid back, usually in two to five years. Until then, the owner is paid a salary of $23,660 a year plus the other 20 percent of the restaurant's profit.

To spur growth, Quiznos also plans to build 400-square-foot restaurants inside convenience stores. The company also is lending up to $4,000 to help owners renovate their stores, and it is helping others renegotiate leases to reflect current commercial real-estate prices. Quiznos plans to buy some closed franchises and reopen them as corporately owned stores, as well. Industry analysts and former franchisees say the changes won't work - that Quiznos' problems run too deep. Former franchisee Brett Freifeld said these measures don't address the company's biggest problem: Owners have to buy everything from Quiznos - from meat and payroll services to toilet paper - at prices so high that it's hard to make a profit. Pricing issues were further exacerbated when Quiznos began offering deep discounts - such as last year's giveaway of 1 million subs - and coupons in a bid to compete with Subway. "They didn't lower prices to owners even when lowering them to consumers," Freifeld said. "As a franchisee, it's a Catch-22. If you didn't accept the coupons, the public was mad, and if you did, you were going out of business." Still, Quiznos remains upbeat. "Our franchisees are our biggest brand fans," Kramer said. "If they aren't profitable or aren't happy, we can make a change. Their restaurant can be taken over by someone else or become a corporate location."

Source: THE COLUMBUS DISPATCH

China: The New Fast Food Nation

Consumers around the world have developed a taste for American fast food, but demand for fried chicken sandwiches and pepperoni pizza appears to be particularly strong in China. Yum Brands, the parent company of KFC, Pizza Hut and Taco Bell, said that profits from its operations in China surged 33% in the second quarter. The company, which has over 36,000 fast food restaurants in more than 100 countries, generates about 60% of its profits in overseas markets, the largest of which is China. Yum opens one new KFC in mainland China almost every day. It already has nearly 3,000 of the fried chicken restaurants operating in 650 Chinese cities. That's in addition to 560 Pizza Hut locations. The company aims to eventually open at least 20,000 fast food outlets in mainland China. In the second quarter alone, Yum opened 59 restaurants in China, bringing the total for this year to 155 restaurants. "A key driver of our overall growth continues to be new unit development in China and Yum Restaurants International," David Novak, the company's chief executive, said in a statement. In its second-quarter financial report, Yum said profits from its China division were $139 million in the three months ended June 12, up 33% from $105 million a year ago. Same-store sales growth, a key measure of activity at stores open more than one year, rose 4% in China during the quarter. By comparison, Yum said profits from U.S. operations rose 10% to $184 million in the second quarter of 2009. Same-store sales in the United States were flat in the quarter. Profits from other international markets rose 7% to $122 million. Yum also stands to benefit from recent moves by Chinese policy makers to allow the yuan to appreciate against the U.S. dollar. Analysts at UBS estimate that a more flexible exchange rate could boost earnings for Yum by one percentage point this year and up to three percentage points in 2011. Meanwhile, net income in the quarter was $286 million, or 58 cents per share, the company said. That's down from $303 million, or 63 cents per share, in the second quarter of 2009, when the company booked a one-time gain of $68 million.

Source: CNNMoney.com

Max & Erma’s Inc. Is Close to Having a New Owner

Concept Development Partners LLC plans to buy the struggling Columbus-based restaurant chain, pending bankruptcy court approval, for $24.8 million in cash and assumed debt, according to documents filed Friday in U.S. Bankruptcy Court in Pittsburgh. The deal is for “substantially all” of the chain’s assets including “a substantial majority” of the 61 company-operated restaurants. The chain also has 26 franchised locations. Concept Development Partners is owned by Dallas-based CIC II LP and CDP Management Partners LLC of Malibu, Calif. Max & Erma’s acting CEO Mark Roberts could not be reached for comment. Roberts, managing director of Alvarez & Marsal North America LLC in Vienna, Va., was placed in charge of the chain in January after creditors successfully pushed for restructuring under an outside party, forcing Pittsburgh-based owner Gary Reinert Sr. out of day-to-day operations. Reinert’s G&R

Acquisition Inc. acquired the chain for $10.2 million in July 2008. The business filed for Chapter 11 bankruptcy protection last October after National City Corp., now PNC Financial Service Group Inc., secured a $15.9 million cognovit judgement from a $23 million loan.

Source: Business First of Columbus

Famous Dave's Bar-B-Que Honors Its Founder, "Famous Dave" Anderson, With One-Day-Only Special

Calling all BBQ lovin' Dave's, David's and Davy's! On Sunday, August 1, 2010, Famous Dave's Bar-B-Que Restaurants are offering anyone with the first name of Dave, David or Davy a free entree (maximum value of $15) at participating locations nationwide. Anyone with the middle name of Dave, David or Davy can also join in on this special celebration by receiving one entree for half price (maximum value of $7.50). Celebrating the award-winning BBQ restaurant's "Sweet and Sassy" 16 year anniversary and honoring the Founder, "Famous Dave" Anderson, this one-day-only event has been brought back by wildly popular demand and is being offered for the second year in a row. A Buck-a-Bone rib special is also available to everyone dining in the restaurant or taking BBQ TO GO. "On Sunday August 1st, we honor all of the Dave's who have made this country great -- from Davy Crockett to David Letterman to our own great founder 'Famous Dave' Anderson," said Aric Nissen, Famous Dave's Vice President of Marketing. "If you are a Dave, David or Davy, we want to serve you BBQ for FREE! Perhaps this event will become popular enough for us to petition Congress for a national holiday!" What started as a local event last year, the Dave's Day promotion turned into a Dave-tastic frenzy. Word spread rapidly on YouTube and other social networks, as well as by word of mouth, and the end result included thousands of Dave's, David's and Davy's enjoying award-winning BBQ for free. This year, the promotion will be offered at even more Famous Dave's Bar-B-Que Restaurants nationwide. Dave's Day also recognizes all "famous" fans as Famous Dave's is offering a Buck-a-Bone special, where ribs are only $1 each at participating restaurants with any $5 purchase (up to six ribs).

Source: Famous Dave's of America, Inc.

CKE Restaurants, Inc. Announces Completion of Acquisition by an Affiliate of Apollo Management

CKE Restaurants, Inc. announced the completion of its acquisition by Columbia Lake Acquisition Holdings, Inc., an affiliate of Apollo Management VII, L.P. (“Apollo”). CKE’s chief executive officer, Andrew F. Puzder, stated: “The acquisition of CKE by an affiliate of Apollo was finalized today, July 12, 2010. Our management team, franchisees and employees are excited to be entering this new phase and look forward to working with Apollo as we continue to grow the company and bring our great-tasting premium-quality burgers to guests across the globe. As we said when we announced this deal several months ago, the CKE management team will stay in place and our day-to-day operations will remain the same. The Carl’s Jr. or Hardee’s restaurant you ate at yesterday will be the same tomorrow – still serving the big delicious burgers we are known for. This is a great day for the entire CKE family and we are eager to continue building upon our success with the team at Apollo.” Peter P. Copses, Senior Partner at Apollo, stated: “We are very pleased that Apollo’s acquisition of CKE closed today. We are proud to acquire such a well-run business that boasts two outstanding quick service restaurant brands in Carl’s Jr. and Hardee’s. We look forward to working with CKE’s excellent management team and its dedicated employees and franchisees to continue to enhance the growth of the business.” Pursuant to the terms of the merger agreement, CKE’s stockholders are entitled to receive $12.55 in cash, without interest, less any applicable withholding taxes, for each share of CKE common stock owned by them. As a result of the merger, CKE’s common stock will no longer be listed for trading on the New York Stock Exchange. Stockholders of record will receive a letter of transmittal and instructions on how to surrender their shares of CKE common stock in exchange for the merger consideration. Stockholders of record should wait to receive the letter of transmittal before surrendering their shares.

Source: CKE Restaurants, Inc.

Burger King in Canada to Sell Seattle's Best Brand

Starbucks plans to take its Seattle's Best brand a bit further north to Burger King restaurants in Canada this fall. The coffee seller has been revamping its Seattle's Best brand and expanding its availability through franchises and a big expansion with other retailers. It plans to have the coffee available in Burger King franchises in the U.S. by September. Burger King and Starbucks announced the Canadian expansion on Thursday. Terms were not disclosed. Starbucks has already cut deals with Alaska Airlines, Borders bookstores and Royal Caribbean Cruise Lines to sell Seattle's Best after acquiring the brand in 2003.

Source: The Associated Press

Beef 'O' Brady's Explores Non-Traditional Spaces. Sports Chain Eyes Universities and Airports

Beef ‘O’ Brady’s is working on plans to franchise in non-traditional locations such as colleges, airports and travel plazas. This additional emphasis comes as the parent company, Family Sports Concepts Inc. of Tampa, Fla., has undergone new ownership and extensive changes in management this year. Levine Leichtman Capital Partners of Los Angeles became the company's owner earlier this year after converting its at least $24.5 million investment in debt into equity. In March, the firm brought in Christopher Elliott, formerly of Cinnabon Inc., as chief executive to replace Chuck Winship, who had been with the company since 1998. Elliott has recruited Joe Uhl, a former Cinnabon franchisee, as chief operating officer, and James Walker from Baja Fresh as chief development officer. Nick Vojnovic, who had been president of Beef ‘O’ Brady’s and had once held an equity position in the company, left in June to pursue a master’s degree at the University of South Florida. “It’s very clear that the ownership group here is behind the brand, wants to grow the brand and is making the necessary moves from a human resource and human capital standpoint to get behind the brand and really push it,” Walker told Nation's Restaurant News. Part of that strategy is to consider alternative sites for Beef ‘O’ Brady’s units as well as the traditional versions. The chain already has a version of a campus location at the University of South Florida. “Taking a brand that is known for value, for fun, for core American staples like Buffalo wings and burgers and wrapping that in a fun, sports-type venue, to me, is frankly a dead match for airports, colleges and universities,” Walker said. However, he noted that chain would continue to develop its traditional restaurant model. “We still see the vast majority of growth at Beef ‘O’ Brady’s being in the traditional format,” Walker said. “The street-side, owner-operator format is still our main focus here.” Chief executive Elliott said he sees “significant potential for Beef’s in college towns and other areas where our culture, food and environment is an ideal match.” Walker said he was already considering at least one request for proposal for a non-traditional unit. “This is just a part of the overall strategy," he said. "This is an accretive path that moves in parallel to traditional development.” Franchise fees for traditional Beef ‘O’ Brady’s units are $35,000, payable in two equal payments with that latter at lease signing. Royalties are 4 percent of gross sales and marketing-fund contributions being 1.5 percent of gross sales. “We were a value player prior to the macro-economic decline,” he said. “So where a lot of brands have been very reactionary to the economy, we started as a value player, and that’s where we sit today.”

Source: NRN

Ruby Tuesday to Convert Some Restaurants to Other Concepts

Maryville-based Ruby Tuesday plans to convert about a half dozen of its Underperforming stores to other dining concepts as part of a three-year plan to grow the company in a "low-risk, high-return fashion." Ruby Tuesday already owns Wok Hay, an Asian bistro concept it acquired in 2007, but CEO Sandy Beall said the company recently entered into licensing agreements with Alabama-based Jim 'N Nicks Bar-B-Q and Truffles, a high-end dining concept with an average check of $18. "All three brands represent easy conversion potential, and our conversions were based on the concepts that are best suited for each individual marketplace where we underperform," Beall said. The conversions will require a nominal capital investment of about $400,000 and could drive average restaurant volume increases of $1 million, he said. The growth initiatives come as Ruby Tuesday has continued to see improvements in its sales, operations and balance sheet. The fourth quarter that ended June 1 was the best sales quarter the company has had in four years, Beall said. The company reported quarterly net income of $21 million, or 33 centers per share, up 45 percent over the prior year of $14.5 million, or 28 cents per share. Same-store sales were up 0.3 percent, the best results in the last 16 quarters. Revenue fell to $313.5 million. Yearend revenue decreased 4.3 percent from the prior year driven by fewer restaurants as well as a decline in same-restaurant sales.

Source: Knowvillebiz.com

Mr. Goodcents Brings Former Applebee's CEO Goebel to Top Role

Mr. Goodcents Subs & Pasta has named David Goebel as its CEO, replacing founder Joe Bisogno as the sandwich shop chain's top executive. Bisogno will remain chairman. The De Soto-based company plans to formally announce the development. Goebel said that he took on his responsibilities as CEO on July 1 but that he and Bisogno began strategic work together for the restaurant chain in mid-2009. In addition to his more than 30 years of restaurant experience, Goebel has been a Mr. Goodcents franchisee since October 2008. He will continue to run his five franchise locations — including stores in Raytown, Overland Park, Sedalia and two in Kansas City — while performing his duties as CEO. Goebel sees his dual responsibilities as a plus because he and the other franchisees speak the same language. "At the end of the day, wouldn't you rather have a CEO that has the exact same vested interest that you do?" he said. Goebel is the former CEO of Applebee's International Inc. He spent seven years with Applebee's. Before his stint at Applebee's, Goebel was president of Summit Management Inc. which provided strategic planning to growth organizations. During his leadership, Goebel said, he hopes to strengthen Mr. Goodcents' base restaurants and prepare for growth by stretching into untapped markets. He plans to introduce new menu items, update restaurant design and improve customer service to help refresh Mr. Goodcents.

Source: Kansas City Business Journal

Romano's Macaroni Grill Names New CEO, CFO

Dallas-based Romano's Macaroni Grill has named Norman Abdallah chief executive officer and Carey Carrington chief financial officer. They replace outgoing CEO Brad Blum and COO Bob Mock, who left the company to pursue other interests, Romano's Macaroni Grill said Thursday. Abdallah and Carrington bring a combined 30 years of executive leadership experience in the restaurant industry. The executive changes come about 18 months after Dallas-based Brinker International sold Romano's Macaroni Grill to Golden Gate Capital for $131.5 million. Brinker retained a 19.9-percent stake in the chain and said it would offer Golden Gate Capital corporate support services for up to a year. Brinker also recently sold its On The Border chain. It continues to operates its Chili's Grill & Bar and Maggiano's Little Italy brands.

Source: Dallas Business Journal

Cinnabon Starts Extreme Makeover. Bakery Brand to Test Breakfast, Lunch and Expand Beverage Offerings

Cinnabon, the 25-year-old quick-service chain known for its proprietary cinnamon rolls, is reinventing itself as a bakery-café concept complete with breakfast and lunch service as well as an expanded beverage program. Egg sandwiches in the morning, espresso-based beverages and panini-type sandwiches for lunch are set for test this summer, according to the chain's president, Gary Bales. The repositioning of the Atlanta-based, 570-unit chain will evolve over a three-year period, he said, and is part of a strategy to increase Cinnabon's current customer base and attract new users to the brand outside of the mall markets it primarily trades in. "What's happening specifically in the malls is traffic is going down and we need to increase the amount of customers who stop in front of our stores," Bales said. "We need to do that by reinventing the brand over the next three years; that's what we're working on now." The initiatives at Cinnabon, which is a division of Focus Brands Restaurant Group, are currently being tested or are going into test at the company's four corporate-owned stores in Houston, Bales said. "The first step was to develop a more relevant look for our bakeries," he said. "We tested a whole new redesign in 2009 that featured a much cleaner look with more contemporary dark wood and less clutter. Second, we're looking for products and product lines that will expand [our customer base] or attract new customers." The newest product line will focus on the morning day part and will include breakfast sandwich offerings and combo meals, Bales said. The sandwiches will be made fresh in-store with Cinnabon dough and feature eggs, cheese and sausage or bacon, or just egg and cheese. "Our breakfast program will go into test in Houston in August," he said. "The bread in the breakfast sandwiches will be made fresh in-store with Cinnabon dough layered with strips of cheese in the middle. We think this has real potential for us; it's incremental business." In addition to offering breakfast items, Bales said the company is planning to roll out panini-type sandwiches that would fit into either the lunch or snack categories. "In the malls we compete with fast feeders and we want to step above that while remaining affordable," he said. "We think this will work well as a light lunch or snack alternative. What we've found is that people, because of health consciousness, are looking for non-sweet snack occasions. We think we can fit the bill with some of these products." The third component in Cinnabon's transformation is a renewed beverage program to include espresso-based coffee drinks. "We are actively working on developing a complete espresso-based line of coffee drinks that will allow us to offer lattes, cappuccinos and flavored iced-coffee products," he said. "This will help us get from just a drip-coffee program to a full coffee line."

Source: NRN

California Pizza Kitchen Opens New Restaurants In Florida, Texas

California Pizza Kitchen has opened its first Northeast Florida location at the St Johns Town Center in Jacksonville, Florida, and a second San Antonio-area outlet at 255 E Basse Road in the Alamo Quarry Market in Texas. The menu at each restaurant will feature all of the restaurant's traditional items along with the new menu additions including a Four Seasons Pizza; Roasted Artichoke and Spinach Pizza; Baby Clam Linguini; Italian Deli Sandwich; Turkey Stack Sandwich; and Butter Cake, which is CPK's new dessert. The restaurant said that guests can dine-in or place a take-out order by ordering online at cpk.com, from their iPhone app or by calling the restaurant. California Pizza Kitchen offers a line of hearth-baked pizzas, including the original BBQ Chicken Pizza, and a selection of pastas, salads, appetizers, soups, sandwiches and desserts. Of the chain's 260 restaurants, 206 are company-owned and 54 operate under franchise or license agreements. CPK premium pizzas are also available at three Southern California venues including Dodger Stadium, Angel Stadium of Anaheim and Staples Center.

Source: Food Business Review

Ex-Dunkin' Exec Joins Denny's as CMO. The Chain Spends $60 mil. Annually in Measured Media

A week after SPLITTING WITH Omnicom's Goodby, Silverstein & Partners on its $60 million ad account, Denny's has named Frances Allen chief marketing officer, an open position. She held that title at Dunkin' Brands from 2007-09, where her primary agency partner was IPG's Hill, Holliday in Boston. Her resume also includes tenures at Pepsi-Cola, Sony Ericsson and Frito-Lay. Debra Smithart-Oglesby, interim chief executive officer and board chair of Denny's, said in a statement: "We believe her ability to drive brand reputation through compelling marketing campaigns will play an important role at Denny's. [She] will be responsible for enhancing the focus of our national and local marketing efforts in order to re-energize and grow the Denny's brand." Denny's has about 1,600 U.S. stores. Most of the chain's advertising has centered around its breakfast offerings, including high-profile promos in the last two Super Bowls. The company has had a series of management changes of late, with CEO Nelson Marchioli, who led the firm since 2001, leaving in June amid pressure from investors to transition Denny's to a franchise-oriented business model.

Source: AdWeek

CB Holding Corp. Engages Raymond James to Explore Strategic Alternatives for its Bugaboo Creek Steak House Brand

CB Holding Corp., parent company of Charlie Brown's Steakhouse, Bugaboo Creek Steak House and The Office Beer Bar & Grill restaurants, announced its engagement of investment banking firm Raymond James to assist it in its evaluation of strategic alternatives for its Bugaboo Creek Steak House brand. Bugaboo Creek Steak House was acquired in 2007 by CB Holding Corp. "Bugaboo Creek Steak House, with its high standard of affordable hospitality and entertaining experiences, holds a unique and compelling position in the casual dining restaurant category. We remain passionately committed to our valued Bugaboo Creek Steak House customers and our restaurant employees while we evaluate the best strategic plans for the brand," said Sam Borgese, president and CEO of CB Holding Corp.

Source: Bugaboo Creek Steak House

Starbucks Tops 10 Million Facebook Fans

A year ago, Starbucks knocked off Coca-Cola as the most popular corporate brand on Facebook, with its page on the social network drawing 3.7 million fans. Now the coffee giant has become the first brand to clear the 10 million-fan mark on Facebook, with its nearest rivals -- Coke and Skittles -- both trailing behind at about 6.5 million. To put Starbucks' social ascent in perspective, the company is close to catching up to pop icon Lady Gaga in Facebook fans. She's just ahead in the rankings, with about 10.4 million, according to data compiled by the Inside Facebook blog. Only other celebrities (Michael Jackson, Vin Diesel), games ("Texas Hold'em Poker," "Mafia Wars"), "Family Guy," Facebook, and the President himself, stand ahead of Starbucks in the number of Facebook fans. So what's the secret of the coffee chain's success on the site? Making social media a key part of its marketing mix, a steady stream of promotions, and advertising heavily on Facebook to drive traffic to its page, according to social media marketing experts. "Starbucks has provided Facebook users a reason to become a fan," said Michael Lazerow, CEO of Buddy Media, which oversees brands' social media efforts. Indeed, special offers, coupons and discounts distributed via Facebook seem to be at the heart of Starbucks' magnetic appeal on the social network. Last July, it added 200,000 fans in one week through its Free Pastry Day promo, allowing fans to print out coupons for complimentary confections with a beverage purchase. Last year, it also promoted its launch of branded ice cream by offering coupons for free pints through its Facebook application. More recently, it used Facebook to run a "Taste Challenge" tied to the rollout of its VIA instant coffee, offering participants a free brewed coffee on their next visit and a $1 off a VIA purchase. Starbucks' success with emphasizing product promotions on Facebook seems to validate the results of a Razorfish study last year that found that traditional direct marketing techniques like offering discounts and deals are the keys to building engagement on social networking sites rather counting on some deeper connection to a brand. Reggie Bradford, CEO of social media management firm ViTrue, noted that Starbucks has the advantage of owning all of its stores, making it easier to run uniform marketing programs that can be tied into Facebook. "Where if you have a franchise model, you can't do that," he said. But he and Lazerow also say Starbucks has been active in the conversational aspect of social marketing through posts on their Wall and into fans' news feeds, whether content, questions or updates aimed at stimulating discussion around the brand. On top of that, the company has invested in advertising in Engagement Ads on the home page and elsewhere on Facebook to drive traffic to its page. "Starbucks got started early, and over the last couple of years has actively used Facebook events, discussions, and notes in conjunction with well-coordinated ad campaigns to drive traffic both to physical stores and online promotions," said Justin Smith, editor of Inside Facebook. He added that just over a year ago, the company had only 1.7 million fans. Its activity on Facebook is also part of a broader commitment to social media by Starbucks that includes its MyStarbucksIdea site for soliciting and implementing customer suggestions, and push onto popular social location properties like Foursquare and Brightkite.

Source: MediaPost News

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

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

Craig Wilson
312-780-7510
cwilson@ariteam.com

Michael Page
312-780-7505
mpage@ariteam.com

Ted Agins
312-780-7508
tagins@ariteam.com

Mario Schacher
847-909-1237
mschacher@ariteam.com

John Daschler
312-780-7509
jdaschler@ariteam.com