

November 2006

Vol. 11, No. 13/\$12.50

10 years of  
Chain Leader

# Chain Leader

INSIGHT FOR RESTAURANT EXECUTIVES

Reed Business  
Information

[www.chainleader.com](http://www.chainleader.com)

Checkers/Rally's  
drives home the pros of  
the double drive-thru.

Page 20

Playing up quality and  
value at Jack in the Box.

Page 29

## THE JOURNEY AND THE DESTINATION

A storied career prepares  
Jon Luther to reinvigorate  
Dunkin' Donuts.

Page 45

CLICK  
HERE TO  
RENEW



# Your Reputation Depends On The Little Things.

Discover the baked beans that pack professional grade popularity. Only Allens Baked Beans are preferred by two out of three foodservice operators nationwide\*. That's because only Allens delivers all the qualities operators want most in their baked beans:



- Sweet, full flavor and aroma
- Dark, rich color and glossy sheen
- Tender, meaty beans in thick, savory sauce
- High beans-to-sauce recipe

Awarded the 2006 USA Gold Taste Award, American Academy Of Taste for the best baked beans in foodservice.

Instead of grocery store baked beans, serve the foodservice favorite. Nothing's easier — just contact your Allens representative or phone Allens today.

## Allens®

\*The Winnie Group Survey

Siloam Springs, AR 72761 ♦ 1-800-234-ALLEN, Ext. 379 ♦ [www.allencanning.com](http://www.allencanning.com)







*Better  
together...*

**Sweet'N Low®** America's best known and best selling sugar substitute for generations.

**Sugar In The Raw®** has a distinctive taste, pleasing texture and natural golden color made exclusively from fresh cut Hawaiian sugar cane.

*The perfect pair...* Sweet'N Low® and Sugar In The Raw® in the sugar bowl will satisfy all your customers' sweetening preferences.

***One is good ...both are better!***



**SUGAR FOODS  
CORPORATION**

**1-888-708-2222**

**[www.sugarfoods.com](http://www.sugarfoods.com)**



# Breaking Bread



*CEO Ron Shaich says vision and consistency underlie the success of Panera Bread.*

**BY MARY BOLTZ CHAPMAN**

The *Chain Leader* Cover Society is made up of the executives who have appeared on the cover since the magazine's debut in August 1996. This occasional feature updates readers on a Cover Society member.

For more about Shaich's priorities and plans for Panera Bread Co., download or read the entire interview at [www.chainleader.com](http://www.chainleader.com).

**R**on Shaich graced the cover of *Chain Leader* in January 2003. At the time, the CEO of Panera Bread Co. discussed the bakery-cafe chain's focus on artisanal bread, customers' knowledge of quality food and their desire for a quality experience. In an exclusive interview with *Chain Leader*, Shaich talks about how the brand is growing and changing, but more importantly, how it's staying the same.

**In January 2003, you had just recently debuted some new artisan breads...**

We have always done artisan bread. And I think they were continuing an artisan tradition and not something new and different. We continue to change and adjust them, and it's been part of the centrality of the success of Panera.

This is a brand that has deep roots and a deep commitment in terms of what it's doing and how it's doing it. People are always asking me, "What are you doing new? What are you doing different?" And as I think about that question, I really want to say what is true, which is we're doing nothing different. We have a vision we laid out for this concept in the early '90s. That vision hasn't varied, and basically, we're just trying to get closer and closer to delivering that vision.

And part of the core of that vision is our commitment to bread and the traditions of artisan bakers, you know, fresh dough, stone-deck ovens, all-natural ingredients.

**You introduced a new line of pizzas, which seem to indicate a push toward more dinner business. Could you talk about that?**

We continue to look for opportunities where we can serve people with truly high-quality food. And one of the opportunities for us has clearly been after 5 o'clock. They're busy hours for us.

We are doing an average volume of \$2 million. I think it's the highest outside casual dining. We'll open our 1,000th store this month. That's extraordinarily exciting for us.

But we are coming from this vision and coming from this core commitment to

artisan bread and the like. We began to think, well, how do we do what we do in ways that have integrity? Our hours after 5 o'clock offer us opportunity. With fresh dough in every cafe, with the very sophisticated stone-deck ovens that we have, one of the things that we began to play with is something we call Crispani.

It's not pizza as most people know it. It's absolutely not part of the Domino's and the Pizza Hut. It's got a 12- to 15-minute service time. It's hand-crafted, every one, from fresh dough. They use things like organic tomatoes, Niman Ranch pork sausage. It's a very high-quality product, and we're going to bring that level of quality now to 1,000 cafes across the country.

**How much of your business is in the evening?**

Twenty percent.

**You also do a pretty significant portion of non-meal-time business. How have you been able to grow that?**

I think people like the totality of the Panera experience. And I think we often make a mistake trying to tease out the various pieces to it. They're coming in for a soup, a salad, a sandwich. You've got positive energy in the environment, you've got an environment that you want to sit in. And that's how people are making their decision.

**You make it sound simple.**

Well, I don't think it's that complicated. I think it's complicated in its execution. If there's any message in Panera in its success, it is that people in this country get quality. We are delivering a high-quality product; we are deeply concerned about the quality of the ingredients, the quality of the way it's prepared, the quality of the presentation. The prevailing norm in our industry 10 years ago was that it was production. And I think that in many ways the reaction to Panera is the reaction that this isn't simply about production and about how cheap it is. It's about whether it's worth going out of your way for. **CL**



# Boldly Innovative. Simply Signature.



**Caramel Pecan Tarts**

made with HERSHEY'S Classic Caramel Topping

Ask your  
broker about  
money saving  
rebates available  
for the baking  
season!

**Brazilian  
Hot Chocolate Coffee**



made with HERSHEY'S Cocoa

**Fall Salad with Chocolate  
Cranberry Vinaigrette**



made with HERSHEY'S  
Chocolate Syrup

- Put on-trend recipes to work for you at every daypart.
- Offer the brands that are among the most recognized in the world.
- Count on the industry's leading branded sweet ingredients supplier.

**Branded Ingredients You Can Trust.™**



For recipes and ideas, visit  
[www.hersheysfoodservice.com](http://www.hersheysfoodservice.com)  
or call 877-772-3556.





# Chain Leader

INSIGHT FOR RESTAURANT EXECUTIVES

Vol. 11, No. 13  
November 2006

## STORYBOARD

### 20 Two for One

Checkers Drive-In/Rally's Hamburgers launched an ad campaign in May that features the chains' signature double drive-thru. The commercials feature two actors trying to convince diners that his drive-thru is preferable. The spots hammer home the difference in the Checkers/Rally's brand proposition that management says will help the brands open 30 to 50 new units a year.

By Margaret Littman



## RESTAURATOUR

### 22 Time Tested

The interior of Taco Del Mar in Federal Way, Wash., dances with color and visual activity. The beach-shack decor includes a sky-blue ceiling, vintage photos of surfers, a thatched hut covering a round table and bamboo on the front of the ordering counter. Maintaining brand standards will be crucial as Taco Del Mar embarks on a major franchising push, with 150 to 170 stores scheduled to open in the next year or so.

By Lisa Bertagnoli

## TOQUE OF THE TOWN

### 29 Jack Be Nimble

Senior Vice President of Quality and Logistics David Theno and Vice President and Chief Marketing Officer Terri Graham have launched several upmarket products that feature quality ingredients and more intense flavor profiles while keeping value in the equation at Jack in the Box.

By Monica Rogers



## COVER STORY

# 45 The Journey and the Destination

The winner of *Chain Leader's* 2006 Chain Leadership award, Jon Luther has had a storied career at companies such as ARA Services and Popeyes Chicken & Biscuits. He'll put that experience to the test as chairman and CEO of Dunkin' Brands. Since arriving in 2003, he has launched a new expansion plan, ad campaign, beverage menu and prototype.

By David Farkas



## LIQUID MEASURE

# 37 A Yen for Sake

With sake's growing popularity in the United States, Benihana couldn't pass up the opportunity to revamp its sake offerings. The teppanyaki chain's new sake program features premium chilled sakes from Japan and creative sake cocktails that stay true to its Japanese roots while showcasing a more contemporary Benihana.

By Maya Norris



## DEPARTMENTS

### COVER SOCIETY

- 2 Breaking Bread with Ron Shaich

### EDITORIAL

- 8 Team Work

### INDEX

- 12 People and Companies in This Issue

### ON THE MONEY

- 14 Lines Are Blurring

### UPSTARTS

- 16 Rickshaw Moves into the Spotlight

### How To Grow To 100 Units

- 18 Help for Hiring Help

### TRAFFIC TRENDS

- 54 Family Matters

### VENDOR EXCHANGE

- 59 Products and Services Information

### OFF THE CLOCK

- 60 Fredrica Thode's Garden is in Full Bloom

## ON THE NET

### Site Relaunch

- A more functional and user-friendly [www.chainleader.com](http://www.chainleader.com)

### Cover Society Podcast

- Panera Bread has been a leader in fast casual, artisanal breads and "third place." CEO Ron Shaich tells what's new

### Web Exclusive

- An update on our October Cover Story: Bertucci's gets a deal on Vinny T's

### How to Grow to 100 Units

- Web-exclusive content and related articles on growing concepts
- Video coverage of *Chain Leader's* "How to Grow to 100 Units" roundtable
- California Tortilla's Pam Felix on the trials and joys of growing her spunky concept

### Plus

- Senior Editor David Farkas muses about the restaurant industry in his blog, Dave's Dispatch
- Daily news
- Franchise opportunities
- Topic-specific pages on marketing, expansion, operations and more

[www.chainleader.com](http://www.chainleader.com)

*Chain Leader* (ISSN 1528-4999) (C.P.C. Intl. #1230824, GST #123397457) is published monthly with additional issues in April and October by Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. Reed Business Information, a division of Reed Elsevier, Inc., is located at 360 Park Avenue South, New York, NY 10010. Tad Smith, CEO; Jeff Greisch, President, Chicago Division. *Chain Leader* is a registered trademark of Reed Elsevier Properties, Inc. used under license. Circulation records are maintained at Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. Phone: (303) 470-4445. Periodicals Postage paid at Littleton, CO 80126 and at additional mailing offices. POSTMASTER: Send address changes to *Chain Leader*, P.O. Box 7500, Highlands Ranch, CO 80163-7500. *Chain Leader* Copyright 2006 by Reed Elsevier, Inc. Address subscription mail to *Chain Leader*, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345. All Rights Reserved. PRINTED IN THE USA. Reed Business Information does not assume and hereby disclaims any liability to any person for any loss or damage caused by errors or omissions in material contained herein, regardless of whether such errors result from negligence, accident or any cause whatsoever.



ALTO SHAAM®

# Technology

that's good for the environment.

**Great**  
for your bottom line.



ecosmart™

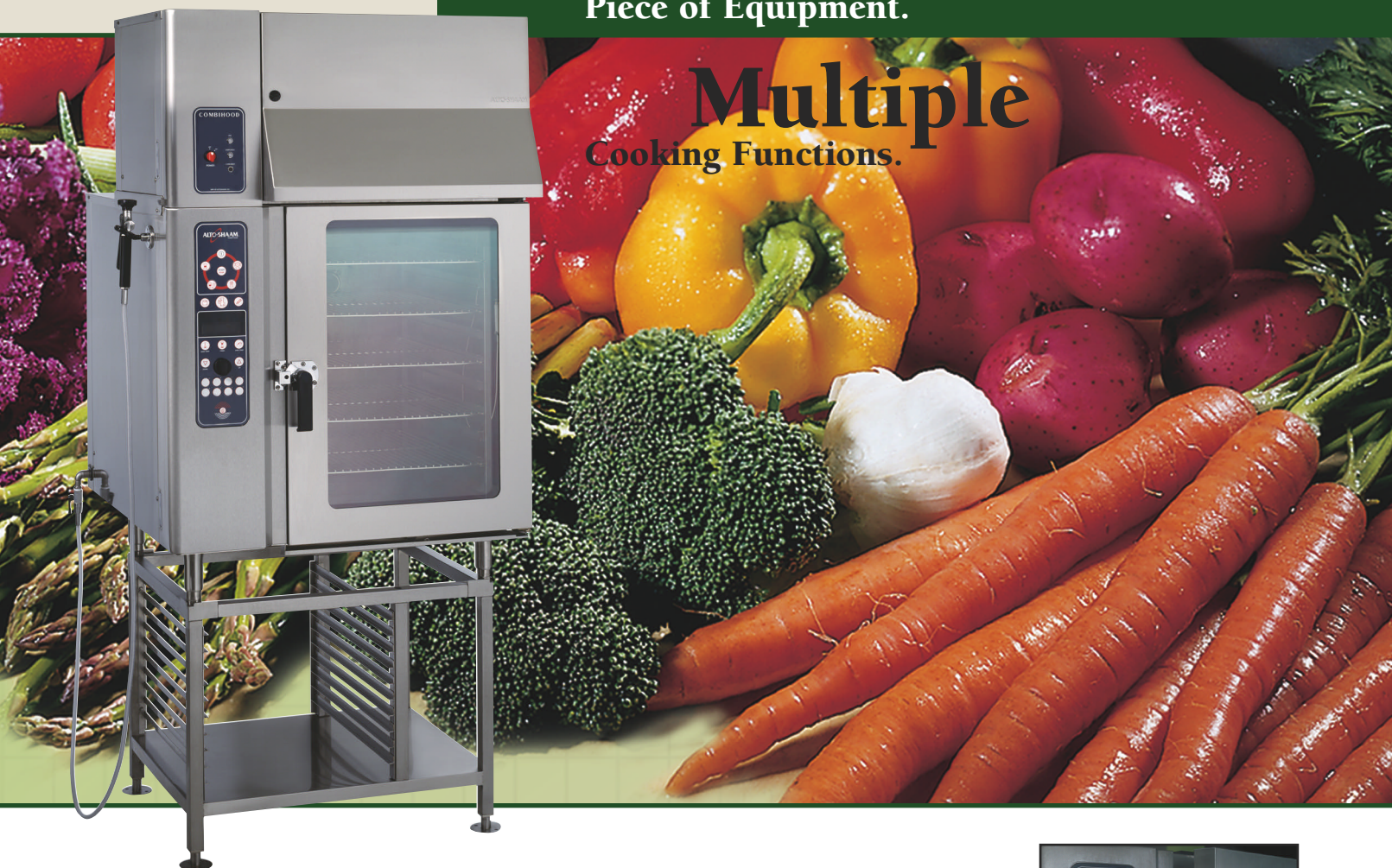


**L**ook for the EcoSmart logo on Alto-Shaam equipment selections that have been engineered to provide more environmentally friendly and economical equipment choices. EcoSmart is proof of our commitment to help our customers drive down ownership costs and protect the environment with energy-efficient, eco-friendly products. So now you can be confident that the company you turn to for unsurpassed quality is also leading the way in verifiable solutions that help you keep rising energy costs under control while minimizing environmental impact.



One  
Piece of Equipment.

Multiple  
Cooking Functions.



Combine the steaming, roasting, baking capabilities of the Combitherm with all the benefits of the EcoSmart system of operation to provide economical power and water usage, faster steaming times, and no flavor transfer when cooking multiple products in a single load. Combitherm will handle any menu faster and easier than the multiple cooking appliances used in most kitchens. From volume production to à la carte, Combitherm offers the maximum in results and efficiency — all in a minimum amount of space.

A single Combitherm oven will replace several existing kitchen appliances and is available in boiler-free gas or electric with a selection range of 20 model sizes. Choose the easy-to-operate simple control, the programmable deluxe model, the patented Combitherm Smoker, or connect with HACCP documentation software options. If it needs to be cooked, Combitherm is the wise choice.



**ALTO SHAAM®**  
ecoSmart™

Phone (262) 251-3800 • 1-800-558-8744 U.S.A. & Canada  
Fax (262) 515-7067 • 1-800-329-8744 U.S.A.  
[www.alto-shaam.com](http://www.alto-shaam.com)



# Team Work

**M**aybe it has something to do with the psychology of selective perception, but the subject of team seems to be a recent theme in my work life. (And home life, if you count negotiating the ups and downs of my husband Bob's fanaticism about the Chicago Bears and his fantasy football league.)



*There's a time to work on team building and a time to just let the group work.*

**MARY BOLTZ CHAPMAN,**  
**EDITOR-IN-CHIEF**

(630) 288-8250  
mchapman@reedbusiness.com

Like you, I'm on many teams: The one that produces *Chain Leader* every month and has recently been shaken out of our routine—in a good way—by relaunching our Web site and planning our redesign, which will debut in January. The team managing *Chain Leader LIVE*; this week we're finalizing details with printers, hotel staff, presenters, AV staff and other participants.

The management of the Foodservice & Hospitality Group at Reed Business Information, charged with finding synergies that will benefit our readers and advertisers. The Women's Foodservice Forum committee I work with, which communicates like clockwork even though we only met in person once.

Building high-performance teams was the subject of an event in October called Regional Connects, a WFF program taking place in several cities this fall and winter. It's one of the 10 competencies the organization has pinpointed as necessary to enable people to advance to top positions.

## What's in a Team?

What I've been thinking about is something that NRA Educational Foundation President and Chief Operating Officer Mary Adolf brought up as a panelist at the program. Among all the terrific discussion on ways to build communication, ensure diversity of thought, hold members accountable and celebrate success, she pointed out that sometimes a "team" is just a work group.

What's the difference? A work group is

a number of people who have their own responsibilities to perform for a greater outcome. The group only gathers to share information and perhaps ideas. They're accountable to the others only to accomplish their own tasks.

A team has more accountability to each other—one member's actions more directly impact the others. They have a clear purpose rather than a series of tasks to check off. A great team has that magic aura of knowing that together they are equal to more than the sum of its parts.

## The Right Tool for the Job

Like Burger King and Outback Steakhouse, one is not necessarily better than the other; they're just appropriate for different occasions. They require different levels of attention on the part of members and leaders. With the limited resources that we all have, nobody wants to spend their development time and money when they don't have to, but they certainly want to allocate them when they're needed. And team members receive a different kind of growth and satisfaction. The trick is determining whether you need a work group or a true team, and then you can take the steps to get there.

I don't have any great advice for building better teams. People study for years and build their careers on helping people do that. Enter "team building" on amazon.com, and you get 10,920 results in books alone. I can't even begin to compete with that. And I'm not going to use a sports analogy—they always seem to come up when businesspeople talk about teams. There's probably something applicable in the Bears' comeback win on Monday Night Football, but I'll leave the sports to Bob. **CL**





**“Wing Dings are  
in a category by themselves.  
They’re big and meaty, and their unique  
coating gives us a distinctive menu item  
to offer our customers.”**

*Richard Mastin, VP Operations  
Bill Gray's Restaurants*

Look to Pierce Chicken®, the leading brand in foodservice wings, for the flavors, sizes and coating profiles that appeal to consumer demand. Bold **WingSations®**, hefty **Monster Wings™**, traditional **Honey-Dipt®** or **Wing Dings®**, the number one wing in foodservice – Pierce Chicken offers wings the way you want them!

*Call your Pilgrim's Pride Foodservice partner at 800-336-9876 or  
visit [www.poultry.com](http://www.poultry.com) to take off with Pierce Chicken wings.*



© 2006 Pilgrim's Pride Foodservice. • All rights reserved.

**WINGS**  
SERVED WITH PRIDE





# Chain Leader®

INSIGHT FOR RESTAURANT EXECUTIVES

## HOW TO REACH CHAIN LEADER

PHONE: (630) 288-8201 FAX: (630) 288-8215

E-MAIL: ChainLeader@reedbusiness.com INTERNET: www.chainleader.com

WRITE: Chain Leader, 2000 Clearwater Drive, Oak Brook, IL 60523

## TO SUBSCRIBE OR CHANGE ADDRESS

PHONE: (800) 446-6551 or (303) 470-4445 FAX: (303) 470-4280

E-MAIL: subsmail@reedbusiness.com

INTERNET: www.getfreemag.com/ChainLeader

WRITE: Chain Leader, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129-2345

## FOR ARTICLE REPRINTS OR ELECTRONIC USE

PHONE: (800) 290-5460, ext. 168 E-MAIL: chainleader@reprintbuyer.com

PUBLISHER: Ray Herrmann

EDITOR-IN-CHIEF: Mary Boltz Chapman

MANAGING EDITOR: Maya Norris

SENIOR EDITOR: David Farkas

SENIOR ART DIRECTOR: Ala Ennes

PRODUCTION ARTIST: Krystina S. Kliman

## CONTRIBUTING EDITORS:

Lisa Bertagnoli, Margaret Littman, Monica Rogers

CHIEF EXECUTIVE OFFICER: Tad Smith

CHIEF FINANCIAL OFFICER: John Poulin

PRESIDENT, CHICAGO DIVISION: Jeff Greisch

GROUP PUBLISHER, FOODSERVICE GROUP: Gerald J. White

EDITORIAL DIRECTOR, FOODSERVICE GROUP: Patricia B. Dailey

NATIONAL SALES MANAGER: Craig M. Coale

PUBLISHING SUPPORT: Linda Wojak (630) 288-8201

## REGIONAL ADVERTISING SALES MANAGERS

SOUTH/SOUTHEAST

Jeff Christerson (678) 461-4063

NEW ENGLAND/MID-ATLANTIC

Alison Stager (646) 746-6403

CALIFORNIA/SOUTHWEST/MOUNTAIN

Susan M. Hojer (310) 314-2149

INDIANA/MICHIGAN/OKLAHOMA/TEXAS

Craig M. Coale (630) 288-8207

ARKANSAS/IDAHO/ILLINOIS/MISSOURI/OREGON

Patrick New (630) 288-8212

WEST NORTH CENTRAL/ILLINOIS/WISCONSIN

Sam Wilson (630) 288-8224

ILLINOIS/OHIO/WISCONSIN

Floyd Stoner (630) 288-8208

INSIDE SALES/CLASSIFIED

Jim McMurray (630) 288-8467

INSIDE SALES/ELECTRONIC MEDIA

Michael Coglianese (630) 288-8829

DIRECTOR OF MARKETING, EVENTS

AND CUSTOM COMMUNICATIONS:

MANAGING EDITOR, CUSTOM PUBLICATIONS:

MANAGER, INTEGRATED COMMUNICATIONS:

CIRCULATION MANAGER:

PRODUCTION MANAGER:

CUSTOMER CONTRACT COORDINATOR:

RESEARCH DIRECTOR:

INTERIM DIRECTOR, ELECTRONIC MEDIA:

WEBSITE MANAGER:

Carole Widmayer

Alison Otto

Maria Q. Santonato

Kati Tucker

Joyce Simon

Joanne Westphal

Scott Tolan

Kim Kishbaugh

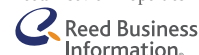
Gregory Sokolowski

CHAIN LEADER is published monthly for executives of multiunit restaurant companies by Reed Business Information, a division of Reed Elsevier Inc. Subscriptions are \$109 per year in the United States, \$131 per year outside the United States.



© 2006 Reed Elsevier Inc. All rights reserved.

CHAIN LEADER® is a registered trademark of Reed Elsevier Properties Inc. Member BPA Worldwide.



## The capital you need may be closer than you think.

Your business plans — for expansion, M&A, development or enhanced liquidity — require capital. Your real estate may be the source of that capital.

Sovereign Investment Company can unlock the value of your real estate assets through sale/leaseback solutions developed specifically for business owners, operators and franchisees.

With a streamlined process for quickly valuing and closing transactions, you get the capital you need when you need it from investment professionals that understand the way you do business.

For more information call one of our representatives or visit [www.sovereigninvestment.com/leader](http://www.sovereigninvestment.com/leader)

**SOVEREIGN INVESTMENT COMPANY**

release your potential



*In the past two years Sovereign has purchased \$400 million in single tenant properties.*

ROBERT B. BICKEL CALIFORNIA 415 489-6860 | GIN T. CHAO NEW JERSEY 609 524-4009 | BARRY D. BAIN ILLINOIS 630 690-4335



10  
Dimensions  
Of Executive  
Leadership™  
dimension

5

Customer Service  
Ambassador

"In getting  
to know your  
customers,  
listening is a  
required skill."

—Eugene Lee  
President and COO  
RARE Hospitality  
International, Inc.



Dedicated to the Development  
and Advancement of Executives  
in the Foodservice and  
Hospitality Industries

Throughout his career in restaurant operations, Gene Lee has worked long and hard not only knowing his customers, but listening to them as well. A dedicated practitioner of "strategic listening", Gene is convinced that collaborating with customers via focus groups and client advisory boards to identify their goals is a leading edge concept that will soon become the norm.

Gene knows that the success enjoyed by RARE Hospitality, Inc., owner and operator of more than 300 restaurants throughout the U.S., can be attributed in part to his team's ability to anticipate and act on customer expectations in advance of the competition. It's a skill used by effective *customer service ambassadors*. Recognizing the importance of these skills is the reason why Gene and his team endorse The Elliot Leadership Institute and its **10 Dimensions of Executive Leadership™**. Using these insights, the Institute is providing management teams across the country with the "tools" they need to grow both personally and professionally. Based on validated research and proven principles, this innovative suite of cost-effective tools, solutions and half-day workshops was developed by hospitality leaders for hospitality leaders.

Visit [www.elliotleadershipinstitute.org](http://www.elliotleadershipinstitute.org) to find out how this not-for-profit organization can help strengthen your current and future generation of leaders...and your business.



# COMPANY & PEOPLE INDEX

Companies (bold type) and individuals in this issue are indexed to the first page of the story in which each is mentioned.

- A** Abajian, Ted...14  
Adolf, Mary...8  
AFC Enterprises...14, 45  
Allied Domecq QSR...45  
Amalgamated...20  
Annisa...16  
Aqua Blue Restaurant & Bar...45  
ARA Services...45  
Aramark...45  
Armour Foods...29
- B** Baskin-Robbins...45  
Benchmark Services...45  
Benihana...37  
Bloom, Marty...45  
Bonidies, Michael...16  
Brashier, Randy...45  
Briceno, Enrique...37  
Burger King...8
- C** Cajun Kitchen...45  
CA One Services...45  
Checkers Drive-In/Rally's Hamburgers...20  
Chipotle Mexican Grill...14  
Cicourel, Mark...22  
CKE Restaurants...14  
Concept Group USA...18  
Cracker Barrel...18
- D** Davis, Jeff...18  
Davre's...45  
DL Miesse & Associates...18  
Domino's...2  
Dunkin' Brands...45  
Dunkin' Donuts...45
- F** Farquharson, John...45
- G** Gecko Hospitality...18  
Gilbert & Associates Inc....18  
Gilbert, David...18  
Graham, Terri...29  
GTC LLC...22
- H** Hansen, Kevin...22  
Hartman, Ellen...45  
Henry's Hamburgers...45  
Hi Life Kitchen & Cocktails...45  
Hot Dog on a Stick...60  
Huether, David...22
- J** Jack in the Box...14, 29  
JBX Grill...29
- K** Kellogg's...29  
Kelly, Tom...18  
Keymer, Ken...14
- L** Lang, Linda...14  
Lao, Kenny...16  
Lettuce Entertain You Enterprises...45  
Lo, Anita...16  
Luther, Jon L...45  
Luther, Sharon...45
- M** Marlow's Tavern...45  
Marriott Corp...45  
Masterjohn, Jeff...22  
McDonald's...45  
Melman, Rich...45  
Metz Jr., John...45  
Miesse, David...18  
Miller, Larry...14, 29  
Moran, Monty...14  
Myriad Restaurant Group...16
- N** National Restaurant Association Educational Foundation...8  
New York University Stern School of Business...16  
Niman Ranch...2
- O** Outback Steakhouse...8
- P** Panera Bread Co...2  
Paul Smith's College...45  
Pizza Hut...2  
Popeyes Cajun Cafe...45  
Popeyes Chicken & Biscuits...14, 45  
Puck, Wolfgang...45  
Purchase, Harry...45
- R** RBC Capital Markets...14, 29  
Rickshaw Dumpling Bar...16  
R.J. Reynolds Tobacco Co...45  
Rosen, Charles...20
- S** Sandelman & Associates...54  
Scaifido, Joe...45  
Schanzenbach, Kim...22  
Service Systems...45  
Shaich, Ron...2  
Starbucks...45  
Sterling Spoon Catering...45
- T** Taco Del Mar...22  
Taxi Holdings Corp...20  
Theno, David...29  
Thode, Fredrica...60  
Thode, Jim...60  
Togo's...45  
Travel and Hospitality Services...45  
Turer, Richard...20
- U** U.S. Department of Agriculture...29
- W** Weber Shandwick Atlanta...45  
Weber, David...16  
Wolf, Clark...16  
Women's Foodservice Forum...8

## Chef'sChoice® Commercial Diamond Hone® Sharpener 2000



- World's most advanced sharpening system for **straight edge** and **serrated** knives
- Lightning Fast! Diamond abrasives for hair splitting sharpness
- 2-Stages: sharpen and hone for double-beveled, better than factory edges
- Precision angle guides eliminate guesswork - minimal training required

For the dealer nearest you call: **(800) 342-3255**

© 2006 EdgeCraft Corp. 825 Southwood Road, Avondale, PA 19311 [www.chefschoice.com](http://www.chefschoice.com)



# Can you count on your servers?



## Counting drinks is more complex than ever. It's time to count on ServSafe Alcohol™ Training.

How much alcohol is in each drink? That's a tough question. Especially today. Consider how many different drink recipes and glass sizes there are. Can you count on your bartenders and servers to understand the differences, and serve responsibly? Prepare them with ServSafe Alcohol from the National Restaurant Association Educational Foundation (NRAEF). This best-in-class responsible alcohol service training helps your front-of-the-house to count drinks, check IDs, recognize and prevent intoxication, and handle difficult situations. No wonder ServSafe Alcohol has been adopted by leading national chains and independent operations. That makes ServSafe Alcohol the right decision for your company, your customers and your community.

**To order or learn more, contact your State Restaurant Association, your distributor, or the NRAEF at 800-765-2122 (312-715-1010 in Chicagoland) ext. 701. Or visit [www.nraef.org](http://www.nraef.org).**

**Find out how much your servers are really serving. Visit [www.nraef.org/countingdrinks/CL](http://www.nraef.org/countingdrinks/CL)**





# Lines Are Blurring



*Premium menu items at low prices explain fast food's recent financial success.*

BY DAVID FARKAS

Quick-service leaders say their recent success comes from customers looking for casual-dining quality at fast-food prices such as Chipotle's Carnitas Burrito.

Restaurant analyst Larry Miller of RBC Capital Markets moderated a fast-food panel at the investment bank's Orlando Consumer Conference in late September. He grilled the participants, who included leaders from four of the \$48 billion segment's top performing chains, about the economy, brand relevancy and bringing customers back into the restaurant.

Miller asked the executives for their take as to why sales trends at fast-food chains have outpaced casual dining, where comparable sales for the first half of the year had been hampered by rising energy costs and adjustable rate mortgage

increases. "Jack in the Box has benefited from customers trading down," said Jack in the Box CEO and Chairman Linda Lang.

Others agreed the macroeconomic trend hadn't hurt business. "We haven't seen any slowdown," offered CKE Restaurants CFO Ted Abajian.

"Our comparable sales and transaction continue to go up," claimed Chipotle Mexican Grill CEO Monty Moran.

By way of explanation, the executives suggested that consumers no longer perceive vast differences between the QSR segment and casual dining, causing higher-ticket full-service eateries to suffer. "The line is now blurring between fast casual and casual dining. The value proposition is good for us," Lang declared. (For more about Jack in the Box's premium and value-based menu items, see Page 29.)

## Death Was Exaggerated

"People said QSR was going away in 2001, during the explosion of fast casual. But they underestimated the talent of management," asserted AFC Enterprises President and CEO

Ken Keymer. "Today, people recognize they can get a premium product at QSR. Premium products have brought QSR back to the forefront." Popeyes Chicken & Biscuits has posted nine straight quarters of positive same-store-sales growth, Keymer added.

Nonetheless, Abajian warned against complacency. "Casual dining is not sitting on its hands," he cautioned. "Our ability to get a meal to customers fast is a key competitive advantage, as are improvements in quality across all the brands. I'm sure casual dining will come back to some degree. We can peacefully coexist."

That is, as long as the brand is kept current, offered Keymer, who stressed the importance of market research. "We do a lot of work with consumer panels and research companies to try to get to the finish line. You never get there, because it's always moving."

## Continual Improvement

Moran said that Chipotle management believes "really good food, well prepared, never goes out of style." To that end, he announced, the 500-unit chain, which went public this year, expected to improve equipment but not to add products to its menu.

Miller brought up the subject of improvements in decor, asking the panel whether improvements could bring people back into the units.

Lang, who oversees 2,100 units across 17 states, expected a \$150,000 reimagining program, in test in Waco, Texas, and Seattle, to stimulate dine-in traffic, particularly among older consumers. "Fifteen percent of our business is dine-in. We believe from the research we've done that we can enhance that number over time," she said.

"For those of us who are highly franchised, we will always be reimagining," said Keymer, adding that about 70 percent of Popeyes' units have been remodeled recently. "You have to be sensitive to the economic model. You don't want to slow down franchisees." **CL**



your bottom line □



here's to those  
who can  
raise your profits.

If you'd like to increase profits, you'll find it may help to seat American Express® Cardmembers at your tables. Research shows that American Express Cardmembers not only dine out more frequently\* and spend more per person than customers who use other cards—but they are also **up to 10% more likely to purchase beverages\*\***.

To learn more about the advantages of welcoming American Express Cards and how to begin accepting the Card, please call **1-800-445-2639** or visit [americanexpress.com/merchantvalue2](http://americanexpress.com/merchantvalue2).

\* Source: Brookfield Research, November, 2005

\*\*NPD Group/CREST®. Data from January 1, 2004 through December 31, 2005. American Express spend is compared to other credit and debit cards. On average, American Express Cardmembers spend 16% more on fine dining, 15% more on family dining and 12% more on casual dining, per person. For beverage purchases, the likelihood for American Express Cardmembers is 10% more for fine dining, 9% more for family dining and 3% more for casual dining. This includes alcoholic beverages as well as all other purchased beverages.







# In the Spotlight

*Rickshaw grabs attention with dumplings and industry connections.* **BY DAVID FARKAS**

**Inside story:** Rickshaw's soft lighting, light woods and pale blue walls add up to a "clean" look, Kenny Lao says.

**Rickshaw Managing Partner Lao** learned to make dumplings while growing up in Pasadena, Calif.

**Chef-driven:** Rickshaw's signature product, a hand-made dumpling that is steamed or fried, was developed by acclaimed chef Anita Lo.

## SNAPSHOT

### CONCEPT

Rickshaw  
Dumpling Bar

### HEADQUARTERS

New York

### UNITS

1

### ANNUAL SALES

\$1.4 million

### AVERAGE CHECK

\$9

### EXPANSION PLANS

2 to 4 in 2007

**D**o humble dumplings, which humans have been consuming for 3,000 years, have legs? New Yorkers Kenny Lao and David Weber want to find out.

Eighteen months ago, the partners and their investors poured \$600,000 into Rickshaw Dumpling Bar, a trendy-looking, 1,600-square-foot eatery on Manhattan's busy West 23rd Street. The menu, which hangs above three cashiers, features six types of dumplings, each with its own dipping sauce.

They come pan-fried or steamed, in orders of six (\$4.95) or nine (\$6.95). Customers can also order them with a salad or soup that's been designed to enhance the dumpling. Chicken & Thai Basil with Spicy Peanut Sauce, the most popular dumpling, is paired with Peanut Sate vinaigrette or soup (\$3 extra for each).

### Fund Raising

Rickshaw rang up about \$1.4 million in its first year, claims Lao, who worked briefly as an investment banker before joining New York-based Myriad Restaurant Group in 2000 as special projects director.

That figure, along with steadily rising same-store sales, has attracted the attention of even more investors, Lao says. In late September, a second round of funding raised \$1.5 million, half of the \$3 million needed to open six more dumpling bars within the next three years in New York City. "We should finish the round by late fall," Lao promises.

Meanwhile, the former New York University Stern School of Business classmates

will open the next two dumpling outposts in Union Square and Wall Street. Both areas are ideal, they claim, offering plenty of foot traffic and office workers who can afford Rickshaw's \$9 check average. Rents, however, are higher in restaurant-dense Union Square. Lao won't disclose what he'll have to pay but acknowledges it will be more than his current rent, which is in the "low teens" as a percentage of sales.

### Class Project

Lao, whose Chinese mother taught him how to make dumplings as a child, recalls selling them to fellow students at Stern. While there, he and Weber won a prize for a business plan they wrote. It showed how a dumpling-only restaurant could be profitably multiplied. "The prize made it easier to raise money," Lao says.

Their timing couldn't be better, asserts New York restaurant consultant Clark Wolf, who has visited Rickshaw. "There are all kinds of Asian foods out there, and dumplings could well become the next spring rolls, which are now considered an American food," he says.

To make sure their new venture attracted attention, Lao and Weber cut a deal with Anita Lo, a French-trained chef and co-owner of acclaimed Annisa, in New York. Lo develops recipes—which currently feature soy beans, glass noodles, jicama and shiitake mushrooms along with pork, chicken, duck and shrimp—and provides training.

Today, dumplings are stuffed and wrapped by hand in the basement of the restaurant, although Lao will likely use a commissary or an outside manufacturer once several units are open. He and Weber, who handles administrative duties, also outsource accounting.

Lao's former boss at Myriad and Rickshaw investor Michael Bonidies doesn't doubt Lao's ability to build a dumpling empire. "What Kenny is really good at," he says, "is staying on track and following through." **CL**



## THOROUGHLY IMMERSED IN YOUR BUSINESS.

Good water is pivotal to your profit. So how do you keep it good?  
Excellent service. Knowledgeable service. Fine people delivering the service.

Luckily, you have a single source for all of this expertise—Everpure.

Our Everpure Auth<sub>2</sub>ority™ training keeps our service agents ahead of the curve in everything from system installation to cartridge replacement programs. And they really get into their work.

Contact Everpure, and we'll connect you to your nearest Everpure Auth<sub>2</sub>ority™ Dealer, dedicated to service excellence. To get a response, you won't have to hold your breath.

**EVERPURE**®

800-323-7873 | [www.everpure.com](http://www.everpure.com)

**Wells Whaley**  
Whaley Foodservice Repairs  
Everpure Auth<sub>2</sub>ority™ Dealer







*Industry executives offer advice to growing chains on franchise consultants.*

BY MARY BOLTZ CHAPMAN

HOW TO  
**GROW**  
TO **100**  
**UNITS**

# Help for Hiring Help

A reader wrote *Chain Leader* asking: What should I look for in a franchising consultant? What should I ask them before I hire one? Industry leaders respond. (Comments have been edited for length and clarity.)

**Tom Kelly, managing partner, Concept Group USA, a brand-marketing consulting and public-relations firm in Washington, D.C.**

With over 100 years of experience in the food industry, we are continually shocked to see restaurants going into franchising before making sure their core brand infrastructure is in place and rock solid. Before contracting with a big franchise-consulting shop, we'd recommend spending several months having brand consultants from the industry take a good look at the legacy and promise of the potential chain brand. There are way too many examples of operators rushing to expand before working out the kinks in both operations and brand promise.

**Jeff Davis, CEO, United States Beef Corp., a Tulsa, Okla.-based Arby's franchisee**

I have taken my company from one to 250 units. As a franchisee of Arby's, I have lived through many management groups and owners. Focusing on sound, profitable operations has allowed us to survive and be successful. There is a lot of glamour in many other areas, but at some point it all boils down to operations, [and a consultant should focus on that].

**Robert Krzak, president, Gecko Hospitality, a Hinsdale, Ill.-based restaurant and hospitality recruiting firm**

When looking at a franchise consultant, ask them to describe what perceived value do they think the brand portrays to them and why would an individual want to franchise your particular brand. Bottom line: If the franchise consultant couldn't grasp this before the interview with you and didn't take the time to learn about your company, how excited will he truly be selling your brand to someone else?

**Dave Miesse, principal, DL Miesse & Associates, foodservice-distribution consultant**

I would suggest that they have more than one expert to help them: one for the front-of-the-house operations and one for the back-of-the-house operations, including which distributors and the specs on products. Two different mindsets.

**David Gilbert, former Cracker Barrel chief administration officer, principal, Gilbert & Associates Inc., a restaurant consultancy in Nashville, Tenn.**

Operational P&L accountability experience. It is critical that your franchise consultant has "been there and done that" regarding the myriad of operational, human and financial issues that will hit an operator. You must have someone who can draw from his or her own experience—as well as your systems and tools—to help your franchisees understand their problems, develop action plans, execute their plans and succeed.

Strong critical-thinking and strategic-planning skills.

Strong financial skills. You want them to understand everything from banking relationships to food waste and labor control.

Communication skills. Articulate clearly, in writing and verbally.

Judgment. Especially early in your growth, you will benefit from the entrepreneurs who franchise your concept. A great franchise consultant will understand all the specs and will say "no" to the franchisee but will also report back some of the remarkable ideas that your innovative franchisees will come up with. You are turning over one of your most important relationships with respect to growth and success with your brand to this person; impeccable judgment is crucial.

Integrity. None of the above is any value at all without integrity. **CL**

E-mail advice to [chainleader@reedbusiness.com](mailto:chainleader@reedbusiness.com) and visit our How To Grow To 100 Units site at [www.chainleader.com/how-to-grow](http://www.chainleader.com/how-to-grow) for answers to this and other questions.





Jazz up  
pork.



Captivate  
chicken.



Tickle  
their ribs.

Delight customers with America's #1 baked beans.



Serve Bush's Best, the taste they truly love. The baked beans preferred 5 to 1 over any other brand.\* That's because we use our secret family recipe and slow-cook our beans the old-fashioned way. For that real baked-in taste customers love best.

So liven up meals and give menus a lift with America's favorite, Bush's Best.



FOODSERVICE



#### FREE SAMPLES & RECIPES

Try Bush's Best Baked Beans and see why they're #1. Contact your sales representative or call Bush direct.

\*Nielsen Data, Total U.S. Baked Beans  
©2006 Bush Brothers & Company

Bush Brothers & Company • Knoxville, TN 37950-2330 • 1-800-251-0968



## "Rally's Rap Cat" Length: 30 seconds



1. Right-side attendant: Sure, Rally's has two drive-thrus.

2. But make sure you join us at the right-side drive-thru for great deals...

3. Like our crispy fish sandwich with our famous tangy tartar sauce. Now just 99 cents.

4. Left-side attendant: Don't listen to those guys. We here at the left-side drive-thru have the best deals. Our crispy fish sandwich with our famous tangy tartar sauce. Now just 99 cents. Granted, their offer may seem the same.

# Two for One

*Checkers Drive-In/Rally's Hamburgers drives home the advantages of its double drive-thru.*

**I**n June Checkers Drive-In/Rally's Hamburgers went private when it merged with a subsidiary of Taxi Holdings Corp. Although it is no longer a publicly traded company, it is undergoing new efforts to get its message out to the public. And initial feedback suggests it has been successful. While it was not one of the objectives for the new advertising campaign launched in May, Checkers/Rally's counted it as one sign of success when a punk-rock band in Tampa, Fla., changed its name to Rap Cat.

The reference is to a character shown briefly in one of the dual chains' 10 new television spots created by New York-based Amalgamated. The ad agency won the account in the beginning of the year, aiming to develop a campaign that would emphasize Checkers' and Rally's points of difference.

The commercials feature the double drive-thru for which the chains are known, with two actors each trying to convince diners that his drive-thru lane is preferable. In one, the left-side lane offers up Rap Cat, a cat puppet reminiscent of

*Mister Rogers' Neighborhood*, singing rap music as an amenity not found on the right side. Later a voice-over reads a disclaimer that Rap Cat is not available at all left-side drive-thrus. While the ads convey a new message and a new look for the chains, the previous "You gotta eat!" tagline remains.

### Voice of the People

Rap Cat is just a comedic element, but his unexpected popularity in Checkers/Rally's hometown suggests that the chains are capturing the attention of their target

BY MARGARET  
LITTMAN





5. But ours comes with...Rap Cat.



6. Rap Cat:  
Meow, meow, meow.  
Meow, meow, meow.



7. Voice-over: Rap Cat  
not available at all  
left-side locations.



8. Text:  
You gotta eat!

demographic. Charles Rosen, founding partner of Amalgamated, says the chains have both an advantage and a disadvantage in that their customer base is broader and more diverse than many quick-service restaurants, with more African-American and Hispanic customers.

Recent research shows that 84 percent of viewers polled had recall of the brand after seeing the TV spots.

"The right and the left side are in this game of one-upmanship, but it has a kind of lightness to it, almost a self-deprecating nature," Rosen explains. "At the same time, it is a hard-sell approach. The food is the hero and the two spokespeople are the skills."

With casting calls in New York, Los Angeles and Miami, the agency spent more time than it had expected to find actors who were "eager and earnest" and had good chemistry with each other, Rosen says.

## The Business of Burgers

The two actors, with help from Rap Cat, salsa music and NFL linebackers, will continue their verbal sparring in new ads being rolled out through mid-2007. The spots will continue to hammer home the differences in the Checkers/Rally's brand proposition that management says will help the brands grow at a rate of 30 to 50 new units per year.

"We are unusual in that when we ask people about Checkers/Rally's in focus groups, they will talk about the business

model," says Richard Turer, vice president of marketing at Checkers/Rally's. That business model includes the chains' double drive-thrus and small store footprint. While it stands to reason that consumers connect fast service with twice the number of drive-thru windows, Turer says they also associate them with fresher food.

"That's a piece we worked very hard on," he says.

Despite its estimated advertising budget of \$12 million, small compared to bigger burger chains, and its small size of 804 units, Checkers/Rally's is focusing its ad efforts on TV. It increased the number of markets in which it aired commercials from 16 to 44.

"Checkers is punching so far above their weight. We have never seen a chain like Checkers so engaged in things that the big boys would like to do," says Rosen. Among those "big boy" activities are partnerships with NFL teams and NASCAR.

"Before, we were reluctant to make these claims about food and quality, but we can do it more boldly now," Turer says. "Even in the bad years, we were in the top two in terms of food quality, but we were not willing to overpromise. Now we are comfortable making promises."

Because the company is now privately owned, Checkers/Rally's is keeping its financial promises to itself. But with remodeled stores, restaurant expansion and homage from a punk-rock band, many promises seem possible. **CL**

## SNAPSHOT

### CONCEPTS

Checkers Drive-In  
and Rally's  
Hamburgers

### HEADQUARTERS

Tampa, Fla.

### UNITS

250 company-owned,  
554 franchised

### 2005 SYSTEMWIDE SALES

\$624.7 million

### 2006 SYSTEMWIDE SALES

\$640 million\*

### AVERAGE UNIT VOLUME

\$800,000\*

### AVERAGE CHECK

\$4.10\*

### AD BUDGET

\$12 million\*

### AD AGENCY

Amalgamated,  
New York

### EXPANSION PLANS

30 to 50 annually

\*Chain Leader estimate





After a decade  
of tinkering,  
Taco Del Mar's  
new look is finally  
good to go.

# Time TESTED





# SNAPSHOT

## CONCEPT

Taco Del Mar

## LOCATION

Federal Way, Wash.

## OPENING DAY

July 17, 2006

## AREA

1,440 square feet

## SEATS

40

## AVERAGE CHECK

\$7.50

## UNIT VOLUME

\$700,000

## EXPANSION PLANS

150 to 170 in 2007



BY LISA  
BERTAGNOLI

The interior of the Taco Del Mar in Federal Way, Wash., dances with color and visual activity. A sky-blue ceiling sets off sunset-colored walls and bright-yellow tabletops. A mural depicting sunsets, piers and surfers covers an entire wall. Vintage photos of buff guys with longboards, plastic sailfish, traffic signs ("Whale Watching Is Not an Emergency") and whimsical clocks cover most available wall space. A thatched hut covers a round table, and bamboo fronts the ordering counter. The bamboo theme continues with a bamboo "rope" that cordons off the ordering line; the poles of the rope are planted in tin buckets peppered with seashells.

Decoratively speaking, Taco Del Mar wasn't always this lively. Founded in 1992, the Seattle-based chain "was just a burrito place, with plain floors, walls and menu boards" in its early days, says Kevin Hansen, vice president of development.

That changed in 1995, when Seattle-area franchisees Jeff Masterjohn and Mark Cicourel became involved in the design. Eleven years ago, Masterjohn and Cicourel, who now own seven stores, opened their first Taco Del Mar in Seattle's Roosevelt

neighborhood. They decorated the interior with kindergarten-bright colors and Baja memorabilia.

While a step in the right direction, that early iteration "was missing warmth and detail," Hansen says. Still, it set the stage for the current interior design.

## From Simple to Sophisticated

Over the years, the primary colors have turned into a more sophisticated palette of oranges and yellows, with splashes of green and blue. The early design brought the outdoors in with patio umbrellas; that idea morphed into the thatched palapa. The ordering counter was bright blue, with footprints marching across the counter facing; the facing is now finished with bamboo. The 1995 design featured a smattering of posters, vintage photos and traffic signs; now walls are plastered with such memorabilia, including a yellow-rimmed clock featuring Carlos, a sombrero-wearing fish.

The vintage pieces provide a point of connection for customers, Hansen says. "People have found their relatives in photos of surfers," he says, adding that customers often spot a certain "Uncle Dave." "He must have been quite a cat," Hansen says.

(Opposite) A thatched palapa replaces the patio umbrella of Taco Del Mar's older design.

The giant mural is digitized, allowing franchisees to customize it with local references.



(Clockwise from top) Details such as plain concrete floors and slatted chairs add an outdoor feeling to the space.

The seating-for-singles “surf counter” is indeed shaped like a surfboard.

The tin roof and bamboo facing give a beach-shack feeling to the ordering counter.

(Below) The primary colors of Taco Del Mar’s early days have evolved into a more sophisticated palette of oranges and yellows, with splashes of green and blue.



## A franchisee’s 35-year stay in Baja influenced Taco Del Mar’s new prototype.

Over the years the mural has undergone a major evolution. In the beginning it showed a simple sun and some cacti. Now it depicts a surfer riding a curling wave, a bikini-clad beachcomber and a pier, all shone upon by a large orange sun.

Older murals were hand-painted, but

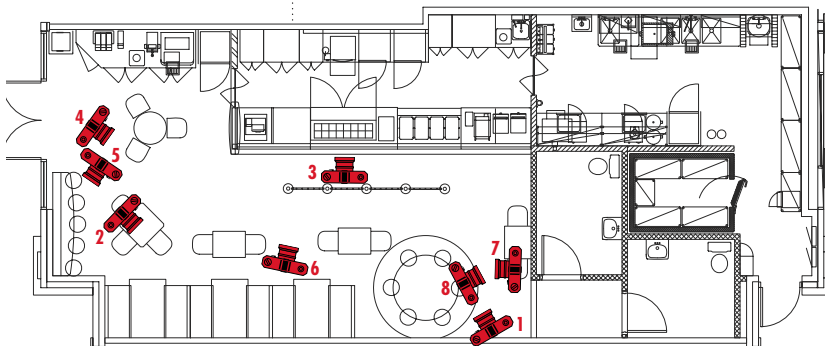
Taco Del Mar hired a local artist to create a digital template. It is less expensive to install and can be customized with local details. For instance, the mural at a restaurant in Fort Worth, Texas, features a Lone Star motif. And, Hansen says, one franchisee personalized the mural by putting his face on a surfer’s buff body.

### One-Stop Shopping

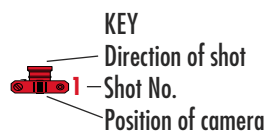
As the design progressed, Taco Del Mar began to see its effect on sales. For instance, in 1998, the chain converted all its existing restaurants to a second-generation look. “At that point we saw a significant sales increase,” says David Huether, Taco Del Mar president.

And three years ago, the chain moved, and then redecorated, its location in Seattle’s Pioneer Square. Sales doubled, to \$600,000, on a \$165,000 investment, Huether says.

However appealing the interior, Taco Del Mar still needed to standardize the design. In early 2005, the chain hired GTC LLC, a



This floor plan is designed to show the location of each key photograph. Shot numbers correspond with numbers in select photos.





# If you think we're picky about our beans,



## wait 'til you taste our chili.

### New Bush's Best Homestyle Chili. The ready-to-serve sensation.

Serve sensational-tasting chili that's a match for scratch. Made to our demanding standards with the finest quality pinto and kidney beans, chunks of premium beef and zesty vegetables in a rich, flavorful sauce.

Entrée, soup or side, our ready-to-serve chili is ready to wow your customers. And wow you, with a 96 oz. batch-size pouch that's easy to store and pour. Taste why being picky about quality makes our chili the very best.



FOODSERVICE

Bush Brothers & Company • Knoxville, TN 37950-2330  
1-800-251-0968



**TASTE AND SAVE NOW!**  
Call 1-800-251-0968 to try  
a FREE sample.

Contact your sales rep to  
save \$8 per case through  
12/31/06.





(From l.) Bamboo poles that cordon off the ordering line are set in pails filled with seashells.

Once culled from 20-plus vendors, decorative objects such as photos and memorabilia now come from a single source.

## Finding a single vendor for the “memorabilia” helped Taco Del Mar save 30 percent on the decor package.

Columbus, Ohio-based multimedia company, to streamline the decor package. GTC began manufacturing decorative items in-house and also added a few pieces, including road signs, a photo of a monkey and a surfboard, and the Carlos clock, to the mix.

Such moves cut the price of the decor package by 30 percent, says Kim Schanzenbach, executive vice president at GTC. According to Hansen, the decor package costs about \$12,000.

Plus, having all the items under one roof saves franchisees time. Taco Del Mar used to buy from about 20 vendors. “Now, it’s

just one phone call,” Schanzenbach says.

She and her team continue to create new items and phase out old ones. They also “police” the decor package, especially with new franchisees. “We reach out to them, explain the [decor] process and get all the architectural plans,” Schanzenbach says. “We lay it out visually for them where things should go.” Without such direction, the brand could become “boiled down,” she says.

### Full-On Franchising

Maintaining brand standards will be crucial as Taco Del Mar embarks on a major franchising push, with 150 to 170 stores scheduled to open in the next year or so. The 207-unit chain is entirely franchised, save for a single company-owned location. The cost of the building is about \$185,000; the value engineering “is pretty much there,” Hansen says.

A few detail-oriented tweaks remain. For instance, the lighting package going forward will use fewer halogen lights and more compact fluorescent bulbs, a move that will save each store about \$1,200 a year in utility bills. The tagline on the exterior sign also has changed to “Mondo Burritos, Rippin’ Tacos.” The former tagline, “Mission Style Burritos,” referred to San Francisco’s Mission district—a regional reference that most customers didn’t understand, Hansen says.

Taco Del Mar can’t tie the new design to higher sales or check averages. However, “without the look, we would not be as competitive as we are,” Huether says. **CL**



### MENU SAMPLER

#### BURRITOS

Pork Mole: rice, beans (pinto, black or refried), meat, cheese and salsa on choice of spinach, wheat, flour or sun-dried tomato tortilla, \$4.69 jumbo, \$5.69 super (with guacamole and sour cream)

#### ADD-ONS

Enchilada Sauce, \$1  
Double the meat, \$1  
Fresh guacamole, 75 cents  
Fresh salsa, cheese or sour cream, 49 cents

#### COMBO MEALS

Two Tacos, with rice, beans and a small drink, \$6.49

Wet Burrito Combo (pictured): super burrito enchilada-style, tortilla chips, salsa and small drink, \$7.99

#### BAJA FAVORITES

Super Meat Nachos: chips, cheese, beans, salsa, sour cream, guacamole and choice of ground beef or chicken, \$5.99



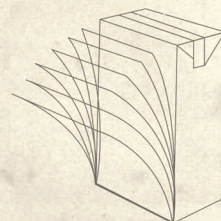


## ALL YOU NEED TO WIN THE BATTLE AGAINST HEALTHY BEVERAGES IS SUPERIOR REINFORCEMENTS.

NEED AN ALLY IN THE HEALTHY BEVERAGE BATTLE? WITH TETRA PAK® WE GIVE YOU THE CAPABILITY TO SERVE BEVERAGES THAT ARE 100% NATURAL WITH A LONGER SHELF LIFE BECAUSE OF ASEPTIC TECHNOLOGY. WE ALSO MAKE IT EASY TO ATTRACT KIDS INTO YOUR RESTAURANTS BY SUPPORTING YOUR PACKAGING IDEAS. YOU GET CONVENIENCE, FEWER EXPENSES AND GREATER PROFITS. YOU LEAD THE ATTACK WHILE YOUR COMPETITION HAS TO SCRAMBLE. YOU REACH CUSTOMERS YOUR COMPETITION CAN'T. YOU WIN THE BATTLE. HOO-RAH.

TO ENLIST GO TO: [TETRAPAKHQ.COM](http://TETRAPAKHQ.COM)

➔  
6 LAYERS  
PROTECT  
BEVERAGES  
NATURALLY



SECRET WEAPON: THE TETRA BRIK®






ON

ON

WE KEEP YOU UP AND RUNNING.



If your equipment is down, your operation can't be productive. That's why Hobart makes sure that when you need service, we fix it right the first time, every time. Hobart technicians go through hands-on, tear-it-down-and-rebuild-it training on a broad range of equipment, so they know their stuff—your stuff, actually. You're in experienced hands that know how to make the quick diagnosis and repairs that keep your equipment on and your operation running. Call 1-888-4HOBART or visit [www.hobartservice.com](http://www.hobartservice.com)

**HOBART**

Solid equipment. Sound advice.





# Jack Be Nimble

*David Theno and Terri Graham step up food quality and flavor while keeping value in the equation at Jack in the Box.* BY MONICA ROGERS

**O**utlaw Burgers, Malted Crunch milkshakes and Sirloin Steak 'n' Cheddar Ciabatta sandwiches are just a few of the upmarket product launches powering Jack in the Box's continued spring above status-quo quick service. Same-store sales at the San Diego-based company grew 3.4 percent over the previous 12 months (fiscal year ended Oct. 1), compared with an average 2.9 percent industrywide gain, according to Atlanta-based RBC Capital Markets.

And some analysts believe the best is yet to come. "Jack in the Box has churned out an average of nine quality products a year

since it opened its state-of-the-art innovation center in 2004," says Larry Miller, restaurant analyst at RBC Capital Markets. "That's a leadership position we expect them to keep." With management's vision for "reinventing" the brand and embracing "the total picture—price, value and experience," Miller anticipates continued same-store-sales growth and improved returns as the chain grows from 2,065 units in 17 states to a national brand.

Jack in the Box's short-term strategy moves the best design, food and service elements from the company's discontinued JBX Grill, the fast-casual concept it tested and then halted in October 2005, into reimagined regular stores. While the company

## SNAPSHOT

### CONCEPT

Jack in the Box

### HEADQUARTERS

San Diego

### UNITS

2,065

### 2005

### SYSTEMWIDE SALES

\$2.045 billion

### 2006

### SYSTEMWIDE SALES

\$2.091 billion\*

### AVERAGE CHECK

\$6.25\*\*

### EXPANSION PLANS

40 in 2006; a similar number in 2007

\*RBC Capital Markets estimate;  
\*\*Chain Leader estimate



*Juicing up the guest experience with higher-end, bigger-flavor ingredients fueled Jack in the Box's 2006 menu strategy.*



**Acapulco Chicken Salad** includes romaine and spring-mix lettuces, chicken, grape tomatoes, red onions, pepper-Jack cheese, cucumbers, blue-corn tortilla strips and cilantro-lime dressing.

Revamped shakes with real-fruit purees and higher-end ingredients took their cue from a test at JBX Grill, Jack in the Box's defunct fast-casual restaurant.

is still adapting service and design bits from the upscale test for application systemwide, upscale and high-flavor-profile food winners have moved much faster to the field.

"Natural-cut fries, natural fresh cheeses, new sauces and toppings, the ciabatta sandwich... There's a ton of stuff we initially did for JBX Grill that's done extremely well launched systemwide on Jack in the Box menus in '06," says Senior Vice President of Quality and Logistics David Theno.

For example, in August the company launched revamped premium shakes such

as Vanilla Malted Crunch. Like those at JBX, the shakes use ingredients such as real-fruit purees and higher-end chocolate syrup in the mix, and come in clear plastic cups with whipped cream and a cherry on top.

Likewise, creative spreads and sauces such as the cilantro-lime dressing on the \$4.89 Acapulco Chicken Salad that launched this summer were tested at JBX Grill before adding oomph to Jack in the Box's lineup.

### Real-Time Tech

To get these and other products to market, Theno works with Vice President and Chief Marketing Officer Terri Graham, Theno on development; Graham on strategy. Both say Jack in the Box's Innovation Center has been key to the process. Opened in 2004, the Innovation Center is where menu ideation, development and testing happens. "It's amazing to watch," says Graham, "because new technologies we have in place at the center actually enable us to do product refinement in real time."

Take the test of the Chipotle Chicken Ciabatta sandwich, \$4.39, which the company launched in April. Designed in response to guest desires for bolder flavor and high quality, the sandwich includes choice of grilled or spicy crispy chicken with green-leaf lettuce, sliced tomatoes, bacon, cheddar cheese and smoky chipotle sauce. But guests tasting early versions of the sandwich said it was too bland. "And because those responses were typed right into laptops, we were able to take that real-time statistical profile and tweak the product so the next panel that came in tasted products that were a little hotter," Theno says.

Ultimately, the sandwich that went



### MENU SAMPLER

#### BREAKFAST

Buttermilk Biscuit Sandwich, with bacon, egg and cheese, \$1.99

Ciabatta Breakfast Sandwich: two eggs, Black Forest ham, American cheese, bacon and hollandaise sauce, \$2.99

#### SALAD

Acapulco Chicken Salad: romaine and spring-mix lettuces, grilled chicken, shredded

pepper-Jack cheese, grape tomatoes, cucumber slices, red onions, blue-corn tortilla strips, cilantro-lime dressing and lime wedges, \$4.69

#### CHICKEN SANDWICH

Outlaw Spicy Chicken Sandwich, with fried onion rings, bacon, American cheese, lettuce, tomatoes and barbecue sauce on a toasted sesame bun, \$3.89

#### BURGER

Bacon 'n' Cheese Ciabatta Burger: two hamburger patties, green-leaf lettuce, tomatoes, red onions, bacon, American cheese and smoky cheddar mayo, \$3.99

#### MILKSHAKE

Chocolate Malted Crunch Shake, with real ice cream, malted crunch pieces, whipped cream and a cherry, \$2.49 regular, \$2.99 large



# Who would have thought?

## Robusto Sandwich

Pavone Mortadella, Pavone Prosciutto, Pavone Genoa Salami, chopped pimiento-stuffed green olives, chopped black olives, extra virgin olive oil, chopped arugula and crumbled feta cheese served on a grilled ciabatta roll.

## A world of flavors Italian Style



When it comes to innovative products for the Italian market, Patrick Cudahy delivers. Our Pavone Italian Deli Meats will help you capitalize on the growing popularity of Italian foods – the hottest menu trend in the nation! From the exotic flavor of Prosciuttini to the classic taste of Capicola, Pavone Italian Deli Meats will add a world of flavors to your menu. And there's plenty more.

Pavone Italian Deli Meats will help build your check average and your customer base. It's time to innovate!

For more recipe ideas and Patrick Cudahy's full line of products, call Dan Kapella at (800) 486-6900 or visit us at [www.patrickcudahy.com](http://www.patrickcudahy.com).



"Home of Sweet Apple-Wood  
Smoke Flavor®"

A **Smithfield**™ Foods Company



*Indulgent items such as Jack in the Box's summer promotional Diner Melt do especially well for the late-night diner.*

Jack in the Box's Steak 'n' Cheddar Ciabatta was in test for two years "to ensure the sandwich would feature real steak, not something like it," says David Theno, senior vice president of quality and logistics.

Offered from May through July, Diner Melt combo meals featured one- or two-decker patty melts topped with two cheeses and grilled onions, paired with natural-cut fries and a premium shake.



to market played up the smoky notes of the chipotle. "We didn't end up taking the sandwich to a spicier heat level," says Theno. "We just better enhanced the sauce to bring out the full flavor of the chipotle."

### Price, Value, Experience

Looking at the bigger picture, Jack in the Box tackled menu strategy on three fronts in 2006: launching a new product each quarter, weaving value promotions with premium products, and introducing products that focus on specific dayparts.

Broadening breakfast—an underutilized daypart for Jack in the Box—the company added biscuits systemwide in September as a side item and in two breakfast sandwiches: bacon, egg and cheese, and sausage, egg and cheese, each \$1.99.

Traffic-building promotions included summer's The Big Deal, a \$2.59 bundle of a chicken sandwich, two beef tacos and a 20-ounce drink.

Indulgent products included the Diner Melt combo meal offered from May through July. It featured a one- or two-decker patty melt topped with two cheeses and grilled onions, paired with natural-cut fries and a premium shake for \$5.39 and \$5.79, respectively. The two Outlaw sandwiches also fit the premium category. The burger version, \$3.29, has fried onion rings, bacon, American cheese, lettuce, tomatoes and barbecue sauce. The spicy chick-



en, \$3.89, substitutes a spicy fried chicken breast for the beef. And the Steak 'n' Cheddar Ciabatta, \$4.59, launched in October, crowns the lot.

Of these, developing the Steak 'n' Cheddar Ciabatta sandwich—marinated sirloin pieces on toasted ciabatta with cheddar cheese, red onions, tomatoes, green-leaf lettuce and creamy peppercorn mayo—took the most time. The company spent two years developing the sandwich, "testing all the varieties of steak available to get the right flavor, texture and bite," Theno says. During early tests, Theno recalls, "People would say, 'Well, that's steak-like.' But we spent time and did the diligence to ensure the sandwich would feature *real* steak, not something like it."

### King of Steak

Throughout the process, Theno's personal penchant for red meat helped him not only endure but enjoy the task. "I'm the king of steak," Theno laughs. "I've always loved the texture, the aroma, the wide variety of tastes." But taking that devotion deeper than his own diet, Theno got a Ph.D. in both food and animal science, leading to jobs directing food quality and safety at Armour Foods and Kellogg's. He joined Jack in the Box soon after the chain's E. coli outbreak in 1993, where he created and implemented a comprehensive system for safely preparing, holding and serving food. Willing to share the program at industry and USDA food-safety councils, Theno helped change the way the fast-food segment handles hamburgers.

But whether he's working on burgers or French toast sticks, Theno says his development objective in the quick-service setting is the same as it was when he shaped food for sale in the retail case: "Your whole equation only works if you deliver on the promise. People see a photo on a package of food or on a restaurant marquee and say,





## When there's no time to lose, you have the most to gain from Dawn.



Sometimes when you're running a bakery operation all you're doing is running. You understand that. Your managers understand that. And after 80 years in the bakery business, Dawn certainly understands that. For decades, we've helped chains make the most of their bakery programs. We provide every type of bakery product essential to your success, including customized products, to keep quality consistently high from location to location and region to region. Those products are backed by ideas and support designed specifically to suit your operations, created by the best research and development and customer service teams in the business. And it's all powered by nationwide and international distribution strength that gets you what you need on time and accurately. So tap into all the customer benefits that Dawn's single-source production and distribution can provide. Contact your Dawn representative or call **1-800-248-1144**, when you have a moment to spare.



**Dawn**  
FOOD PRODUCTS, INC.

Bakery success starts here.

Jackson, Michigan • [dawnfoods.com](http://dawnfoods.com)



*Beyond the hamburger bun, Jack in the Box builds sandwiches on grilled sourdough bread, flaky croissants, warm tortillas, toasted ciabatta rolls and buttermilk biscuits.*



First in Jack in the Box's ciabatta sandwich line-up: Bruschetta Chicken Ciabatta, with provolone cheese, green-leaf lettuce, mayo-onion sauce and diced tomatoes marinated in basil, garlic, olive oil, vinegar and Parmesan cheese.

'That sounds like what I want.' It's my job to deliver on it. If the taste doesn't meet or exceed guest expectations, I've failed."

Thus far, Jack in the Box's efforts to up the flavor and quality ante have been successful, with some of its most positive guest reactions linked to its burgeoning line of ciabatta sandwiches. The bread, says Theno, has been crucial to their success. With a distinctive but not overpowering flavor profile and texture, ciabatta is hearty, holds up well and is a great platform for premium builds and flavors, Graham says.

Jack in the Box first used ciabatta-style bread in February 2004 for a deli-sandwich trio called the Pannido. "It had some loyal users but just didn't resonate with our core user," Theno says. Still, because guests liked the bread so much, Jack in the Box had its supplier change the foot-long thin loaf used for the Pannido into a square ciabatta roll. The company debuted the square roll with its February 2005 launch of the Bruschetta Chicken Ciabatta, \$4.29, grilled chicken breast with provolone cheese, green-leaf lettuce, mayo-onion sauce and diced tomatoes marinated in basil, garlic, olive oil, vinegar and Parmesan cheese. The roll now serves as the platform for several chicken sandwiches, burgers, a breakfast sandwich and the new steak sandwich.

### **All Day, Every Day**

While the ciabatta line underscores Jack in the Box's success developing high-end tastes, improving operations to consistently deliver those tastes continues to be a challenge. "Serving the whole menu, all day, every day, is one of our major points of dif-

ferentiation from competitors, and it's also one of our biggest challenges," says Theno. "There's a complex choreography that goes into making that happen."

Theno says he continues to put a lot of thought into "pre-prep and things that will help us get a running start on items that might be a speed bump during certain times of the day." Someone ordering a chicken-fajita pita sandwich at breakfast time, for example, used to throw a wrench into the works. "But we've done some things with pre-positioning of ingredients, etc., to allow handy access and to simplify getting that sandwich ready quickly, no matter when it's ordered," he says.

Keeping food costs in line is also a challenge. "Used to be, quick service was its own competitive set," says Theno. "But the need to improve quality to compete with fast casual and casual theme at the same time that we offer value has been a continual hurdle for us. There's been a lot of price pressure."

Relieving some of that pressure: Jack in the Box's higher-priced premium products. "Our increase in same-store sales through the first three quarters of this year was driven by an increase in transaction and an increase in average check," Theno says.

Moving forward to next year, Graham says guests continue to want higher-quality, fresh ingredients that offer more diversity and higher flavor profiles: "Products that go beyond everyday fare." She says Jack in the Box will continue to evolve breakfast offerings, offer more high-quality indulgences and more snack options along with new lunch and dinner items.

While Theno hopes to allow for some regional variation in menus as Jack in the Box grows, such items would still need broad appeal. "If the product doesn't have velocity, it doesn't stick," he says. "It has to appeal to a large group." **CL**

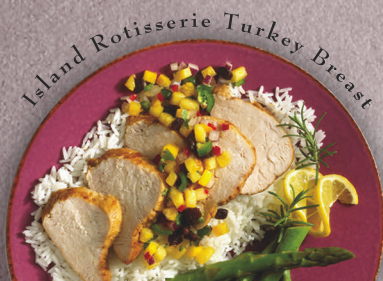




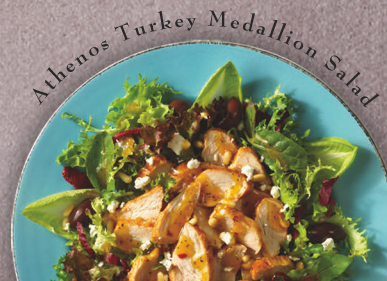
When it comes to deciding on  
**NEW MENU ITEMS,**  
we know whose neck is on the line.

Don't risk it all for your menu. Choose Carolina Turkey.  
It's what you and your customers have been craving.

For more information, call 919-658-6743 or visit [www.carolinaturkey.com](http://www.carolinaturkey.com).



Teriyaki Turkey Satay





## Meet the Scotsman Prodigy™ Cuber.

As the latest advance in ice making, this self-monitoring cuber with external indicator lights alerts your staff when it's time to perform normal maintenance or call for service before it's an emergency. The result is today's most reliable, foolproof ice system. And because it's the most energy-efficient, there's no smarter choice in ice. To "get in the know" about this or other smart Scotsman products, call 1-888-ICE-CUBE or email us at [prodigy@scotsman-ice.com](mailto:prodigy@scotsman-ice.com).



I tell you what you need  
to know before you know  
what you need to know.  
You know?



For details on other operational solutions, or for installation and start-up assistance, visit [www.scotsman-ice.com](http://www.scotsman-ice.com) or [www.enodis.com](http://www.enodis.com)

Enodis®



## SNAPSHOT

## CONCEPT

Benihana

## HEADQUARTERS

Miami

## UNITS

75

## 2006 SYSTEMWIDE SALES

\$190 million (fiscal year ended March 2006)

## AVERAGE UNIT VOLUME

\$3.4 million

## AVERAGE CHECK

\$24.96

## EXPANSION PLANS

3 company and 3 franchised units in fiscal 2007



a yen for

## SAKE

*Benihana capitalizes on sake's growing popularity with a more comprehensive menu.*

BY MAYA NORRIS

As Japanese fare such as sushi, wasabi and miso become more ubiquitous in the United States, it's not surprising that sake, Japan's traditional rice wine, is also gaining a following among Americans. Japan exported nearly 3 million liters of sake to the United States last year, up from 1.5 million in 1998, according to the Japanese Ministry of Finance.

So when Benihana decided to create a new prototype, it couldn't pass up the opportunity to revamp its sake offerings, too. The Miami-based teppanyaki chain reinvented its sake menu with a slew of premium sakes from Japan and creative sake cocktails that stay true to its Japanese heritage while showcasing a more contemporary Benihana.

After spending a year developing its

sake program, Benihana rolled it out to the 75-unit system from October 2005 to January 2006. "More people are aware now about sake, and they are ordering it more," says Director of Beverage Enrique Briceno. "The main thing was just make [the sake menu] a little bit exciting—create more awareness about sake and the different presentations."

## Sake Education

Even though sake connoisseurs say that high-quality sake should be consumed chilled, most people in the United States are only familiar with inexpensive warm sake, which is heated to mask its flaws. While Benihana does offer one house sake served hot, its new sake menu features nine premium chilled sakes from Japan.



Benihana's new sake program centers around nine premium chilled sakes from Japan.

They also serve as the base for Benihana's new Sake Cocktails.



## LIQUID MEASURE

*Seventy percent of the customers who order Benihana's sake-based cocktails are women.*



Benihana's best-selling Mango Saketini blends mango, pineapple, orange and lemon juices with sake.

Three of the sakes fall into the daiginjyo category, the highest grade, \$9.50 to \$12 a glass and \$47.50 to \$62.50 a bottle. The three junmai-ginjyo-grade sakes are the least expensive, \$6 to \$8.50 a glass and \$28 to \$38 a bottle. And the remaining three junmai sakes fall in the middle, \$6.50 to \$8.50 a glass and \$35 to \$46 a bottle.

To educate customers about the subtle flavors and textures of sake, Benihana offers the Sake Grazer, \$12, three 2-ounce glasses of premium sake ranging from sweet to dry. It comes with a card describing each sake in the flight, including the brewing process, classification, sugar concentration and flavors.

"By sampling and by experimenting, it really makes a difference in the customer experience," Briceno says. "It's then easier for us to determine what they like. That sampler really works well." The Sake Grazer makes up 20 percent to 30 percent of sake sales.

### Creative Combinations

With half of the menu dedicated to premium sake, Benihana decided to get creative with its new stash. Sake now serves as the base for several new cocktails. The best-selling ones feature a sweet flavor profile: Mango Saketini, \$6.50, blends mango, pineapple, orange and lemon juices with sake; and Ocean Blue, \$6.50, mixes sake, blue curacao, triple sec and pineapple juice. Customers who prefer their cocktails on the dry side often order the \$6.50 San Diego Beach, which features sake with apple pucker and pineapple juice.

# TAP It!

The Ultra Water Filtration Solution

**And Tap Into... The Total Assurance Package**

**More Safety Assurance**

Our unique separate mechanical Ultra-Filter (UFL) and chemical (carbon) elements provide the ultimate in efficient and effective filtered water. With critical reduction of turbidity, cysts, bacteria and viruses to .015 microns, you receive total water safety assurance.

**More Cost Assurance**

This unique system offers an assured rated life of 120,000 gallons of treated water per carbon change everytime - based on dollars per gallon. As the only controlled to own water filtration solution available, it delivers total water cost assurance.

**More Quality Assurance**

Its automatic smart controller self-cleans the innovative patented Multi-Bore Ultra-Filtration module as needed. This allows for the consistent feed of pure water

other configurations available

**KI 2006 AWARD**

**NSF**

**Water Quality Association**

**For more information call 800.253.2991 or visit [www.antunesfiltration.com](http://www.antunesfiltration.com)**

**Antunes Filtration Technologies**  
DIVISION OF A.J. ANTUNES & CO. • ISO 9001:2000 CERTIFIED

**AJ Antunes & Co.**  
Headquarters/Manufacturing  
180 Kehoe Boulevard  
Carol Stream, IL 60188 USA  
P: 630.784.1000  
TF: 800.253.2991  
F: 630.784.1650

**Antunes Equipment**  
Manufacturing (Suzhou) Ltd.,  
9 Hou Ju Road, Building #24,  
S&T Park, SND  
Suzhou, Jiangsu, China 215011  
P: 86.512.6841.3637  
F: 86.512.6841.3907





Consumers today are always open to grabbing a taste of energy-infused specialty coffee. But it's up to you to make the first move.

Learn all about their thrill-thirsting drinking habits and how to capture their attention and affection with NESCAFÉ®. 1-800-288-8682.

drinkUp  
**NESCAFÉ**



TRADEMARK OWNER: SOCIÉTÉ DES PRODUITS NESTLÉ S.A., VEVEY, SWITZERLAND



## LIQUID MEASURE

When Benihana decided to create a new prototype, it couldn't pass up the opportunity to revamp its sake offerings given sake's growing popularity in the United States.



## Revolutionary Ideas

*in Foodservice Products*



### "CLEANLINESS IS..."

- Hinged design allows for
  - easier cleaning
  - the most thorough cleaning possible—like new
  - reduced threat of fire



Hinged Design



Slotted Baffles

Patent Pending

### "A PENNY SAVED..."

- Unique, slotted baffles reduce static pressure, creating
  - less strain on fan motor
  - greater heat removal
  - quieter operation
- Approved by the City of New York Department of Buildings MEA 1-05-E
- NFPA No. 96 approved
- Stainless steel
- Each filter individually boxed



**Franklin Machine Products**

Parts and Accessories for the Foodservice Industry  
Lumberton, NJ • Las Vegas, NV

800-257-7737 • 609-267-3700 • 24-Hour Fax: 800-255-9866 • 609-288-9058

FMPONLINE.COM

**www.franklinfilter.com**

*Sake has helped boost Benihana's beverage sales to 17 percent to 20 percent from 15 percent to 16 percent.*

"There's some people that want to try something refreshing but not very heavy, and [the sake cocktails] look good, and it's fun," Briceno says. "[Customers] can have one or two or even three and not feel like when they've had three martinis—that it's too much for them and they can't handle it."

The new menu also pairs sake with food in the Sake & Snack section. For \$12.50, customers choose from junmai, junmai-ginjo or daiginjo sake and one snack dish: Beef Sashimi; Shrimp Tempura; Kai-San Trio, sliced octopus and hokkigai (Japanese clam), and julienne squid with masago caviar; or Marinated Salmon, three pieces of marinated salmon roll with cream cheese, avocado and sliced onion. Popular pairings include Kikusui junmai ginjo with the Marinated Salmon, and Tamanohikari daiginjo with the Kai-San Trio.

With premium sakes, sake cocktails, and a menu category pairing sake and food, Benihana's new sake menu is a far cry from the chain's previous selection. The restaurants previously offered only two or three sakes. And the sake offerings differed among units





Your Beverage

Our Flavoring...

Your Success!



IMAGINE THE POSSIBILITIES

Over 80 premium flavors to customize your iced teas, lemonades, coffees, cocktails and desserts  
800.966.5225 • [www.monin.com](http://www.monin.com) • **Drink Responsibly / Drive Responsibly**



*Benihana will soon supplement its sake menu with limited-time offers such as sake sangria and sakes infused with fruits.*



Benihana will debut its first sake-based limited-time offer, a sake sangria that will be available from November through January.

based on what sakes were available regionally. "All of that now is in the past," Briceno says. "Everything is consistent now. Everything is uniform."

### Paying the Price

But executing a large, sophisticated sake program for a national chain comes with a price. The sake menu increased beverage costs overall by 1 percent, to 18 percent to 19 percent. "The new menu had a little bit of increase in cost because we're dealing with higher-priced items, but we expected it," Briceno says. "We're not concerned about that. We have a great item on the menu, and we're proud of it."

Sake, however, has helped boost Benihana's beverage sales to 17 percent to 20 percent from 15 percent to 16 percent. Sake sales now make up 5 percent to 7 percent of beverage sales; because the sake offerings differed at each unit prior to rolling the new sake menu, the company does not know how much sake previously contributed to beverage sales. The average beverage check has also increased about 50 cents to 60 cents to \$5 to \$5.10.

Now that Benihana considers the sake program a success, it is ready to supplement it with limited-time offers. The company will introduce a sake sangria from November through January and sakes infused with fruits such as strawberry and blueberry next year. It also wants to add more sushi to the Sake & Snack menu.

As the company continues to evolve its core sake menu and develop sake-based LTOs, Benihana's mission is to make sake accessible to its customers: "We don't want to be snobs about sake," Briceno says. "We want people to be able to come in and enjoy and experience." **CL**



The **quality**  
you want.  
The **service**  
you desire.

**Wasserstrom**  
Foodservice smallwares and equipment, since 1902.

**Smallwares:** The Wasserstrom Company  
477 South Front Street Columbus, Ohio 43215  
p. 800.999.9277 f. 614.228.8776

**Equipment:** N. Wasserstrom & Sons  
2300 Lockbourne Road Columbus, Ohio 43207  
p. 800.444.4697 f. 614.737.8501

[www.wasserstrom.com](http://www.wasserstrom.com)

Columbus, OH • Jacksonville, FL • Allentown, PA • Dallas, TX  
Minneapolis, MN • Phoenix, AZ • Oklahoma City, OK • New Orleans, LA  
Greenville, SC • Venezuela, South America



at the  
**Manitowoc  
 Foodservice  
 Group**  
 we **innovate**  
 not imitate



## Leadership and innovation go hand-in-hand.

It's no coincidence that Manitowoc Foodservice Group has emerged as the dominant source for foodservice equipment on the "cold-side". We believe our commitment to innovation and leadership is what sets us apart from the others. Our leadership is proven by our award-winning performance — from our recent "Best in Class" distinctions for both Kolpak and Manitowoc Ice, to our "Innovative Showcase" recognition for our heavy-duty structural walk-in flooring, to our "Dealer Design Award" for the S-Series ice machine\*. Innovation is reflected in our continuous cycle of new product introductions such as the **icepic**, a built-in ice crushing option on select Servend beverage dispensers. Our products demonstrate what we do best ...delivering superior cold-focused foodservice equipment.

\*Awards: FE&S magazine "Best in Class Awards" for Kolpak and Manitowoc brands, FCSI's (The Consultant) Innovative Showcase recognition for Kolpak heavy-duty structural flooring, and The News Dealer Design Award for S-Series ice machines.

[www.manitowocfsg.com](http://www.manitowocfsg.com)



Servend MDH beverage dispenser with the built-in **icepic** option.



# Don Was There...



## ...to Deliver

In the 1920s, America took to the road. And, since they couldn't bring their kitchens with them, the modern restaurant was born. Don was there to deliver equipment and supplies to diners, clubs, hotels and the first roadside stands that would soon grow into national chains. Today we help keep the foodservice industry rolling by distributing everything from tableware and disposables to kitchen equipment and cleaning supplies from six strategically located distribution centers.



**Edward Don & Company**  
**85 years of everything but the food.**



800-947-6892 [Don.com/leader](http://Don.com/leader)



*A storied career prepares industry veteran Jon Luther to reinvigorate Dunkin' Donuts.*

# The JOURNEY and the DESTINATION

BY DAVID FARKAS

If you hop on the bus that shuttles you from the train station to Boston's Logan International Airport, you might notice on the way the large banner hanging from a terminal overpass that reads, "Your final final destination—Dunkin' Donuts." The sign is just one of many clever marketing ploys the recharged chain uses to entice travelers to grab something on their way to someplace else.

One might ask whether that message now applies to Dunkin' Brands CEO and Chairman Jon L. Luther, who joined the chain's parent in 2003 (the company also owns Baskin-Robbins and Togo's). The 35-year veteran of the industry turned 63 this year, and his "evergreen" contract with the new owners is up. Bets are he will renew it. After all, he has just begun reinvigorating Dunkin' Donuts, launching a new expansion

plan, ad campaign, beverage menu and prototype since arriving.

Sharon Luther, who's been married to Jon (or Jack, as family and old friends call him) for 40 years, believes he won't retire soon. She says he's more likely to relinquish his chief executive title and hold onto the chairmanship then join boards of other companies. "Jack enjoys his work so much," she says.

Luther, winner of *Chain Leader's* 2006 Chain Leadership award, remains coy about his long-term plans. "Who knows what the future will hold?" he says.

Certainly Luther had no idea of the hugely successful career that lay ahead when he began flipping burgers as

**Dunkin' Brands Chairman and CEO Jon Luther, who began his career as a vending-services salesman, believes no foodservice job is unessential.**





## BIOGRAPHY

**Full Name:** Jon L. Luther

**Hometown:** Tonawanda, N.Y.

**Age:** 63

**Education:** associate's degree in restaurant and hotel management, Paul Smith's College

**Current work:** CEO and chairman, Dunkin' Brands, Canton, Mass.

**Ladder climbing:** Began foodservice career in 1959 flipping burgers at Henry's Hamburger in Buffalo, N.Y. Joined Service Systems, also in Buffalo, as a vending-services salesman.

Became vice president of marketing, ARA Services, Philadelphia, and in 1981, president of Davre's, ARA's fine-dining division. In 1987, founded Benchmark Services, a corporate-dining-services company, Oakton, Va. Became president, CA One Services, an airport concessionaire based in Buffalo, in 1992. Moved to Atlanta-based Popeyes Chicken & Biscuits as president in 1997. Joined Dunkin' Brands as president in 2003.

**On his night stand:** *Team of Rivals* by Doris Kearns Goodwin

**Hobbies:** reading, golf

**Personal:** married to wife, Sharon, with two grown children and four grandchildren



Luther toned down the color scheme and made the new prototype in Pawtucket, R.I., more comfortable for people who want to linger over coffee.

*"Whenever I think I'm getting too full of myself, I get on a plane and go back to Buffalo."* —Jon Luther

a teen-ager at Henry's Hamburger in blue-collar Tonawanda, N.Y., the river town near Buffalo where he was reared. Nor did he have much of a plan when he married Sharon Dickman in 1966 while at Paul Smith's College in upstate New York, where he earned an associate's degree in restaurant and hotel management.

"I was wild and crazy. Let's put it that way. I don't want to get too personal," an emotional Luther explains during an interview at Dunkin' Brand's headquarters, dubbed Brand Central, in Canton, Mass. "In many cases, you could have said, 'This guy isn't worth the trip.' [Sharon] saw somebody."

Others, apparently, saw his potential, too. "I remember Jon was a shining light in a very competitive environment, and he held his own," recalls retired professor Harry Purchase.

### Taking on the Competition

Luther has thrived in competitive situations ever since, earning himself one promotion after another along the way. He is in a doozy of a situation now, with 5,097-unit Dunkin' Donuts facing an uphill battle for market share as it expands to Cleveland; Pittsburgh; Nashville, Tenn.; Atlanta; Charlotte, N.C.; and Tampa, Fla., in

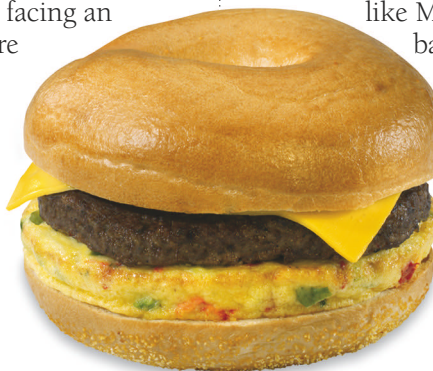
Dunkin' Donuts' breakfast sandwich, introduced in 2005, has helped increase average unit volumes, now in the \$900,000 range.

an attempt to build a national brand while establishing itself as a beverage purveyor. Starbucks has posted its biggest same-store-sales gains east of the Mississippi, analysts say.

The payoff could be enormous for management and the three private-equity firms that acquired Dunkin' Brands for \$2.4 billion late last year. Sales at chains in the bakery-cafe and beverage categories climbed 23 percent and 19 percent in 2005, respectively, to \$9.9 billion, according to Technomic Inc. At doughnut chains alone, a \$5.3 billion segment, sales climbed 12 percent. The market-research firm expects category sales to climb 13.5 percent for bakery-cafes and beverages and 7 percent for doughnut chains in 2006.

Expansion, however, has proved challenging. In Tampa, for example, new franchisee and Boston native Marty Bloom discovered customers bought more doughnuts than coffee, which is more profitable. Luther has trimmed royalty payments in new markets. "They are listening," Bloom says of Dunkin's top brass.

To help franchisees keep competitors like McDonald's and Starbucks at bay, Luther has introduced lattes, iced coffee and smoothies, backing them with a \$100 million ad campaign tagged "America runs on Dunkin'." Like Starbucks, he's also rolled out a breakfast sandwich. Smart. Takeout breakfast has grown 50 percent since





# InfoPOS™

# Quick Service Industry's #1 POS SOFTWARE

ALL Inclusive • 100% Enterprise Driven  
Internet Controlled • No Monthly Fees  
Download in LESS than a Minute at  
[www.InfoSoftTechnologies.com](http://www.InfoSoftTechnologies.com)

Runs Seamlessly on **ANY** Windows® Based Terminal

- Instant royalty tracking
- Store level reporting
- Area director incentives
- Store-wide pricing control

See Us at FS-TEC, Nov 5-8th  
Long Beach CA, Booth #545

## Ice Cream Stores

*"InfoSoft's management & support teams have been there every step of the way. Our franchisees are able to manage their stores more effectively with InfoPOS™ by obtaining sales, management, payroll and other information at any time."*

Peter Cancro, President/CEO  
Jersey Mike's Franchise Systems

## Smoothie Bars

*"Designed specifically  
for Franchise Systems  
and Chains"*



## Burger Chains

*"Our ability to obtain product level sales data and other key management information allows our Headquarters, and our franchisees, to produce management reports that focus on key business indicators."*

Farrellynn Wolf, CFO  
Mr. Goodcents Subs and Pastas  
Franchise Systems

## Sub Shops & Delis



Call Now - 800.574.1622

## Bakeries & Cafés



*"I just knew he was going to be successful."* —Sharon Luther

2000, from 14 to 21 occasions per year, says Port Washington, N.Y.-based NPD Group. To boost afternoon sales, the chain is testing grilled flatbread sandwiches and bottled soft drinks in two prototype units, in Euclid, Ohio, and Pawtucket, R.I. Luther is mum on the financial performance of any initiatives.

Joe Scafaido, Dunkin' Brands' chief creative and innovation officer, recalls that the first thing Luther did on arriving was to stress there's no room for the "thinly disguised contempt" for franchisees

prevalent in fast-food companies. "Jon brought clarity that we don't exist without them," notes Scafaido, a Luther acolyte since they worked together at Popeyes Chicken & Biscuits.

"I learned a long time ago that no job is unessential, especially in our industry," says Luther. At the moment, he is referring to a cafeteria worker who showed him how to wash pots and pans shortly after graduating from college and going to work for Service Systems, a contract feeder in Buffalo.

More than once during the interview Luther says that had he not met his wife, gone to college at his dad's insistence or been naturally curious he might have ended up as a working-class

stiff. "If it wasn't for Sharon, God knows, I might be working in a Chevy plant or just a bar owner hanging out with the old gang in Tonawanda," he says. Later, he offers, "If it wasn't for a couple of breaks, I'd still be working in Buffalo."

## The Power of Persuasion

Luther got his first taste of success after joining Philadelphia-based Aramark, then known as ARA Services. He started there as a salesman in his late 20s peddling vending services and doing well. "I was selling to folks who couldn't afford cafeterias. It's a down-and-dirty, grind-it-out kind of business," he recalls. "It was then I realized I had persuasive skills and empathy. I realized that I have the ability to persuade people to do things the way I like them. I am always sort of humbled by my success. So I don't realize some of the tools I have at my disposal."

The "tools" helped establish Luther's reputation as a mover and shaker in 1978. As vice president of marketing for ARA Services, he convinced R.J. Reynolds Tobacco Co. to ditch Marriott Corp., an all-but-signed management contract worth about \$10 million, and hand it to ARA instead. "No one believed we could do it," Luther recalls. "It was a pivotal moment because it catapulted us out of the vending business and into business-and-industry feeding." Says retired ARA Services President John Farquharson, a colleague of Luther's in those days: "Aramark would not be the company it is today if it wasn't for Jon."



The design of future Dunkin' Donuts stores will include open-air display cases, colorful graphics and trendy lighting.

## EXCELLENCE IN EXECUTION

*Chain Leader* will be honoring the industry's legends, leaders and future leaders with its third annual *Chain Leader* Execution Awards, which will be presented at *Chain Leader LIVE* Nov. 1-3 in Chicago. Following are the award winners.



**Protégé:** *Chain Leader* readers nominated several young up-and-comers, from which the editorial staff selected John Metz Jr., chef and co-owner, Hi Life Kitchen & Cocktails, Aqua Blue Restaurant & Bar, Marlow's Tavern and Sterling Spoon Catering.



**Chain Leadership:** The executives who have appeared on the cover of *Chain Leader* since its inception in August 1996 voted for the person who currently has the greatest influence on his company and the industry. They selected Jon Luther, chairman and CEO of Dunkin' Brands.



**Legend:** The cover subjects named Richard Melman, founder and chairman of Lettuce Entertain You Enterprises, as the industry leader who has inspired them the most in their careers.





## ALL THE FLAVOR. IN HALF THE TIME.

Time. It's the one ingredient you always wish you had more of ... and now you do.

The Amana® Convection Express™ puts time on your side. It allows you to bake, brown, crisp and toast in half the time — using one-quarter of the space — and no special ventilation. That means you get faster turns, more flexibility and higher profitability. While your customers enjoy that same perfectly prepared flavor they've come to expect.

Call Amana. And bring superior high speed food preparation techniques to your kitchen as you ...

## THINK INSIDE THE BOX.™

Convection  
Express™



[www.amanacommercial.com](http://www.amanacommercial.com) 1-800-233-2366

PART OF

**AGA**

FOODSERVICE GROUP

**Amana**  
HIGH PERFORMANCE HAS A NAME™

©2006 AGA Commercial Products, Inc.





*"If you understand and buy into his vision, he's the easiest guy to work for."*

—Joe Scafaido, chief creative and innovation officer, Dunkin' Brands

Dunkin' Donuts is repositioning itself to take full advantage of America's propensity to snack throughout the day instead of eating square meals.

This year Dunkin' Donuts launched smoothies to build "meal replacement" sales, particularly in the afternoon.

Dunkin' Brands Vice President of New Concept Development Randy Brashier, who has known Luther since 1992, also has first-hand knowledge of Luther's persuasive powers. When Brashier worked for CA One Services, an airport concessionaire now called Travel and Hospitality Services, where Luther was president, he learned his boss intended to put a Wolfgang Puck restaurant into LAX. It was an audacious suggestion; no one expected anything but national brands to attract travelers. Luther cooked up "Gateway," a plan to seed airports with local restaurants as a way to introduce visitors to a particular city.

Convincing a famous chef was difficult enough, but persuading airports to bring the brands in the

first place and at a lower rent compounded the problem. "We had to convince them to give up rent because of the increased sales that unique brands would generate," says Luther, noting rent at Denver's old Stapleton airport was 56 percent of sales.

He had two aces in the hole. "We knew airport directors always talked to each other. We knew word would spread," he says. And Luther and Puck had friends in common. Before joining CA One, Luther ran Davre's, ARA's fine-dining division. Davre's brought Puck, then an unknown Austrian chef, to the United States, to work in Indianapolis, though by then Luther was gone. Still, Puck had fond memories of his brief tenure and met with Luther.

"He did not want to do it. He had a [small] restaurant in the Promenade and couldn't make money," Luther says. Puck eventually relented and opened two airport restaurants. Luther remembers running into him. "His restaurants at LAX were doing \$4.5 million a year. He told me, 'Jon, I've gotten more compliments on my United Express [restaurant] than I ever did at Spago,'" says Luther, adopting an Austrian accent.

"No one knows brands better than Jon," raves Brashier, who along with Rich Melman, founder and chairman of Chicago-based Lettuce Entertain You Enterprises, helped develop fast-casual Cajun Kitchen and mall-based Popeyes Cajun Cafe, two of three concepts Luther championed while president of Popeyes from 1997 to 2002. AFC Enterprises, Popeyes' parent, never opened the third, a grill concept.

## Moving Up

Popeyes' financial performance improved significantly under Luther, who also redesigned the original restaurants and launched new product





Fresh Tortillas.

Fresh Ideas.



Change is good. Start with Mission® Pre-Cut Unfried Tortilla Chips—White Corn and Jalapeño and Chipotle flavors. Top with seared scallops, diced peppers and crumbled feta and serve with zesty cilantro lime sauce for Seared Scallop Nachos. It's a whole new nacho, and it's just the beginning. Add color to your menu with zero trans fat Mission tortilla products. Never frozen, always innovative. For more menu ideas, visit us at [www.missionfoodservice.com](http://www.missionfoodservice.com).



Think outside the tortilla.®



## COVER STORY

*"I want everyone to think [the prototype] is their coffee place."*

—Jon Luther

Doughnuts assume an ancillary role in new units. Soft drinks, gourmet cookies, sandwiches and cold beverages like smoothies get top billing.



lines. Filings show Popeyes' systemwide sales, unit counts and comparable sales climbed each year during Luther's tenure. "He was such a star," says former AFC Vice President of Communication Ellen Hartman, now president of public-relations firm Weber Shandwick Atlanta. Luther resigned from Popeyes in January 2003 to join Allied Domecq QSR, then parent com-

pany of Dunkin' Donuts, Baskin-Robbins and Togo's.

Luther won't say how well Dunkin' Donuts is performing, citing private-company privileges. Industry observers speculate the chain is posting comparable sales in the range of 3 percent to 6 percent, or slightly better than the QSR segment. Average unit volumes have increased to \$900,000, largely on the strength of beverage sales.

### Stiff Competition

Still, gaining market share will be a fight. Giant Starbucks has announced plans to infiltrate second- and third-tier cities. It also released research that shows the average annual income of first-time customers is \$80,000, down from \$92,000 five years ago. That figure may not yet define Dunkin' Donuts' core customer, but it's moving in the right direction.

Dunkin' Donuts' new prototype, the model for all new markets, will help shape defenses. A departure from the loud pink-and-orange interiors of old, the restaurant is less garish and more upscale, to which gourmet cookies, flatbread sandwiches and yogurt parfaits in an open-air display case attest. Yet the point of the concept—and what separates it from its competitors—remains: speed.

Farquharson doesn't doubt for a minute that his former colleague can get the job done: "When Jon says something is going to happen, it happens. He doesn't bullshit. He knows what employees are up against."

Declares Luther: "This isn't the old Dunkin' Donuts." **CL**

## THAT'S RIGHT, WE SELL LAND TOO.



Does your business need the perfect spot to call home? Pick up a Wal-Mart outparcel, and enjoy the unparalleled opportunity for success that comes with being our neighbor.

**WAL-MART**  
REALTY  
A DIVISION OF WAL-MART STORES, INC.



For a complete listing of available properties, call 479-204-2020 or visit

[WWW.WAL-MARTREALTY.COM](http://WWW.WAL-MARTREALTY.COM)



*It's surprising how much noise it takes  
to create small chunks of frozen water.*

*Or at least how much  
it used to take.*



YOU DON'T HAVE TO MAKE A LOT OF NOISE TO BE SUPER PRODUCTIVE. With its remote-condenser design and radically smaller footprint, the *Serenity Series* icemaker lives up to its name by producing as much or more ice than one-piece units, but far more quietly and with less heat. With an accomplishment like the *Serenity Series*, we were tempted to blow our own horn—but that would make too much noise. Besides, it might distract from The World's Most Perfect Ice.

For more information call 800.438.6087 or visit [www.hoshizaki.com](http://www.hoshizaki.com).

A Superior Degree of Reliability





# Family Matters

*Frequent family-dining customers not only come in more often, they spend more money and bring more dining companions.*

BY MARY BOLTZ CHAPMAN

Loyal customers of family dining not only visit more, they spend more, according to Family-Track, a biannual survey by Sandelman & Associates, the San Clemente, Calif.-based restaurant research firm. Heavy family-dining users, those who have visited a family-dining restaurant 12 or more times in the past two months, have the largest per-person checks: \$10.45 vs. \$10.17 for moderate users, with between five and 11 occasions in the past two months, and \$9.83 for light users, one to four times in the past two months.

Averages are based on rollup data from the second half of 2003 (which represents October 2003 to March 2004) through the second half of 2005 (October 2005 to

March 2006), representing 43,401 respondents. Heavy users comprise 48.5 percent of the Family-Track respondent pool; moderate users comprise 28 percent; and light users make up 23.5 percent.

- Average checks are higher for heavy users even though they are more likely to use a promotion or deal (10.6 percent did on their most recent occasion vs. 9.3 percent of moderate users and 8.0 percent of light users).

- They also tend to come with slightly larger parties (3.6 people vs. 3.4 for moderate and light users), leading to even higher total checks (\$37.39 vs. \$35.04 for moderate users and \$33.38 for light users).

- 16.0 percent of all family-dining users had steak, ribs or other beef entrees on their last purchase occasion; 13.4 percent ate chicken; 8.6 percent, fish or seafood; 8.5 percent, burgers; and 8.3 percent, eggs or omelets. Not surprisingly, more males had beef dishes: 19.0 percent ordered beef and 11.9 percent had chicken; 13.1 percent of women had beef and 14.9 percent had chicken.

- 15.4 percent of family-dining customers ordered french fries; 9.3 percent had a garden salad; and 9.2 percent bought a baked potato.

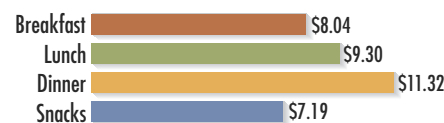
- 30.1 percent drank soda; 14.0 percent, tea or iced tea; 13.9 percent, water; 12.2 percent, coffee; and 10.6 percent had beer, wine or mixed drinks.

- 25.4 percent of respondents had dessert.

- Carryout makes up a small but

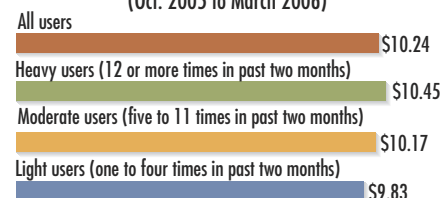
## Family Meal Tab

Average check per person on all family-dining users last purchase occasion, average of second half 2003 (Oct. 2003 to March 2004) through second half 2005 (Oct. 2005 to March 2006)



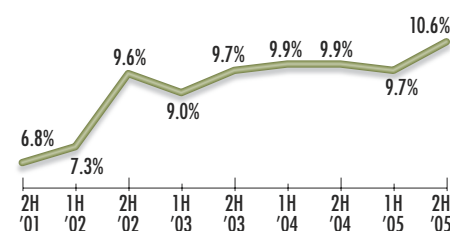
## The Price of Loyalty

Average check per person on all family-dining users' last purchase occasion, average of second half 2003 (Oct. 2003 to March 2004) through second half 2005 (Oct. 2005 to March 2006)



## Takeout Grows

Percent of family-dining users who ordered meals for carryout, second half 2001 (Oct. 2001 to March 2002) through second half 2005 (Oct. 2005 to March 2006)



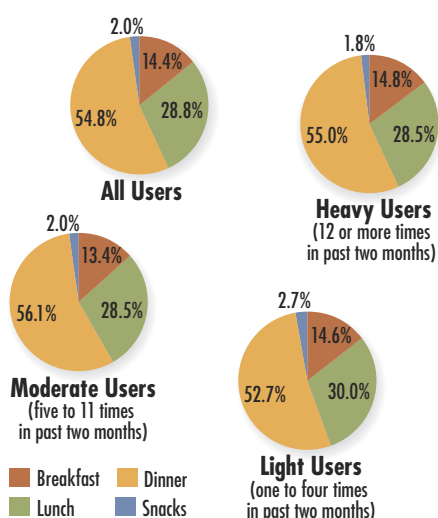
growing share of family-dining occasions: 10.0 percent of customers used carryout. At breakfast, that share is 6.0 percent; lunch, 10.5 percent; dinner, 9.7 percent; and snacks, 38.5 percent.

- 9.6 percent of family-dining customers used a special promotion on their last occasion. Of those who did, 32.0 percent learned about the deal from banners or signs at the restaurant; 26.0 percent, from newspapers; 16.8 percent, from direct-mail fliers; and 12.5 percent, from television.

- The older the guests, the more likely they will use a promotion or deal. 7.8 percent of respondents age 16 to 34 did; 9.6 percent of those 35 to 44; 9.9 percent of 45- to 54-year-olds; 10.5 percent of those 55 to 64; and 12.6 percent of respondents over 65. **CL**

## Daypart by Daypart

All family-dining users' last purchase occasion, average of second half 2003 (Oct. 2003 to March 2004) through second half 2005 (Oct. 2005 to March 2006)





# Franchise Developer

## Expanding into the Unknown

**W**hen you're ready to expand into a new territory—especially one with little or no brand awareness—what's the best way to proceed? Dan Rowe, founder and CEO of Fransmart, an Alexandria, Va.-based franchise development company, offers these suggestions:

- **Do your research before approving locations.** Get a good local real-estate broker. "Go find the guy who worked with all the Starbucks in the area," suggests Rowe. That broker will have already done much of the research you're looking for and should be familiar with the best sites. Ask your broker to fill out a SWOT report (Strengths, Weaknesses, Opportunities and Threats) for proposed trading areas, to help you identify and map out all the schools, offices and competition in the new territory. "You can do enough analysis about a market within 60 to 90 days to see if the market is right for your brand and be ready to start approving sites," he says.



**In a new territory, Newport Beach, Calif.-based zpizza generates trial by bringing free pizza to local businesses, along with magnets, menus and free-slice coupons.**

everything you do should be geared toward getting people in your front door so they can experience your product," says Rowe. Set up tastings. Offer sponsorships for local sports teams and events. Get permission to stand in front of the grocery store and give out samples. Invite the local media to come in and try your food. Bring nearby businesses a free lunch, and leave menus and coupons for a free item. "It's all about giving an offer so good they can't pass it up," says Rowe.

- **Pay keen attention to your unit-level execution.** "In a new place, it's so important to give people a fantastic experience right off the bat," says Rowe. "The new buzzword is 'four-walls marketing,' which speaks to the entire guest experience that occurs inside your four walls." Even in the best location, if customers have a poor experience in your grand opening phase, they won't come back.

- **Import your culture.**

An opening team that's in and out in a few weeks is not enough, says Rowe: "Ideally you want to give some young people a chance to relocate to the new location. Then you know you have key employees at the unit level that really understand the culture."

- **Generate trial.** "In the three-mile radius around a new location,

**JOIN THE**

# Best Pizza Chain

For franchise opportunities, contact  
**Rhonda at 800-257-7272**  
 or visit [www.papamurphys.com](http://www.papamurphys.com)

This is not an offer for a franchise. An offer of a franchise is made only by means of the franchisor's Uniform Franchise Offering Circular (UFOC).

For the 4th year in a row, we've won the *Restaurants & Institutions Consumer Choice in Chains* award. We're inviting you to become a part of our rapidly growing company.

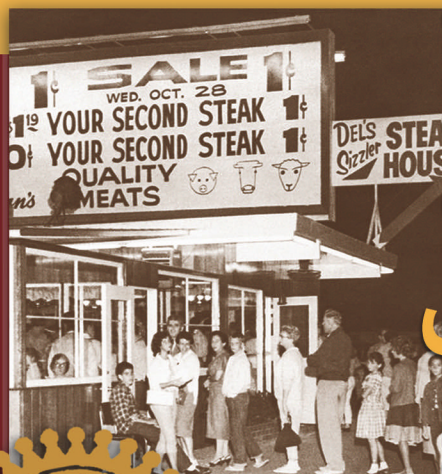
**Top 3 reasons to invest in Papa Murphy's Take 'N' Bake Pizza**

- Lower Initial Investment
- Proven Historical Performance
- Strong Consumer Appeal

©2006 Papa Murphy's International, Inc.



the original fast casual



Culver City, CA 1958



Antioch, CA 2005

## The Right Brand at The Right Time

We are seeking proven multi-unit operators throughout the Western, Southwestern and Northeastern US

- A proud 50 year tradition
- A world recognized brand
- A strong sales-to-investment ratio
- A great reason to get excited about the next 50 years!

For Franchise Inquires: (310) 846-8780  
www.sizzler.com



Own this.



Built on remarkable hospitality and culinary excellence, the concept is growing at a rate of 20% per year. With a modern design, on-trend menu and stylish look and feel, our sound business model is what's fueling the Houlihan's expansion into lucrative new territories that you could own.

CALL TO LEARN ABOUT  
FRANCHISING OPPORTUNITIES.  
MIKE HOCTER OR AMANDA STONE  
AT 913.901.2500

**HOULIHAN'S**  
RESTAURANT + BAR

©2005 Houlihan's Restaurants, Inc.

**Famous Dave's**  
Legendary Pit Bar-B-Que®



**WINNER  
OF OVER 200  
BBQ AWARDS!**

**FRANCHISE A WINNER!**

Experienced multi-unit restaurateurs with a desire to be Famous and develop a minimum of 5 units, please contact Jim Schwitzer 800-210-4040 x1343 or jim.schwitzer@famousdaves.com



Franchise offer made by prospectus only.



# BE THE SHARK

## THE NEW



# AT THE TOP OF THE FOOD CHAIN.

Circle in on a fresh opportunity.  
Multiple franchise opportunities now available.

**1-800-550-4877**

For more information, call the Franchise Development Team  
or visit us on line @ [www.captainsds.com](http://www.captainsds.com)

## Reach

## Foodservice Franchisees With **Muscle.**

**A print and online advertising opportunity  
targeting multiunit and multibrand  
restaurant franchisees.**

**Franchise Developer** gets your new business opportunity to key decision-makers among the top developers of multiunit foodservice operations and multiconcept operators. Dedicated franchisee-focused information ensures top readership.

- Showcase your franchise opportunities in print and online.
- Access hot, fresh leads from *Chain Leader's* Sales ADvantage™ program.
- Download leads directly into your contact management software.

For more information, contact James McMurray:  
(630) 288-8467 • [jmcmurray@reedbusiness.com](mailto:jmcmurray@reedbusiness.com)

**Chain Leader**  
INSIGHT FOR RESTAURANT EXECUTIVES

### SPECIAL ADVERTISING SECTION Franchise Developer

#### Lending Alliances: Five Options for Franchise Funding

**M**ost franchisees face the challenge of how to secure financing to launch their new business. According to recent banking statistics, 15% of franchisees who open a new business fail within the first year. One of the primary reasons for this is a lack of adequate financing. Franchisees must understand the various financing options available to them to ensure their business is successful.

1. **Bank financing** is the most common source of financing for franchisees. Banks offer a variety of loan products, including term loans, lines of credit, and equipment financing. Franchisees should shop around for the best interest rate and terms.

2. **Franchise capital funds** are investment funds that provide financing to franchisees. These funds are typically managed by a third party and offer franchisees a way to raise capital without having to go through the traditional bank loan process.

3. **Franchise royalties** are payments made by franchisees to the franchisor. Some franchisors offer financing options to franchisees who agree to pay a higher royalty rate.

4. **Franchisee-to-franchisee financing** is a way for franchisees to raise capital by borrowing from other franchisees. This is typically done through a private placement offering.

5. **Franchisee-to-franchisee financing** is a way for franchisees to raise capital by borrowing from other franchisees. This is typically done through a private placement offering.

#### There's more than one concept in the sea.

Expand your restaurant portfolio with Captain D's and enter the under-served seafood market segment with an extraordinary brand.

- Strong 25-year performance history including annual sales growth in 2002 and 2003.
- A growing market segment with highly desirable competitive advantages.
- A new restaurant program designed for low initial investment and maximum return.

Single and multi-unit concepts are available in a variety of locations.

For more information, visit us online or call the Franchise Development Team.

**1-800-550-4877**  
©2004 Captain D's Seafood



## COMPUTER SOFTWARE/POS

**Save 3-8% on food costs  
Guaranteed with ChefTec!**



**ChefTec™**

- Inventory Control
- Purchasing
- Ordering
- Sales Analysis
- Recipe Costing
- Nutritional Analysis

**www.ChefTec.com**  
**1-800-447-1466**

**caterease™**  
catering & event management software

*"no other software  
even comes close"*

call now for your **FREE** demo  
**800.863.1616**

[www.caterease.com](http://www.caterease.com)

**DINE-AMICS P.O.S.**  
**BUY DIRECT & SAVE BIG!!!**

No Dealer Mark-ups.  
No Sales Commissions.  
No Middlemen.  
No Kidding.

**Complete POS Functions.**  
**Remote Access from Home.**  
**Includes all Hardware & Software.**  
2-Touchscreen System from \$8495.  
3-Touchscreen System from \$10,780.  
call for any configuration/ any size.

800-331-1129 [www.dineamics.com](http://www.dineamics.com)



### RESERVATIONS & TABLE MANAGEMENT SOFTWARE

**Making it look easy,  
just got easier —**  
*with ReServe Interactive software.*

Be more efficient  
and increase profits  
while improving  
customer satisfaction.



For more information or a software demonstration, please  
contact us at 888.433.4725 or [www.reserveinteractive.com](http://www.reserveinteractive.com)

## FINANCE

**\$ Business Funding \$**  
**Credit Card Processing  
and Equipment Leasing**

**Over \$500,000 in cash advances per location...**

• Brand new and existing businesses welcome!  
We get paid only when you get paid!  
No Personal guarantee! No fixed payments!  
**Call Direct: 609-529-4986**

## FRANCHISE CONSULTANTS

**Start-Up & Established Franchisors**  
NEED HELP FRANCHISING?

Call the iFranchise Group, Inc.  
**(708) 957-2300**  
[www.ifranchisegroup.com](http://www.ifranchisegroup.com)



**FOR ONLINE ADVERTISING  
OPPORTUNITIES  
CONTACT:**

**James McMurray at**  
**630-288-8467 or**

**fax your ad copy to 630-288-8215.**

# Chain Leader®

INSIGHT FOR RESTAURANT EXECUTIVES

## 2007 Classified Advertising

Chain Leader is eagerly read by executives at foodservice chain headquarters, regional offices, Multiconcept operators and franchise headquarters who are purchasers or purchasing influencers. Chain Leader is the only publication exclusively directed to all types of chain companies including limited-service, fast-casual and full-service restaurants.

Chain Leader has more than 16,000+ subscribers. Over 89% (14,000+) requested to receive the magazine. More than 75% of subscribers have been qualified within one year and the balance within two years. 100% of subscribers have provided their name and title. Circulation is BPA audited.

### Column-Inch Rates:

1 column-inch = 2.25" wide x 1.0" depth

Rates	1X	3X	6X	12X
1 inch	\$250	\$240	\$220	\$205
Online Classified		\$500	\$450	\$405
Online w/Print		\$450	\$405	\$365

**COLOR RATES:** 4/Color add \$90.00

**James McMurray Account Executive**

**Ph: 630-288-8467 F: 630-288-8215, [jmcmurray@reedbusiness.com](mailto:jmcmurray@reedbusiness.com)**

### CLASSIFIED CATEGORIES

Classified ad(s) should appear under the following category:

- \_\_\_ Career Opportunities
- \_\_\_ Equipment For Sale
- \_\_\_ Franchise Opportunities
- \_\_\_ Business Opportunities
- \_\_\_ POS Systems & Software
- \_\_\_ Marketing Services
- \_\_\_ Franchise Consulting / Financing
- \_\_\_ Other \_\_\_\_\_



For more information about any of Chain Leader's advertisers, please contact them directly at the numbers or addresses provided.

## FOOD & BEVERAGE

**Allen Canning Co.** *Inside Front Cover.* A full line of canned vegetables and fruits. Call (800) 234-2553 or visit [www.allencanning.com](http://www.allencanning.com).

**Bush Brothers & Co.** p. 19, 25. Signature baked beans and other products. Call (800) 251-0968 or visit [www.bushbeans.com](http://www.bushbeans.com).

**Carolina Turkey** p. 35. Makers of a full line of turkey products. Call (800) 523-4559, ext. 687 or visit [www.carolinaturkeys.com](http://www.carolinaturkeys.com).

**Dawn Food Products Inc.** p. 33. Bakery mixes and bases. Call (800) 248-1144 or visit the Web site at [www.dawnfoods.com](http://www.dawnfoods.com).

**Hershey's Food Service** p. 3. Branded ingredients, recipes and menu ideas. Call (877) 772-3556 or visit [www.hersheysfoodservice.com](http://www.hersheysfoodservice.com).

**Lamb-Weston/ConAgra Foods** *Inside Back Cover.* A variety of frozen potato products. Call (800) 766-7783 or visit [www.lambweston.com](http://www.lambweston.com).

**Mission Foods** p. 51. Maker of tortillas, chips, strips and shells. Call (800) 443-7994 or visit [www.missionfoodsfsc.com](http://www.missionfoodsfsc.com).

**Monin Gourmet Flavorings** p. 41. Flavor concentrates to customize beverages and more. Call (800) 966-5225 or visit [www.monin.com](http://www.monin.com).

**Nestle Brands Food Service** p. 39. Well-known consumer brands for use in foodservice. Call (800) 288-8682 or visit [www.nestlefoodservices.com](http://www.nestlefoodservices.com).

**Patrick Cudahy Inc.** p. 31. Customized bacon and other pork products. Call (800) 486-6900 or visit [www.patrickcudahy.com](http://www.patrickcudahy.com).

**Pilgrim's Pride Foodservice** p. 9. A full line of fresh, frozen and convenience poultry products. Call (800) 824-1159 or visit [www.pilgrimspride.com](http://www.pilgrimspride.com).

**Rich Products Corp.** *Back Cover.* Food products and custom solutions. Call (800) 45-RICHS or visit [www.richs.com](http://www.richs.com).

**Sugar Foods** p. 1. Sugar and other sweeteners. Call (888) 708-2222 or visit [www.sugarfoods.com](http://www.sugarfoods.com).

## EQUIPMENT

**AJ Antunes & Co.** p. 38. Steam-table, warming and water-filtration systems. Call (800) 253-2991 or visit [www.ajantunes.com](http://www.ajantunes.com).

**Alto-Shaam Inc.** p. 6-7. Manufacturer of low-temperature ovens and display cases. Call (800) 558-8744 or visit [www.alto-shaam.com](http://www.alto-shaam.com).

**Amana Commercial Cooking** p. 49. Ovens and other appliances for use in foodservice. Call (866) 426-2621 or visit [www.amanacommercial.com](http://www.amanacommercial.com).

**Edward Don & Co.** p. 44. Foodservice equipment and supplies. Call (800) 947-6640 or visit [www.don.com](http://www.don.com).

**Hobart Corp.** p. 28. A full line of commercial foodservice equipment. Visit the Web site at [www.hobartcorp.com](http://www.hobartcorp.com).

**Hoshizaki America Inc.** p. 53. Ice machines for use in foodservice. Call (800) 438-6987 or visit [www.hoshizaki.com](http://www.hoshizaki.com).

**Manitowoc Ice Inc.** p. 43. Commercial ice machines. Call (800) 545-5720 or visit [www.manitowocice.com](http://www.manitowocice.com).

**Scotsman** p. 36. A full line of ice machines and beverage dispensers. Call (800) 726-8762 or visit [www.scotsman-ice.com](http://www.scotsman-ice.com).

## SUPPLIES/SERVICES

**American Express** p. 15. For marketing tools and other business builders, call (800) 528-5200 or visit [www.americanexpress.com/merchants](http://www.americanexpress.com/merchants).

**Edgecraft** p. 12. Professional knives and sharpeners. Call (800) 342-3255 or visit the Web site at [www.chefschoice.com](http://www.chefschoice.com).

**Everpure Inc.** p. 17. Commercial water-treatment systems and maintenance service. Call (800) 323-7873 or visit [www.everpure.com](http://www.everpure.com).

**Franklin Machine Products Co.** p. 40. Replacement machine parts and accessories. Call (800) 257-7737 or visit [www.fmponline.com](http://www.fmponline.com).

**Infosoft Technologies** p. 47. Web-based, touch-screen POS systems. Call (800) 574-1622 or visit [www.infosofttechnologies.com](http://www.infosofttechnologies.com).

**Tetra Pak Inc.** p. 27. Tetra Pak packaging protects beverages and other products from spoiling. Call

(303) 955-6000 or visit [www.tetrapakusa.com](http://www.tetrapakusa.com).

**Wal-Mart Stores Inc.** p. 52. Real-estate opportunities. Call (479) 204-2020 or visit the Web site at [www.wal-martrealty.com](http://www.wal-martrealty.com).

**Wasserstrom Co.** p. 42. Distributes restaurant supplies such as tableware. Call (800) 999-9277 or visit [www.wasserstrom.com](http://www.wasserstrom.com).

## FRANCHISING/FINANCE

**Franchise Developer** p. 55-56. News and opportunities for multiunit franchisees. Call (630) 288-8467 or visit [www.chainleader.com](http://www.chainleader.com).

**Sovereign Investment Co.** p. 10. Sale/leaseback and development capital for owners, operators and franchisees. Call (609) 524-4000 or visit [www.sovereigninvestment.com](http://www.sovereigninvestment.com).

## EVENTS/EDUCATION

**Elliot Leadership Institute** p. 11. Leadership development for restaurant-industry executives. Call (914) 524-9100 or visit the Web site at [www.elliottleadershipinstitute.org](http://www.elliottleadershipinstitute.org).

**NRA Educational Foundation** p. 13. The ServSafe fourth edition is available. Call (800) 765-2122 or visit [www.nraef.org/servsafe/625CL](http://www.nraef.org/servsafe/625CL).

## Statement of Ownership, Management and Circulation

1. Publication title: *Chain Leader*. 2. Publication No.: ISSN 1528-4999. 3. Filing date: Oct. 1, 2006. 4. Issue frequency: monthly except semi-monthly in April and October. 5. No. of issues published annually: 14. 6. Annual subscription price: \$109 U.S.; \$131 Canada and Mexico; \$142 foreign. 7. Complete mailing address of known office of publication: Reed Business Information, 8878 S. Barrons Blvd., Highlands Ranch, CO 80129. 8. Complete mailing address of headquarters or general business office of publisher: Reed Business Information, Division of Reed Elsevier, Inc., 360 Park Avenue South, New York, NY 10010. 9. Full names and complete mailing addresses of the publisher, editor and managing editor: Publisher Ray Herrmann, Editor Mary Boltz Chapman, Managing Editor Maya Norris, Reed Business Information, 2000 Clearwater Drive, Oak Brook, IL 60523. 10. Owner: Reed Business Information, Division of Reed Elsevier, Inc., 360 Park Avenue South, New York, NY 10010. 11. Known bondholders, mortgagees and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: none. 12. Tax status: has not changed during preceding 12 months. 13. Publication: *Chain Leader*. 14. Issue date for circulation data: September 2006. 15. Extent and nature of circulation:

	Average No. Copies Each Issue During Preceding 12 Months	No. Copies of Single Issue Published Nearest to Filing Date
A. Total number of copies (net press run)	19,760	18,946
B. Legitimate paid and/or requested distribution		
1. Individual paid/requested subscriptions stated on form 3541	15,728	15,258
2. Copies requested by employers for distribution to employees as stated on form 3541	0	0
3. Sales through dealers and carriers, street vendors, counter sales and other paid or requested distribution outside USPS	27	28
4. Requested copies distributed by other classes mailed through the USPS	0	0
C. Total paid and/or requested circulation	15,755	15,286
D. Nonrequested free distribution		
1. Nonrequested copies stated on form 3541	2,544	2,476
2. Nonrequested copies distributed through the USPS by other classes	0	0
3. Nonrequested copies distributed outside the mail	182	250
E. Total nonrequested distribution	2,726	2,726
F. Total distribution	18,481	18,012
G. Copies not distributed	1,279	934
H. Total	19,760	18,946
I. Percent paid and/or requested circulation	85.25%	84.87%

16. Publication of Statement of Ownership: Publication is required and will be printed in the November 2006 issue of this publication. 17. I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties). John Scheunemann (signed), Distribution Director

## Statement of Digital Circulation

Publication title: *Chain Leader*

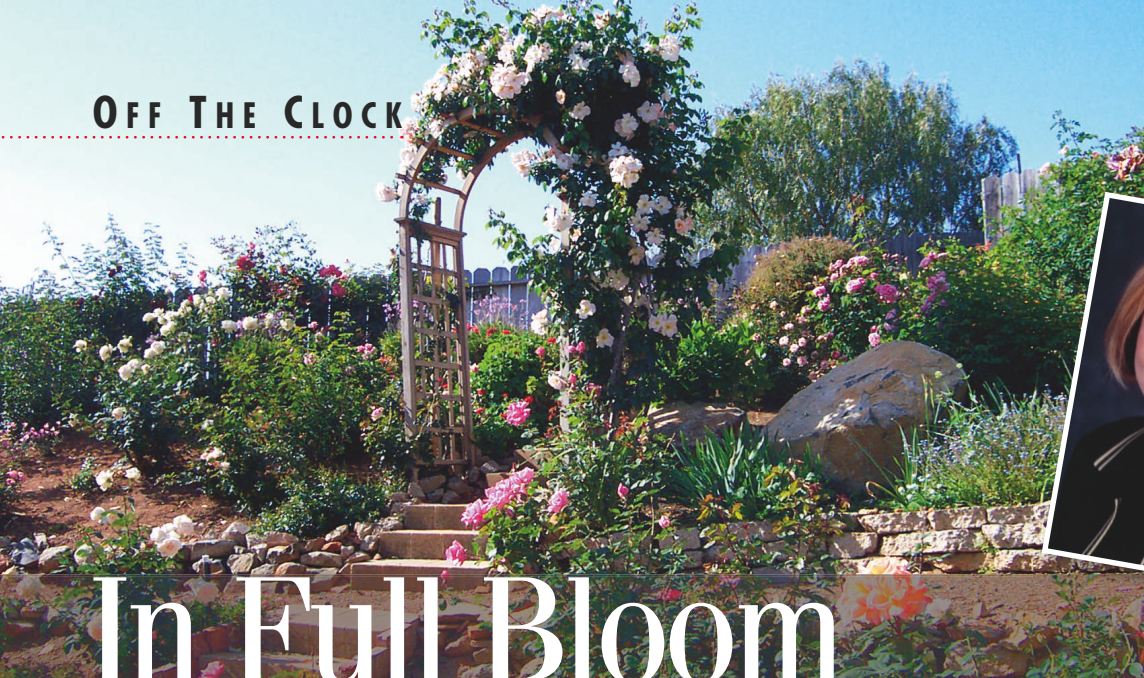
Printed circulation as reported on Form 3526

Digital circulation

Total qualified circulation

12-Month Average	September
19,760	18,946
258	325
20,018	19,271





# In Full Bloom

*Hot Dog on a Stick's Fredrica Thode takes time to stop and smell the roses.*

BY MAYA NORRIS

When Fredrica Thode wants to get away from the pressures of running 112-unit Hot Dog on a Stick, she doesn't have to go far. The president and CEO of the Carlsbad, Calif.-based QSR heads for her backyard to tend to the hundreds of roses in her garden.

"I'm indoors all day. So I want to come home. I want to be outdoors," Thode says of rose gardening. "I want to enjoy the smell of the earth and enjoy the sun and the breeze."

## Hands-On Approach

For the last 10 years, Thode has cultivated a rose garden filled with rose bushes, baby roses and long-stem roses on a half acre of land behind her home in Vista, Calif. While the landscaped hillside also includes about 40 trees and a few plants, the 400 roses are the attraction of the garden.

Tending to the garden is a demanding and time-consuming activity. Thode spends about 10 to 15 hours a week, usually after work and on the weekends, pruning, pulling weeds, watering and spraying the roses to get rid of bugs. "Rose gardening is tough. It takes a lot of concentration," she says. "It may not be more difficult than other gardening—it's just different. ... You have to be pruning all the time, whereas with most flowers you don't do that."

"I do have some help in the garden with a gardener, but I don't let him touch my roses," she laughs.

## In the Zone

Although rose gardening does take up a lot of Thode's time, it's something she looks

forward to because it allows her to slow down and gather her thoughts. "When I have a lot of things on my mind, I can go up in my garden and walk around my roses and deadhead—do whatever needs to be done," she explains. "And suddenly all these thoughts become clear. It helps me step away from that confusing work environment and think about what kind of decisions do I have to make for my company. What can I do for my family? What are the most important things in life?"

Thode also likes the physical benefits. While she works out three times a week with a trainer, she says gardening has helped her become stronger and more fit. "Pulling weeds, doing all that, you're using every muscle in your body," she says. "It's amazing the king of strength that you get from tending roses."

## Planting the Seed

Thode credits her love of gardening to her father. When she was 14 years old, she began helping her father grow grapevines in his garden. An avid gardener himself, he taught her all about gardening.

But Thode didn't take up rose gardening until she and her husband, Jim, moved into their current home about 10 years ago. The previous owner had a small rose garden in the yard, which prompted Thode to learn more about how to grow roses. "I became completely infatuated with roses," she says.

Given all the work she has put into her roses so far, Thode is committed to continue "making my garden beautiful, where people love to look at it, where we can all enjoy it." **CL**

Fredrica Thode, president and CEO of Hot Dog on a Stick, spends 10 to 15 hours a week tending to her rose garden.



# Lamb Weston®



## Homemade goodness without the time and trouble.

Lamb's Supreme® Russet Mashed Potatoes start with the very best Russet potatoes. We cook and mash them to the ideal consistency with our **creamy dairy blend** and a delicate touch of seasonings. To keep them **fresher than fresh**, we quick-freeze them in portion-controlled pouches, locking in just-cooked freshness and flavor, and maximizing food safety.



All you do is heat the pouch in a microwave, a kettle of boiling water or a steamer, then serve. It's that easy.

We offer a **variety of delicious choices**, from *Original Recipe* to *Roasted Garlic Recipe*, featuring real roasted garlic.

Try the best tasting, best performing mashed potatoes in foodservice. Call us for more information and creative recipe ideas. Ask about our complete line of Redskin varieties too!

**1-800-766-7783.**



*All the labor, trouble and time that goes into preparing fresh, "made from scratch" mashed potatoes is packed into every portion-controlled pouch.*

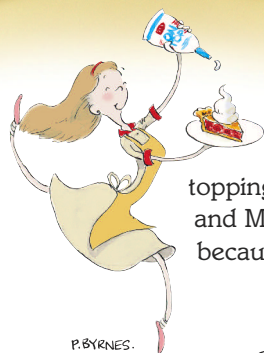
ConAgra Foods Lamb Weston • 599 S. Rivershore Lane • Eagle, ID 83616 • 208/938-1047 • [www.lambweston.com](http://www.lambweston.com)



Give your  
dessert menu  
a higher  
profile.



Rich's® Mother's Kitchen® Ginger Caramel Apple Cheesecake garnished with Rich's® On Top®



Even the most indulgent delights look more appealing with a dollop of Rich's® On Top® non-dairy dessert topping. It's the perfect way to add value to Rich's® Jon Donaire® and Mother's Kitchen® desserts. And you can charge more because customers are willing to pay more. So top it. And profit.

Call: 1-800-45-RICHS      [www.richs.com](http://www.richs.com)

CARING FOR CUSTOMERS LIKE ONLY A FAMILY CAN®

