

# Nation's Restaurant News

## FINDING A RESTAURANT'S PLACE

How to better navigate social issues to build communities

PAGE 24



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# CONGRATULATIONS LIZ SMITH! 2019 GOLDEN CHAIN WINNER

Celebrating 10 years of leadership and success –  
thank you from your Bloomin' Brands family!



# Nation's Restaurant News

September 30, 2019



*"We're going to teach the American customer some things,  
and they're going to teach us some things."*

JACK MORAN, PARIS BAGUETTE, PAGE 77

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Cover image: Neil Webb

## By The Numbers

Get the full story behind these stats throughout the issue.

Projected size of the world population by 2050

**9.7 billion**

Income threshold under which 14% of people do not have bank accounts

**\$40,000**

Percentage of Cooper Hawk's revenue coming from its Wine Club

**23%**

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## Community in dialogue

### Everyone has strong feelings about restaurants. That's the best thing about covering them.

When I travel for work, I usually interview Uber drivers on food. I remember a Chicago driver telling me The Cheesecake Factory was his favorite restaurant. And a Louisiana driver talking about good times going to Raising Cane's Chicken Fingers with his younger sister.

Food gives me a sense of place. It gives me a sense of the person. No matter who you talk to, or where you are, we can connect over what you find delicious.

Restaurants bring strangers together. Even when eating solo, you are part of a communal meal of people doing what you are doing. You are bound by the food you eat.

It's not every business that is woven into the very fabric of society. You won't encounter the same consumer passion when talking about shoe stores or stationery stores.

Restaurants sit in a privileged place as the center of the communities they serve.

But this can be a double-edged sword.

When restaurants are part of the community, community issues become restaurant issues.

It's hard to figure out where the community ends and the restaurant begins.

This series by the editors of Nation's Restaurant News — Finding a Restaurant's Place — looks

behind this very close, and sometimes fraught, relationship between restaurants and the surrounding communities.

A book excerpt on page 43, shows how McDonald's served as a neutral ground for protesters and police during the riots in Ferguson, Mo.

On page 34, find out how restaurants are training refugees, the formerly incarcerated and other marginalized people in culinary skills. This training has the added benefit of bringing more workers into an industry with a severe worker shortage. Improving the commute of workers has also proven to be key to employee retention for one restaurant in Greenville, South Carolina (see page 40).

Another central story in this series, written by NRN associate editor Joanna Fantozzi, looks at how restaurants treat their nonpaying customers (see page 28). Starbucks was the architect the "third place" concept, as a place that consumers can spend time outside of their home and work, but it has proven to have some unexpected complications.

NRN senior editor Gloria Dawson's story on the cashless restaurant trend reveals that the issue might not be as clear-cut as critics have made it out to be (see page 30).

While we provide as many best practices and solutions as possible in this series, we don't have all the answers.

It's up to restaurants to continue the conversation. Use these case studies we included as inspiration. Keep talking to the communities you serve.

*J. Telesca*

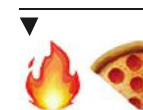
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## THE BUZZ



Pizza Hut welcomed a new member to its menu—a stuffed Cheeze-It pizza.



LeBron James reprised the character of "Ron" to introduce Blaze Pizza's large, shareable pies.



## TOP STORIES ON NRN.COM

Sept. 8-14, 2019

- Huddle House agrees to buy Perkins
- Wendy's to expand breakfast nationwide
- New York's de Blasio accuses Chipotle of unfair labor practices
- Blaze rolls out delivery, bigger pies and a new campaign
- Noodles adds instant pay perk for 10,000 employees

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# CONGRATULATIONS!

## *Nation's Restaurant News* 2019 Norman Award Winner

### ALICE ELLIOT

Founder & CEO



Alice is a true trailblazer who has helped so many by mentoring and inspiring future leaders — which is exactly what the Norman Award celebrates.

Cheers to Alice, an inspiring entrepreneur who has made a lasting impact on elevating talent in our great industry.



**PEPSICO**



**Tropicana**



NBA legend Shaquille O'Neal has hopped aboard Papa John's new marketing push.



## SHAQUILLE O'NEAL'S FIRST PAPA JOHN'S COMMERCIAL RELEASED

Papa John's International Inc. has released its first commercial starring Shaquille O'Neal since naming him brand ambassador and board member earlier this year. The retired basketball star has also invested in nine Atlanta-area Papa John's.

"You'll see in the commercials Shaquille being Shaquille

— visiting team members at Papa John's restaurants, showing off his charisma, embodying the changes so pervasive across Papa John's," said global chief marketing officer Karlin Linhardt in a statement.

The commercial, titled "Better day in the boardroom," plays over the soundtrack of

"Feel Me Flow" by Naughty by Nature. Viewers see O'Neal at Papa John's headquarters palling around with employees, then at a restaurant where he's tossing pizza dough. Later he's looking serious at the company's boardroom and finally he's seen feeding school children.

This commercial is the first of several spots featuring O'Neal that began airing nationwide on Sept. 5. It's part of Papa John's "Better day" campaign, a spin on the brand's original slogan, "Better ingredients. Better pizza." — Holly Petre

## STOP & SHOP SERVES UP FREE MEAL PLANNING SERVICE

Stop & Shop is offering customers free access to The Dinner Daily meal planning service in recognition of National Family Meals Month.

The Quincy, Mass.-based supermarket chain said that up to 30,000 customers can join and use The Dinner Daily at no charge through the end of 2019. Through the service, shoppers will receive a customized weekly dinner menu based on their family's food preferences as well as what's on sale at their local Stop & Shop.

Tools in The Dinner Daily program are designed to make it easier for families to put together meals for everyone, including emailed weekly meal plans, meals based on weekly sale items at Stop & Shop, and an editable shopping list.

The service also enables users to customize food preferences, dietary needs and family size. Menu options include reduced carbs, gluten-free, dairy-free, nut-free, soy-free, egg-free and "stick to the basics," among others. Stop



& Shop customers, too, can use The Dinner Daily's one-click ordering for Peapod, the chain's online grocery service, for home delivery or in-store pickup.

Held each September, National Family Meals Month was started in 2015 by the Food Marketing Institute Foundation.

— Russell Redman



BEHIND THE PODCAST:  
SENIOR EDITOR  
GLORIA DAWSON

## IS POKE A FAD?



On NRN's Extra Serving podcast, Pokéworks CMO Kevin Hsu told us poke is here to stay.

Have you heard? We've got a new podcast. Every week, Extra Serving will share ideas from restaurant innovators on leadership, food trends, technology and how to thrive in this tough industry.

In a recent episode, I interviewed Kevin Hsu, the CMO of Pokéworks. And what I really wanted to know was: Is poke a fad?

When Pokéworks opened its first location in Manhattan there were long lines, press attention and a viral video featuring its poke burrito. This sort of spotlight can easily make for a fad, and one that might go out of fashion fast. But, Hsu argues, poke is something people can eat all the time.

"Even though it hits a very strong trend, a lot of our guests tell us, and also it shows in our

results, [poke is] really something that they can see eating every day."

Hear more about why Pokéworks thinks poke has staying power.



Check for new episodes weekly on Apple Podcast, Spotify or SoundCloud or go to [nrn.com/extra-serving](http://nrn.com/extra-serving)

## People on the Move



From left: Lynch, Clarke, Murphy, Shaw and Dover.

Papa John's International Inc. has appointed **ROB LYNCH** president and CEO. Lynch arrives from Arby's, where he served as president since 2017. He succeeds **STEVE RITCHIE** who was on the job since July 2015. Following Lynch's departure to Papa John's, Arby's promoted **JIM TAYLOR** from chief marketing officer to president.

Wingstop Inc. has named **CHRISTINA CLARKE**, vice president of marketing, as interim chief marketing officer. Clarke joined Wingstop in October. The chicken wing brand said chief growth and experience officer **MAURICE COOPER** departed the company and noted it would not fill that role.

Red Robin Gourmet Burgers Inc. has named veteran executive **PAUL J.B. MURPHY III**, former CEO of Del Taco and current chairman at Noodles & Company, as the company's new chief executive. Murphy will replace interim CEO **PATTY MOORE** who took over when president and CEO Denny Marie Post announced her retirement in April.

Blaze Pizza LLC has named **AMANDA "MANDY" SHAW** as interim CEO with the retirement of **JIM MIZES** from the CEO and president posts. Shaw joined Blaze as the chief financial officer in January 2018.

Velvet Taco has promoted president **CLAY DOVER** to the new role of CEO. Do-

ver had served as president since 2017.

Moe's Southwest Grill has named **ERIK HESS** as president. Hess succeeds **BRUCE SCHRODER**, and joins the brand after 25 years with McDonald's.

Bojangles' Inc. has named **REESE STEWART** chief financial officer. Stewart comes to the brand after nearly 15 years with CKE Restaurants. He succeeds former CFO **JOHN JORDAN**.

Smoothie King has promoted **DAN HARMON**, chief operating officer, to the additional role of president; promoted **KEVIN KING**, chief development officer, to chief business development officer; and

expanded the duties of **REBECCA MILLER**, chief marketing officer, to include field marketing.

Fazoli's has promoted **JODIE CONRAD** to chief marketing officer. She previously served as VP of marketing and replaces **DONNA SPANGLER-JOSEPHSON**, who left Fazoli's to join Corner Bakery as CMO. Fazoli's also announced two other promotions: **BLAINE ADAMS** to SVP of supply chain and quality assurance, and **WAYNE PEDERSON** to VP of information technology.

Fast-casual chain Tender Greens has promoted **JACK OH** from vice president to chief marketing officer. Oh has been with the brand since January 2018.

## THE TOP 200

### TOP 5 CHAINS BY UNIT GROWTH

**1 SHAKE SHACK**  
**+36.0%**

**2 MOD PIZZA**  
**+33.0%**

**3 BLAZE FAST-FIRE'D PIZZA**  
**+24.9%**

**4 DEL FRISCO'S DOUBLE EAGLE STEAK HOUSE**  
**+23.1%**

**5 FIRST WATCH**  
**+23.0%**

YEAR-OVER-YEAR PERCENT CHANGE IN U.S. UNIT COUNT FOR TOP 200 LATEST YEAR. SOURCE: NRN TOP 200 DATABASE

## Wendy's to expand breakfast nationwide

The Wendy's Co. will expand its breakfast menu, now in 300 restaurants, throughout its U.S. system in 2020, the company said.

The Dublin, Ohio-based burger brand will feature items like the Breakfast Baconator, Frosty-cino and Honey Butter Chicken Biscuit.

"Launching breakfast in our U.S. restaurants nationwide provides incredible growth opportunities," said Todd Penegor, Wendy's president and CEO, in a statement. "We are well-positioned to pursue it. We believe we have the right team and structure in place, and we put Wendy's fan favorites on our breakfast menu to set us apart from the competition."

To support the breakfast expansion into breakfast, the company said it and its franchisees plan to hire about 20,000 crew members. The company estimated investment in breakfast would be about \$20 million. Competitor McDonald's expanded its breakfast to all day in 2016 but in May gave franchisees the option of reducing the menu.

Wendy's has about 6,700 restaurants worldwide.

— Ron Ruggless





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**TILMAN FERTITTA**  
CEO, Landry's Inc., in his new book, "Shut Up and Listen! Hard Business Truths That Will Help You Succeed"

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el, Sean Astin,  
dy" is a nod to his  
he film "Rudy"

"We're bakers, and we're proud of our craft."

JACK MORAN  
CEO, Paris Baguette America (See page 77)

# The Roundup

## People



From left: Lynch, Cla

Papa John's International Inc. has appointed **JOHN LYNCH** president and CEO. Lynch arrives from Arby's, where he served as president since 2017. He succeeds **STEVE RITCHIE**, who was on the job since 2015. Following Lynch's departure to Papa John's, Arby's promoted **JILL LOR** from chief marketing officer to president.

Wingstop Inc. has appointed **CHRISTINA CLARKE** as interim chief marketing officer. Clarke joined Wingstop in October as chief growth and development officer. **MAURICE COOPER** departed the company and noted he would not fill that role.

## Wendy's

The Wendy's Co. will launch a breakfast system in 2020, the company said. The Dublin, Ohio-based company and Honey Bunches of America are "launching breakfast initiatives," said Todd Iversen, who is to pursue it. We believe it will be a favorite on our breakfast menu.

To support the breakfast expansion into breakfast, the company said it and its franchisees plan to hire about 20,000 crew members. The company estimated investment in breakfast would be about \$20 million. Competitor McDonald's expanded its breakfast to all day in 2016 but in May gave franchisees the option of reducing the menu.

Wendy's has about 6,700 restaurants worldwide.

— Ron Ruggless

THE 200



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\*Results measure company-wide same store sales figures for each calendar year over the previous calendar year. The measuring period is January 1, 2010 through December 31, 2018. Excludes store sales from the State of Florida, units which are not obligated to and do not report sales to Hungry Howie's, and units which opened and/or closed during the measuring period. Not all individual stores experienced the same results. New franchisees may have results that differ. This advertisement is not an offer of a franchise. Franchises are offered and sold only through a Franchise Disclosure Document. STATE OF CALIFORNIA: THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF CORPORATIONS NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING. STATE OF NEW YORK: THIS ADVERTISEMENT IS NOT AN OFFERING. AN OFFERING CAN ONLY BE MADE BY A FRANCHISE DISCLOSURE DOCUMENT FILED WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK. SUCH FILING DOES NOT CONSTITUTE APPROVAL BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK. MINNESOTA STATE REGISTRATION NUMBER F-2873. \* 545 open stores in 21 states with an additional 19 agreements signed as of 12/18/2018. Hungry Howie's Pizza & Subs, Inc., 30300 Stephenson Highway, Suite 200, Madison Heights, MI 48071, 248-414-3300.



## Told & Overheard



**"You'll see in the commercials Shaquille being Shaquille... embodying the changes so pervasive across Papa John's."**

**KARLIN LINHARDT**  
Global chief marketing officer,  
Papa John's (See page 9)

**"I hope the person who follows me can find the same level of joy that I have had."**



**DAWN SWEENEY**  
CEO, National Restaurant  
Association, speaking on NRN's  
Extra Serving podcast

**"A lot of the sales happen on the weekdays, whereas mall business is always on weekends."**

**JENNIFER SCHULER**  
CEO, Wetzel's Pretzels, on opening locations outside of malls,  
speaking on NRN's Extra Serving podcast

**"Sometimes you can't avoid the fire. It's how you put it out that matters."**



**TILMAN FERTITTA**  
CEO, Landry's  
Inc., in his new  
book, "Shut  
Up and Listen!  
Hard Business  
Truths That  
Will Help You  
Succeed"

**"Both Colonel Sanders and Rudy Ruettiger have similar stories of fulfilling their dreams by doing things the hard way and never giving up."**

**KFC**  
On its new Colonel, Sean Astin,  
whose "Colonel Rudy" is a nod to his  
leading role in the film "Rudy"

**"We're bakers, and we're proud of our craft."**

**JACK MORAN**  
CEO, Paris Baguette America (See page 77)

## Menu Tracker

The latest restaurant menu additions *Compiled by Bret Thorn*

### JINYA RAMEN BAR



#### Spicy Meatball Ramen

Beef meatballs, cherry tomatoes, corn, green onion, chile oil and thick ramen noodles in a tomato-based broth, available through Nov. 30.

Starting at \$13.80

### GOLDEN CHICK



#### State Fair Mini Funnel Cakes

Fried spiraled cakes topped with powdered sugar, available through the end of the year.

\$1.49

### Watchlist

*Trends to watch for:*

Chile en Nogada  
Cold brew tea  
Smoked fried chicken  
Spirit-free cocktails



### TACO BELL

#### Toasted Cheddar Chalupa

Seasoned beef or chicken, shredded lettuce, diced tomatoes, grated cheddar cheese and reduced-fat sour cream in a tortilla shell with 6-month aged cheddar baked onto it, available for an unspecified limited time.

\$2.49



### WINGSTOP

#### Whole Wings

15 three-jointed fried chicken wings in choice of sauce, along with two dips and a large order of seasoned fries, available for an unspecified limited time.

\$17.99

### JOHNNY ROCKETS



#### Honey Mustard Pretzel Burger

Burger with melted cheddar, bacon, lettuce, tomato and honey mustard on a pretzel bun, available through Nov. 3.

Around \$9.99

### SWEETFROG

#### Double Stuffed S'mores Swirl

Chocolate s'more frozen yogurt swirled with toasted marshmallow frozen yogurt, available through Nov. 2.

Price varies by size and location



### DAPHNE'S



#### Chicken Shawarma Pita Melt

Pita coated with pesto sauce and melted mozzarella and feta cheeses and topped with roasted bell peppers and chicken shawarma, available through Dec. 29.

\$8.99



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# 3 McDonald's strategies to keep an eye on

Latest initiatives include grab-and-go test store in London

by Nancy Luna

**M**cDonald's Corp. has been busy this summer launching experiments and new initiatives around the world. NRN has compiled three of the most interesting strategies the brand is pursuing.

## Grab-and-go test store

This summer, the United Kingdom division of McDonald's opened the brand's first "grab-and-go" store on London's Fleet Street. The "McDonald's to Go" concept store is a small-format location that is testing speed of service by offering no seating, a bank of kiosks and a reduced menu.

Henry Trickey, senior vice president of development and information technology at McDonald's UK & Ireland, said the McDonald's to Go store is all about testing and learning.

"Changing tastes, new technology and more competition mean we need to continue to focus on investing in what matters most to our customers," he said. "We know that 'one size doesn't fit all' and that's exactly why we are launching McDonald's to Go — to allow us to trial different formats in different locations, depending on customer needs."

## Trash 'reborn' as trays

Often the most interesting McDonald's Corp. experiments happen beyond the

U.S. That's certainly the case in Japan. McDonald's recently revealed results from a new Happy Meal toy recycling program in Japan. From February to May, 2,900 restaurants in Japan collected 1.27 million toys, which were "reborn" into 100,000 trays, the company announced in late August. Japan plans to have a second recycling program during the school holidays later this year, the company said.

Japan isn't the only market experimenting with trays made of recycled material. In Norway, restaurants are producing serving trays made of marine plastic waste from the Nordland coast. The trays are made with plastic pellets from marine waste collected by local fishermen. The trays are found in several of Norway's 73 McDonald's restaurants.

## A new delivery partner

The chain said last month that it has expanded its DoorDash delivery from 200 Houston-area restaurants to more than 10,000 restaurants in 50 states. McDonald's Corp., which launched nationwide delivery with Uber Eats in 2017, said it will continue to use Uber Eats.

But the two companies ended the exclusive partnership earlier this summer when McDonald's decided to add DoorDash as a second delivery partner to expand its delivery footprint. ■



McDonald's small-format "grab-and-go" store in London has kiosks, a reduced menu and no seating.



McDonald's expanded DoorDash delivery from 200 Houston stores to more than 10,000 units nationwide. Elsewhere, the quick-service leader is turning plastic waste into serving trays in Japan and Norway.



Commentary:  
Jim Sullivan

# Core truths of restaurant leadership

Effective managers are always teaching, and always learning

**O**ver the last decade our company has focused on researching the best demonstrated leadership practices in the food-service industry. In the last three years I've had the privilege to share those 21st century leadership skills in presentations for brands like Panera, McDonald's, Texas Roadhouse, Dunkin', Olive Garden, Chipotle and many others. And I've learned a few core truths about leadership that stand out:

**Leadership can't really be "taught"; it must be learned.** Effective leadership development should be focused on doing, not merely knowing, because doing is where learning actually occurs. What you know doesn't matter, what you do with what you know is what matters. Emphasize skill application and learning from experience with your teams.

**You haven't taught it if they haven't caught it.** Instead of trying to overcome resistance to what people are not ready to do, find out what they are ready to do, and direct that motivation and momentum toward your targeted goals. Often a team's perceived resistance is due to the leader's failure to communicate the goals. The truth is, you don't communicate as much or as clearly as you think you do.

**Foster collaboration.** Call it a clan, call it a network, call it a family, call it a culture, call it a tribe. Whatever you call it, you need one in your workplace. And one of the best ways to build that family is to know your "why." Instead of telling people what to do and how to do it, lead with why you're doing it. Leaders know the way, show the way and go the way.

**Trust is a must.** Everything rises or falls with leadership. It's rare to read business success stories credited to great "manager-ship." And integrity is the foundation of a leader's ability to inspire a team.

**Get water to the end of every row.** Author Stephen Covey used a farming analogy to illustrate the importance of shared knowledge: "Be certain that the water gets to the end of the rows," he said, "and that once it does, have the people at the end of the row come forward and teach you so you're certain that the translation — and learning — occurred." The best leaders focus on seeing and measuring that change so it can be taught and replicated downstream to next-gen learners.

**School is never out for the pro.** Collaborate with talented people outside your area of expertise. When we study or associate with people who know more than we do, our horizons always expand. The people you spend the most time with have a significant impact on the person you become. If you spend time with successful people, you're more likely to become successful yourself. The best leaders don't just seek a mentor, they seek multiple mentors.

**Challenge the process.** In "Peak: Secrets from the New Science of Expertise," author Anders Ericsson suggests that leaders should assess their teams and ask: "What is the best way to improve performance among people who are already trained and on the job?" His answer is that deliberate practice — paired with coaching and feedback — of skills you're not yet good at is the starting point, and continuous improvement is the never-ending point.

**Vitality drives leadership.** Energy, not time, is the fundamental currency of high performers. The number of hours is fixed in a leader's day, but the quantity and quality of energy available to them is not. Always leave every restaurant better than you found it, and leave every team member better. Seek out challenges.

**Light the fire within.** The best managers today are less focused on being in charge and more focused on helping employees be charged up. "You'll never get the best from employees by trying to build a fire under them," says author Bob Nelson. "You've got to build a fire within them. There's a big difference between getting employees to come to work and getting them to do their best work."

**Be smart with heart.** Leadership is an affair of the heart, not just the head. Getting things done is not the same as getting the right things done. Brains, like hearts, will go where they are appreciated, so don't forget to recognize the performer as well as the performance. "The highest achievable level of service comes from the heart," says Hal Rosenbluth, CEO of travel management company Rosenbluth International. "So the company that reaches its people's heart will provide the very best service." Judge team members on their best days, not their worst, and be supportive and protective of your team. To get ahead, put others first. If you provide loyalty down, you get loyalty up. ■

*Jim Sullivan has over 400,000 social media followers. You can follow him on LinkedIn, YouTube and Twitter or download his leadership insight at [Sullivision.com](http://Sullivision.com).*



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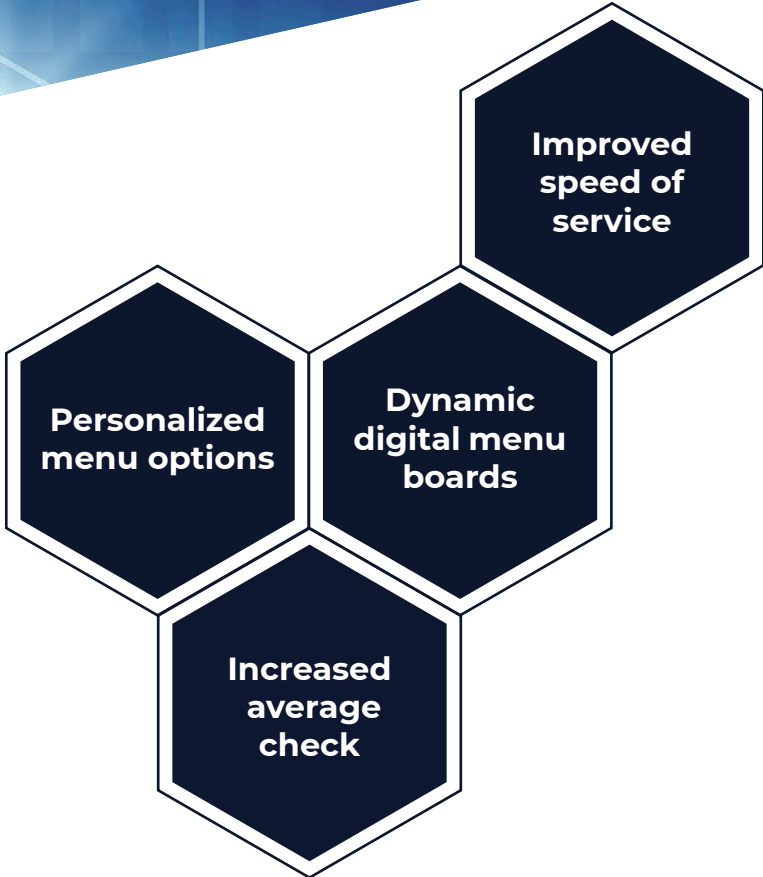
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# Red Robin traffic slows in shift away from 'deal chasers'

Same-store sales improve with push of premium burgers

by Nancy Luna

**R**ed Robin Gourmet Burgers Inc. improved same-store sales in its latest quarter by focusing less on "deal chasers" and improving its operational efficiencies for both dine-in and delivery customers.

That led to a profit of \$1 million for the second quarter ended July 14, up from a net loss of \$1.9 million for the same period a year ago. Same-store sales decreased 1.5% for the quarter. That decline was an improvement from the first quarter, where comparable restaurant sales were down 3.3%, chief financial officer Lynn Schweinfurth told investors last month.

Still, the Greenwood Village, Colo.-based casual-dining chain continues to be plagued by declining visits. Guest counts in the quarter dropped 6.4%, which was partially offset by a 4.9% increase in average check.

That's a trade-off the brand is willing to take.

Chain leaders said Red Robin's turnaround plan calls for initiatives that support long-term sustainability of the company. The brand, which is being challenged by activist investor Vintage Capital Management LLC, has been hurt by unsteady leadership and depleting traffic at mall locations.

As previously announced, the company closed 10 restaurants during the quarter;

seven were in enclosed malls.

Schweinfurth said traffic at enclosed mall locations, which account for 66 restaurants in the system, "continue to perform worse than the balance of our company-owned locations."

To improve margins in the quarter, Red Robin "deliberately moved away from promoting five Tavern Burgers at \$6.99," Schweinfurth said.

The company instead spent marketing dollars on its gourmet line of burgers.

While Tavern burgers help drive traffic, the cheaper burgers "come at lower profitability levels and perhaps attracts a little more deal chasers,"



Red Robin's turnaround plan includes promoting more high-margin items, cutting manager turnover and updating its tech tools.

## Data Snapshot

The decline in guest counts was partially offset by a **+4.9%** increase in average check.

said Guy Constant, chief operating officer.

Constant and interim CEO Pattye Moore said the brand's turnaround effort has been largely focused on improving the dine-in experience and making digital improvements.

Dealing with high manager turnover, which reached more than 100 store leaders in early 2019, has also been a focus, Constant said. At the end of the second quarter, the brand has trimmed that shortage to about 30 managers.

"Our manager turnover numbers continue to improve and are approaching best-in-class levels," he said.

Moore, who announced her retirement plans this summer, said the brand has also made significant technology improvements.

During the quarter, restaurants scrapped third-party delivery tablets, which often lead to errors and slow down service. Third-party delivery orders are now directly integrated with the chain's POS system, a trend happening across the industry to improve order accuracy. It also prevents employees from manually inputting orders into a restaurant's POS system.

Moore said handheld POS *continued on page 20*

## Red Robin traffic slows in shift away from 'deal chasers'

**“While we know there’s a great deal of work to do, the initial pieces have been put in place.”**

— Guy Constant, Red Robin

devices used by servers are now in one third of restaurants. The devices allow servers to attend to more guests in a timely manner because the server is sending the order directly from the table.

The rollout is scheduled for completion soon, Moore said.

“While we know there’s a great deal of work to do, the initial pieces have been put in place and the leading indicators of manager staffing,

hourly turnover and guest satisfaction are all trending positively,” Constant said.

The company ended the quarter with 472 corporate locations and 90 franchise units.

Total revenue decreased 2.3% to \$308 million in the second quarter, compared with \$315.4 million in the same quarter last year. Net income of \$1 million was up compared with a net loss of \$1.9 million last year. ■

Red Robin is pumping more promotional dollars into its gourmet burgers, such as the Banzai.



**Ranked #4 “Restaurant Brands to Watch”**

-NRN Magazine, July 2019

Charlie Guzzetta  
Chief Brand Development Officer

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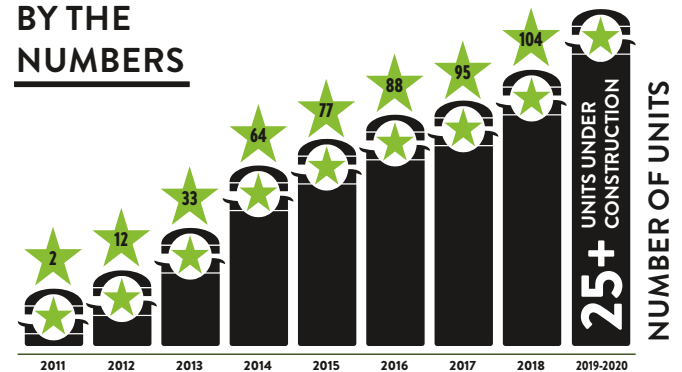
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# Same-store sales report

Taco Bell’s 7% second-quarter same-store sales growth was nearly three times the average 2.4% improvement among other QSRs.

by Alan J. Liddle



### COMPANY HIGHLIGHTS

▲ Among family-dining brands tracked by NRN, the 3.8% same-store sales increase reported by Cracker Barrel Old Country Store Inc. for its fourth quarter, ended Aug. 2, was only bettered by company-operated Denny’s units, which had 4.4% latest-quarter growth. Cracker Barrel chief executive Sandra B. Cochran said its “strong quarter” reflected, in part, higher guest traffic and the impact of a Signature Fried Chicken menu initiative. Comps were up 2.6% for the year, versus a 0.6% preceding-year bump, as a result of the company’s “increased focus on our menu, the guest experience and the continued expansion of our off-premise business,” she said.

▼ Dave & Buster’s Entertainment Inc.’s reported 1.8% same-store sales decline for the second quarter, ended Aug. 4, was deeper than the first quarter’s 0.3% falloff, but an improvement on fiscal 2018’s 2.4% second-quarter decrease. It represented the seventh quarter of negative comps in eight such periods that otherwise saw significant store count and revenue gains and, more recently, accelerated earnings per share growth. Brian Jenkins, chief executive, said in an earnings result statement that the chain was “executing on five near-term priorities to improve performance” and “fund investments to fuel comp-sales growth.”

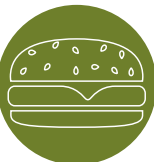
### LATEST-QUARTER SAME-STORE SALES

Quick Service	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
Biglari Holdings Inc.: Steak ‘n Shake (company restaurants)	Q2, 6/30	-5.9	-3.4	-6.5	-5.1
Del Taco Restaurants Inc.	Q2, 6/18	2.2	3.3	1.1	2.5
El Pollo Loco Inc.	Q2, 6/26	0.7	-0.9	1.5	1.2
Jack in the Box Inc.: Jack in the Box	Q3, 7/7	2.7	0.5	0.8	0.1
McDonald’s Corp., Global	Q2, 6/30	6.5	4.0	6.0	4.5
McDonald’s Corp., U.S.	Q2, 6/30	5.7	2.6	5.1	2.5
Restaurant Brands International Inc.:					
Burger King, Global	Q2, 6/30	3.6	1.8	2.9	2.0
Burger King, U.S.	Q2, 6/30	0.5	1.8	0.5	1.4
Popeyes Louisiana Kitchen, Global	Q2, 6/30	3.0	2.9	1.8	1.6
Popeyes Louisiana Kitchen, U.S.	Q2, 6/30	2.9	1.8	1.7	0.9
The Wendy’s Co. (North America)	Q2, 6/30	1.4	1.9	1.4	0.9
Yum! Brands Inc.:					
KFC Division	Q2, 6/30	6.0	2.0	5.0	2.0
Taco Bell Division	Q2, 6/30	7.0	2.0	6.0	4.0
KFC U.S.	Q2, 6/30	2.0	1.0	2.0	1.0


SOURCE: NRN RESTAURANT AND FOOD GROUP RESEARCH / COMPANY REPORTS; NEW REPORTS IN BOLD

### SAME-STORE SALES SEGMENT GROWTH LEADERS


Latest quarter\*




**FAST CASUAL**  
Wingstop (U.S.)  
**12.8%**



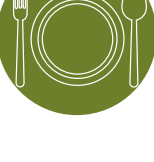
**COFFEE and SNACK**  
Starbucks (Americas)  
**7.0%**




**QUICK SERVICE\*\***  
Taco Bell  
**7.0%**



**CASUAL DINING**  
Texas Roadhouse (corporate)  
**4.6%**



**FAMILY DINING  
and BUFFET**  
Denny’s (corporate)  
**4.4%**



**PIZZA**  
Domino’s (U.S.)  
**3.0%**

\*Quarters ended closest to June 30, 2019, or from May 26 through Aug. 2, 2019, with 70 of 73 tracked systems or divisions reporting as of Sept. 17.  
\*\*Excludes Popeyes Louisiana Kitchen global results

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\*IRI Total US MULO and Nielsen Homescan



**ORE SALES STANDOUTS**

**GROWTH**

Mexican Grill Inc.  
(completed)

0%

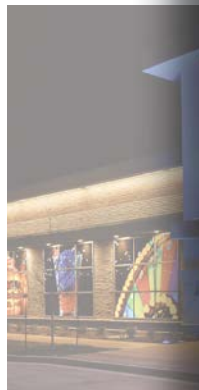
**DECREASE**

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0%

Taco Bell's  
three time

by Alan J. Liddle



LATEST-QUAR

Quick Service

- Biglari Holdings Inc.: Ste
- Del Taco Restaurants Inc
- El Pollo Loco Inc.
- Jack in the Box Inc.: Jack
- McDonald's Corp., Globa
- McDonald's Corp., U.S.
- Restaurant Brands Intern
- Burger King, Glob
- Burger King, U.S.
- Popeyes Louisiana
- Popeyes Louisiana
- The Wendy's Co. (North
- Yum! Brands Inc.:
- KFC Division
- Taco Bell Division
- KFC U.S.

SOURCE: NRN RESTAURA



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\*IRI Total US MULO and Nielsen Homescan

Casual Dining	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
BBQ Holdings Inc. (Famous Dave's system, worldwide)	Q2, 6/30	0.4	-1.6	0.3	-0.7
BJ's Restaurants Inc.	Q2, 7/2	2.0	5.6	2.0	5.3
Bloomin' Brands Inc.:					
Bonefish Grill	Q2, 6/30	0.1	1.5	1.0	0.5
Carrabba's Italian Grill	Q2, 6/30	-1.6	-0.6	-0.6	0.2
Fleming's Prime Steakhouse and Wine Bar	Q2, 6/30	1.6	0.3	1.1	0.8
Outback Steakhouse (corporate, U.S.)	Q2, 6/30	1.3	4.0	2.4	4.0
Brinker International Inc.: YTD = NRN estimate					
Chili's Grill & Bar (corporate)	Q4, 6/26	1.5	0.6	2.3	-1.1
Maggiano's Little Italy (corporate)	Q4, 6/26	-0.2	0.3	0.6	0.1
Cannae Holdings Inc.: (corporate units; YTD = NRN estimate)					
Ninety Nine Restaurant & Pub	Q2, 6/30	1.5	0.9	1.0	2.7
O'Charley's	Q2, 6/30	-2.4	-2.8	-3.0	-2.9
The Cheesecake Factory Inc. (corporate, primary brand)	Q2, 7/2	1.0	1.4	1.2	1.7
Chuy's Holdings Inc.	Q2, 6/30	1.9	1.0	2.5	0.5
Darden Restaurants Inc.:					
Bahama Breeze	Q4, 5/26	-1.9	0.6	-1.0	1.1
The Capital Grille	Q4, 5/26	2.9	2.6	3.7	2.8
Eddie V's	Q4, 5/26	2.0	3.6	2.8	4.1
LongHorn Steakhouse	Q4, 5/26	3.3	2.4	3.3	2.7
Olive Garden	Q4, 5/26	2.4	2.4	3.9	2.4
Cheddar's Scratch Kitchen	Q4, 5/26	-3.2	-4.7	-3.4	-2.0
Seasons 52	Q4, 5/26	-2.1	0.4	-1.5	-0.6
Yard House	Q4, 5/26	-1.4	1.4	-1.2	1.1
Dave & Buster's Entertainment Inc.	Q2, 8/4	-1.8	-2.4	-1.0	-1.6
Del Frisco's Restaurant Group Inc.:					
Del Frisco's Double Eagle Steak House	Q2, 6/25	-1.5	-1.2	-0.9	-1.6
Del Frisco's Grille	Q2, 6/25	-0.6	0.7	-0.2	-0.5
Dine Brands Global Inc.: Applebee's Neighborhood Grill & Bar, U.S.	Q2, 6/30	0.5	5.7	0.6	5.0
J. Alexander's Holdings Inc. (average weekly SSS; all brands but Stony River)	Q2, 6/30	0.3	1.9	0.4	1.1
Red Robin Gourmet Burgers Inc. (North America, corporate, constant currency)	Q2, 7/14	-1.5	-2.6	-2.4	-2.6
Ruth's Hospitality Group Inc.: Ruth's Chris Steak House (corporate)	Q2, 6/30	-0.5	1.3	0.9	1.4
Ruth's Hospitality Group Inc.: Ruth's Chris Steak House (worldwide franchised)	Q2, 6/30	1.1	1.3	2.1	1.0
Texas Roadhouse Inc. (corporate, Texas Roadhouse brand)	Q2, 6/25	4.6	5.6	4.9	5.4
Texas Roadhouse Inc. (franchised, U.S.)	Q2, 6/25	4.3	3.9	4.3	4.3
Fast Casual	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
Chipotle Mexican Grill Inc.	Q2, 6/30	10.0	3.3	10.0	4.0
Fiesta Restaurant Group Inc.:					
Pollo Tropical	Q2, 6/30	-1.3	3.4	-1.9	2.2
Taco Cabana	Q2, 6/30	-3.0	3.1	-1.8	4.5
Freshii, Global	Q2, 6/30	-4.0	0.9	-2.6	-1.2
Habit Restaurants Inc. (corporate)	Q2, 6/25	3.9	1.2	3.6	1.5
Noodles & Company	Q2, 7/2	4.6	5.4	3.8	3.7
Potbelly Corp. (corporate)	Q2, 6/30	-4.0	-0.2	-4.4	-1.4
Shake Shack Inc. (corporate)	Q2, 6/26	3.6	1.1	3.6	1.0
Wingstop Inc. (U.S.)	Q2, 6/29	12.8	4.3	9.9	6.5
Luby's Inc.: Fuddruckers	Q3, 6/5	-6.1	-5.8	-8.0	-3.6
Pizza	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
CEC Entertainment Inc. (domestic co. Chuck E. Cheese's, Peter Piper Pizza units)	Q2, 6/30	0.4	1.0	4.5	0.0
Domino's Pizza Inc., U.S.	Q2, 6/19	3.0	6.9	3.5	6.6
Domino's Pizza Inc., International (excl. foreign currency impact)	Q2, 6/19	2.4	4.0	2.1	3.5
Papa John's International Inc., North America	Q2, 6/30	-5.7	-6.1	-6.3	-7.3
Papa John's International Inc., International	Q2, 6/30	0.3	-0.8	0.1	-1.6
Yum! Brands Inc.:					
Pizza Hut Division	Q2, 6/30	2.0	-1.0	1.0	0.0
Pizza Hut U.S.	Q2, 6/30	2.0	0.0	1.0	2.0
Rave Restaurant Group Inc.:					
Pizza Inn (domestic)	Q3, 3/24	3.3	2.3	2.8	1.8
Pie Five Pizza Co.	Q3, 3/24	-4.4	-12.6	-3.2	-12.9
Coffee and Snack	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
Dunkin' Brands Group Inc.: (YTD = NRN estimate)					
Baskin-Robbins, U.S.	Q2, 6/29	-1.4	-0.4	-2.1	-0.6
Dunkin' Donuts, U.S.	Q2, 6/29	1.7	1.4	2.0	0.6
Starbucks Corp., Americas	Q3, 6/30	7.0	1.0	5.0	2.0
Restaurant Brands International Inc.: Tim Hortons, Global	Q2, 6/30	0.5	0.0	0.0	0.6
Family Dining and Buffet	PERIOD END DATE	QUARTER % CHANGE	YEAR-AGO % CHANGE	YEAR-TO-DATE % CHANGE	PRECEDING FULL FISCAL YEAR % CHG.
Cannae Holdings Inc.: Village Inn (corporate units; YTD = NRN estimate)	Q2, 6/30	-1.0	-1.0	-2.9	-0.4
Cracker Barrel Old Country Store Inc. (restaurant sales, excludes retail)	Q4, 8/2	3.8	-0.4	2.6	0.6
Denny's Corp. (corporate)	Q2, 6/26	4.4	-0.1	2.9	1.8
Denny's Corp. (domestic franchised)	Q2, 6/26	3.7	-0.8	2.5	0.6
Dine Brands Global Inc.: IHOP (excludes area license restaurants)	Q2, 6/30	2.0	0.7	1.7	1.5
Luby's Inc.: Luby's Cafeterias	Q3, 6/5	-3.1	2.4	-2.8	1.5

SOURCE: NRN RESTAURANT & FOOD GROUP RESEARCH / COMPANY REPORTS; NEW REPORTS IN BOLD

## SAME-STORE SALES CHANGE STANDOUTS

Year to date

## GREATEST GROWTH

Chipotle Mexican Grill Inc.  
(2 quarters completed)

10.0%

## GREATEST DECREASE

Luby's Inc.: Fuddruckers  
(3 quarters completed)

-8.0%

## AVERAGE

1.1%

# Finding a restaurant's place

Restaurants take on new, often complex roles in America

**A restaurant used to serve a distinct function** — feeding its customers.

Whether that was an opulent multi-course dinner, a quick sandwich during a workweek lunch, or a warm meal for a weary traveler.

Today the purpose of a restaurant, particularly quick-service restaurants, has expanded. On any given day, a third of Americans dine at one of the over 350,000 fast-food restaurants across the U.S. And for many, these restaurants have become the new community center or town square.

As restaurants have become more critical to our society, the most complex issues facing society have walked through the front door. Restaurants have found themselves in the middle of debates around homelessness, addiction, poverty, lack of housing, transportation and even access to technology.

So, what's the restaurant industry's responsibility to its diners, its 15 million employees and society in general? Is an open door policy or a cashless approach the answer? Should restaurants pay to keep their employees nearby or hire people who are frequently overlooked?

These are big questions, but the restaurant industry is brimming with people creating their own solutions. There are no easy answers, but questions without clear answers are sometimes the most important ones to ask.



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**\$200**

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“This isn’t a minority community; this is America now.”

JOE DELOSS

*CEO of Hot Chicken Takeover on the number of Americans who have had some contact with the justice system*

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Debit and credit card payments made up a combined 51% of consumer transactions in 2018.

*Source: Federal Reserve*

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He gets up at 4:30 a.m. to travel about 50 miles by bus to get to the restaurant.

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**100**  
HOURS

of English and job readiness training for refugees at Emma’s Torch in Brooklyn, N.Y.

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“Fast food succeeds and has succeeded in large part because its appeal transcends nearly all demographic bounds.”

ADAM CHANDLER

*in his book “Drive-Thru Dreams”*

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A male delivery driver in a red Coca-Cola vest is carrying a large stack of cardboard cases. The cases are labeled 'EASY CARRY FEATURE' and '2.5 GALLONS (9.46 LITERS)'. The background is a blurred green outdoor setting.

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# Where's the 'third place' now?

How chains — especially coffee shops — can balance their roles as gathering places with being a private business

by Joanna Fantozzi



When Starbucks relaunched its third-place initiative in May 2018, officially opening up their cafes to the public, the company shared a vision of a community center where anyone and everyone could gather in a “warm and welcoming environment” regardless of if they paid for a Frappuccino or not.

Almost a year and a half since it was announced, the policy has been met with detractors and challenges. It's not uncommon now to encounter long lines for the bathroom at Starbucks cafes in well-trafficked communities, or to see homeless people using the cafe as a means to shelter from the elements.

A group of Seattle baristas made headlines in January when they created a petition that asked Starbucks to add safety needle disposal boxes in high-risk stores after three baristas were poked by hypodermic needles while cleaning store bathrooms.

A few months later, Starbucks began rolling out safety needle deposit boxes to cafes that needed them, clarifying in a media statement that they have “protocols and resources in place to ensure our partners are out of harm's way.”

Additionally, retailers, including allegedly Starbucks, have been installing blue lights in the bathrooms in cities like Philadelphia to discourage drug usage (blue lights make it more difficult to find veins).

Starbucks is not directly addressing the issues of drug culture in its stores, although the company does have specific protocols and procedures in place to respond to situations that could prove dangerous or uncomfortable for baristas and customers.

Despite criticisms, Starbucks is not backing down on its third-place culture.

“I think the governing truth on that the third-place commitment is that we're creating an environment of warmth and belonging, which includes our customers, and in turn we respectfully request our customers behave in a manner that maintains that environment,” Bailey Adkins, communications manager at Starbucks, said.

“I think it's just to maintain that commitment of creating a welcoming place between work and home. ... We're com-

Coffee shops are “warm and welcoming” to the customers who are paying, but find it a challenge concerning those who do not.

mitted to evolving, and to do that we're always listening to partners and customers."

Starbucks has always been known for supporting socially conscious policies that tackle issues of privilege, racism and belonging. The newly envisioned third-place policy itself was shaped by Starbucks' highly publicized racial bias incident in April 2018, in which two black men were arrested for sitting in a Philadelphia Starbucks cafe without making a purchase. The men were arrested for trespassing and subsequently Starbucks was the site of protests claiming racial bias and profiling. Starbucks CEO Kevin Johnson personally apologized to the two men, who were released on no charges, and shut down all Starbucks corporate-owned cafes for a day to host a company-wide meeting about discrimination and implicit biases.

"A lot of our reactions are based on bias at the subconscious level, not intentional," Gerry Fernandez, founder and president of the Multicultural Foodservice & Hospitality Alliance, told NRN in April 2018. "Every person brings their own history and collective of life experiences. It's hard as a company to be responsible for managing that."

Being both a third-place community and a private business inherently touches issues of racism and bias. But Starbucks is not the only major industry player to be affected by the third-place outlook.

Both chain and independent quick-service restaurants — especially cafes and coffee shops — have encouraged, dealt with or built policies around customers that stay a little too long after purchasing an item (or not), using the bathroom as a nonpaying customer, or are disruptive to other guests.

For example, Dunkin' prefers to put these in the hands of the franchisees.

"As a 100% franchised brand, all Dunkin' restaurants are individually owned and operated by independent franchisees who are solely responsible for making their own business decisions, including any policies for loitering or whether or not to require guests to make a purchase to use facilities within their restaurants," a Dunkin' representative said in a statement.

But unsurprisingly, besides Starbucks and Dunkin', almost every single major coffee chain including Coffee Bean & Tea Leaf and Blue Bottle Coffee declined to answer questions about their approach to challenges and benefits associated with the third-place policy.

For Cherry Street Coffee House, a 12-unit Seattle coffee chain, the idea of being a community center for nonpaying and paying customers alike was never a part of its business plan.

"We are a third-place community but it's a community for and supported by paying customers to stay in business, not by someone who comes in and is not purchasing anything," Ali Ghambari, founder and president of Cherry Street Coffee House, said.

"Most of our stores we always have enough room for paying customers. Even if you have a little quick meeting, we appreciate you buying something."

Ghambari maintains this policy through several house rules, like between the hours of 11:30 a.m. and 1:30 p.m., tables are only for paying lunch guests. He has also designated a specific section of his cafes for people who come in with their laptops.

"We are a THIRD-PLACE  
community but it's  
a community for and supported by  
paying  
customers."

— Bailey Adkins, Starbucks

Bathrooms at Cherry Street Coffee House locations are for paying customers only, though he is flexible sometimes for tourists in desperate need of a bathroom break.

As a cafe with locations in downtown Seattle, Ghambari is familiar with the drug usage problems that have plagued Starbucks cafes in similar locations and called Starbucks' third-place policy "the wrong thing to do," saying it would bring "more headaches" than necessary.

"We are in the middle of downtown Seattle so we deal with these challenges," he said. "It does not happen often but if we encounter homeless or drug users, we may call the police or have social services help us out. ... At the end of the day this is my home and it's designed to take care of my customers and community. When guests come in they want to feel safe and taken care of, and that is my priority."

Ghambari said that they train their baristas and managers with tips like, "don't approach people too fast until they become a problem" to avoid conflict with possibly disruptive nonpaying customers, including homeless people and drug users.

For Robert Burgess, founder and president of Seattle Barista Academy, thorough staff training and specifying clear store policies are two of the most important aspects of maintaining a clean and safe environment for customers in a cafe.

Burgess said it's important to know how to deal with awkward situations like knowing how to approach loiterers humanely but not at the expense of paying customers, and introduce firm policies, like whether or not to have keypad access to bathrooms.

"You want to be kind and respectful to everyone who walks in but you don't want to satisfy the needs of one person at the expense of all of your other customers," Burgess said. ■

# Cash or credit? App or Apple Pay?

What currency says about who is welcome

by Gloria Dawson

**Restaurants and their patrons** have always had a complicated relationship with currency. Historically, diners at fine-dining restaurants had an account — and would never see a bill at the table. And even today, the bill is often hidden away in a folder and whisked away by waitstaff.

For the middle class and lower-income class and the establishments that cater to them, cash has always been king. Today, as credit card use has increased, some establishments wear their “cash only” policy like a badge of honor. Others have taken the credit or app-only approach and inadvertently started a class war.



Segments of the industry that see the benefits of a cashless workplace are also asking themselves: Does a restaurant have a responsibility to ensure that everyone has access to their seasonal salads or sustainable sushi?

“It’s unfortunate that the cashless conversation really got off on the wrong foot,” said Kristofor Lofgren, founder of The Sustainable Restaurant Group.

At his restaurants, Bamboo Sushi and Quick Fish, sit down and fast-casual sustainable sushi restaurants, he decided to go cash-free earlier this year with eyes wide open.

The arguments for a cashless approach are plentiful — speed of service, safety of employees, fewer emissions and generally more time for employees to focus on anything else.

Many of the restaurants that went cashless had already been seeing less than 10% of sales made with dollar bills. It’s a lot of effort to go through for such a small segment of their customer base, a base they argue could easily pull out a credit card or other form of digital payment.

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Sustainable Restaurant Group has been putting all tips on employees paychecks for years — including cash tips.

“So this is nothing new to us,” he said.

Having their tips in their paychecks instead of paid out in cash benefits his employees, said Lofgren. Without cash in hand, they’re encouraged to save.

a percentage. What about the places that wouldn’t take American Express because they demand a higher percentage? There are places that take only American Express. It used to be more prestigious.

“The pushback comes from places where ordinary or poor people without credit cards might go.”

I’m  
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have the least  
access to it.”

— Ben Famous, Cava

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Restaurant brands, particularly fast-casual ones, are increasingly embracing the future and looking towards technology. They're creating their own apps, which customers can use to pay and restaurants can use to gather data. Some restaurants go so far as to consider themselves tech companies rather than restaurants. The tech-forward approach paired with an uptick in credit card usage, makes a cashless policy seems like an obvious choice.

For Lofgren, the No. 1 reason for going cashless was the safety of his employees. His restaurants, which are located in Denver and Portland, Ore., have been robbed. He also believes in paying his fair share to the federal government. Really.

Sustainable Restaurant Group has been putting all tips on employees paychecks for years — including cash tips.

"So this is nothing new to us," he said.

Having their tips in their paychecks instead of paid out in cash benefits his employees, said Lofgren. Without cash in hand, they're encouraged to save.

Finally, "to have cash means you have to go to a bank." And Lofgren argues that the big national banks that accept cash don't support the causes his company is all about. By going cashless he was able to work with a small, B Corp bank that supports solar, geothermal and affordable housing projects.

"Restaurants have a vital role to play in society," he said.

Currency decisions are rarely straightforward, said Paul Freeman, a history professor at Yale and the author of "Ten Restaurants That Changed America."

"It's not just a binary, oh, one day it's cash and the next day it's credit card. Many restaurants were reluctant to start with credit cards in the 1950s and '60s because they had to sacrifice a percentage. What about the places that wouldn't take American Express because they demand a higher percentage? There are places that take only American Express. It used to be more prestigious.

"The pushback comes from places where ordinary or poor people without credit cards might go."

**"If you're trying to make healthier food accessible to more people, you can't exclude the people who have the least access to it."**

— Ben Famous, Cava

Data Snapshot

**6%** of adults do not have a bank account

**1%** of Americans with incomes over \$40,000 are unbanked

**14%** of Americans with incomes under \$40,000 are unbanked

SOURCE: FEDERAL RESERVE BOARD'S DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

**53%** Americans who say they have cash on hand just in case, a 7% decline from 2015

SOURCE: 2018 PEW RESEARCH CENTER REPORT



3 in 10 American adults say they make no purchases using cash during a typical week

WHY SWEETGREEN DITCHED ITS CASHLESS POLICY:

**“To accomplish our mission, everyone in the community needs to have access to real food.”**

— Sweetgreen blog post

WHY THE SUSTAINABLE RESTAURANT GROUP REMAINS CASHLESS:

**“YOU DON’T need cash for anything anymore other than DRUGS and STRIP CLUBS.”**

— Kristofor Lofgren, The Sustainable Restaurant Group



The Sustainable Restaurant Group's Bamboo Sushi went cashless this year — and made an effort to explain the move to diners.

Restaurants who went cashless faced allegations of discrimination and officials who proposed laws mandating businesses accept cash. In some cities and states, laws were already on the books asserting citizens' right to use cash, but these laws were previously little known.

The salad chain Sweetgreen was one of the first restaurants to wade into the cashless debate in 2016 when it stopped accepting the currency, which they estimated took their employees two hours to deal with.

“Those two hours we’re getting back in each store from not having to count cash are now being spent developing our people and focusing on you, our guest,” Sweetgreen said on a company blog post.

“That means we can open more locations in more communities, as we work toward our mission to sustainably scale healthy food. And we think that’s something that all of our customers will be happy about.”

Fast-casual Mediterranean chain Cava, another competitor in the healthful restaurant space, has been outspoken about accepting all currencies.

“While we can’t speak to other restaurants’ approaches, we pride ourselves on being an inclusive company,” said Ben Famous, head of strategic communications and brand marketing at Cava. “If you’re trying to make healthier food accessible to more people, you can’t exclude the people who have the least access to it.”

Sweetgreen, along with another chain in the healthy fast-casual space, Dig Inn, have both reversed their cashless policy citing unintended consequences.

“Ultimately, we have realized that while being cashless has advantages, today it is not the right solution to fulfill our mission. To accomplish our mission, everyone in the community needs to have access to real food,” Sweetgreen wrote in a blog post.

The Sustainable Restaurant Group's Lofgren knew he'd get pushback with his move, but for him, cashless is progress.

“I’ve known this is going to be coming for a long time. The idea that you’re going to carry around a wad of paper in your pocket is insane. It takes a long time for things to change, unfortunately. But at the end of the day, like the people who really want to have cash, like there’s a lot of maybe more nefarious reasons why they want to have cash,” he said.

“You don’t need cash for anything anymore other than drugs and strip club.”

Lofgren sees the larger societal good in keeping his cashless stance. “It’s not about discriminating against people,” he said. “It’s about making it a more efficient business and a better world with the money that we have.” ■



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# Opening doors

How one Brooklyn restaurant works to help refugees rebuild  
*by Bret Thorn*

**I**f you can handle having your country invaded, society breaking down, hunger, torture, rape and flight from the only home you've ever known, a hot line on a busy Saturday night is a snap.

That's part of the reasoning behind Emma's Torch, a nonprofit restaurant and cafe in Brooklyn, N.Y., with the mission of preparing refugees to lead productive lives, particularly by working in foodservice.

"I was really intrigued by the way that we work with refugees and welcome them into our communities, and had this crazy idea that we could do it a little bit differently," said founder Kerry Brodie, who has had a career in public policy, most recently working for LGBTQ advocacy group the Human Rights Campaign.

Three years ago she left that job, went to culinary school at the Institute of Culinary Education in New York City and started Emma's Torch, named for Emma Lazarus, a poet and advocate for refugees who wrote the poem at the base of the Statue of Liberty that includes the lines: "Give me your tired, your poor,/ Your huddled masses yearning to breathe free,/ The wretched refuse of your teeming shore. /Send these, the homeless, tempest-tossed to me."

*continued on page 37*

Emma's Torch supports refugees with training and employment as they establish their lives in their new homeland.



## What is your Restroom Communicating?

A recent study revealed that 90% of dads see themselves as hands-on parents, but half feel like society places less value on dads' parenting role. While baby changing stations are provided in many women's restrooms, men's restrooms are often without them, and parents are speaking out. Having the right child accommodation products helps you welcome families to your restaurants and keeps them coming back. It's just good business.



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Brodie said food in the United States has long been affected by the waves of immigrants, whose cuisine has been part of their integration into the country, and that it made sense as the tool by which she could help refugees get acclimated.

"I thought that the culinary industry made sense for various reasons," she said. "I think there's something about the way food truly transcends borders that really spoke to me and really speaks to a lot of people. You don't necessarily need to speak the same language to be able to share a meal and to contribute.

"And then from a purely pragmatic side, it's also an industry that's experiencing a real labor gap," she added. "So it's not that we're just serving refugees, but also an industry that's looking for highly trained, highly motivated, creative individuals to join their ranks."

#### LEARNING ON THE JOB

Emma's Torch works with around 40 refugee resettlement agencies, homeless shelters and other social service providers who help people who they think would be a good fit to apply online. They're interviewed, and if they're selected they train over three months at the various stations in the cafe and restaurant, supervised in part by Alex Harris, who most recently was the chef de cuisine at Blue Smoke, Union Square Hospitality Group's barbecue restaurant.

They also get around 100 hours of instruction in English, job readiness, mock interviews, etc. At the end of their training, Brodie and her team help them find jobs, which is not difficult, she said, because the labor is tight and because her graduates are great employees.

"We're fortunate that our students are really the most resilient,"  
*continued on page 38*

"WHENEVER our  
students make  
different dishes, it's so exciting,  
and I love  
being able to  
taste the things  
they CREATE."

— Kerry Brodie, Emma's Torch

## THE BUSINESS OF HIRING THE FORMERLY INCARCERATED



Hot Chicken Takeover's hiring practices have helped business too — its turnover rate is far better than average.

"If somebody had a really effective career selling drugs until they got caught, there's a lot of cross-over leadership value that comes from that experience that we want to know about," Joe DeLoss, co-founder of Hot Chicken Takeover, said about hiring the formerly incarcerated.

One in three adults in America has been involved with the law in a way that affects their employment eligibility.

"This isn't a minority community; this is America now" DeLoss said.

Hot Chicken Takeover, a 2019 Nation's Restaurant News Breakout Brand and three-unit chain based in Columbus, Ohio, has participated in open hiring practices since it launched in 2014.

"It's about understanding somebody's life and seeing it as a value" DeLoss said.

Four pillars guide the chain's HR policies: Setting clear expectations, providing relevant benefits, providing frequent and in-depth feedback, and a dish-tank culture meaning everyone, no matter their position, serves shifts as a dishwasher.

Employees also have access to cash advances as well as an extensive personal time off policy.

"If we invest in our team's personal stability, we see the benefit of that," DeLoss said.

In fact, the chain's turnover rate is 40%, much lower than industry averages.

Still, hiring people with criminal backgrounds is not without its challenges. Employees may have transportation problems or schedule conflicts related to the terms of parole.

And while Hot Chicken Takeover isn't shy about its inclusive hiring, it is sensitive about how it communicates it, letting employees take the lead, if they wish.

"We treat our hiring strategy as a second- or third-date conversation," DeLoss said, "and try to allow our staff to talk to customers if they feel comfortable about their experience."

— Holly Petre



Emma's Torch co-founder Kerry Brodie called the program's trainees "the most resilient, incredibly powerful, motivated and optimistic people."

incredibly powerful, motivated and optimistic people," she said. "Our students have overcome so much, and they're ready to create new lives for themselves."

Quite a few of the students at Emma's Torch are from sub-Saharan Africa. Others are from Haiti, the Middle East and Russia, which can make for an eclectic and fun family meal.

"Whenever our students make different dishes, it's so exciting, and I love being able to taste the things they create," Brodie said.

About 60% of the funding for those training programs comes from the restaurant's proceeds, and the rest comes from corporate partners, foundations and individual donors.

#### GOOD FOR BUSINESS

Brodie said that hiring refugees is similar to hiring anybody, but that added effort might be necessary up front to acclimate them to American culture, and to help boost their confidence.

"Often they don't realize how powerful they truly are," she said.

She added that employers should "take the whole package of what they're bringing to the table. They're not just bringing their basic knife skills. They're also bringing different lived experiences, and different understandings of flavor and cuisine," she said.

"See, this not just as a good deed, but something that's good for business and for the industry as a whole."

And if you see African and Haitian cuisine trending on menus, this could be a reason why. ■

## GIVING MARGINALIZED PEOPLE A SECOND CHANCE



Ed Lee, left, and chef John Park agreed "to hire people off the street" if Toast earned a profit — and it did.

John Park spent the early part of his career working as a pastry chef at some of Los Angeles' best known restaurants: Father's Office, Providence and Water Grill.

Yet a few years ago, after striking out on his own, he found himself nearly homeless. Financial shenanigans tied to his then-business partners forced him to sell two ice cream shops and a poke restaurant.

"That was scary because we had two young boys at the time. I was thinking we'd have to live in my delivery van," Park said.

Eventually, Park hooked up with Ed Lee, co-founder of the Wahoo's Fish Taco chain. Lee was looking for a chef to launch a new concept.

Park shocked Lee when he proposed opening a "socially minded restaurant."

"I came in saying, 'We will hire people off the street. We'll give 10% of our money away,'" he said.

Lee, known as a philanthropist in Orange County, Calif., accepted Park's idea with one caveat: "That's great, but we have to make money first."

Toast Kitchen Bakery & Bar opened in Costa Mesa, Calif., in July 2018. Of its 30 to 45 employees, roughly 10% to 20% are young adults or veterans living on the street or in homeless shelters.

"People coming through the doors have fallen on hard times," said the 38-year-old chef. "All we do is provide that opportunity."

The restaurant is profitable and donates 10% of proceeds to a different charity each month.

While rewarding, Lee and Park said such hiring can be challenging. One dishwasher lives in a Los Angeles shelter. He gets up at 4:30 a.m. to travel about 50 miles by bus to the restaurant. One time he was late and couldn't call in because his phone was stolen.

On a recent Sunday, one dishwasher didn't show up, forcing Park to cook and wash dishes during brunch. Lee said Park handles situations like this with class because he's passionate about giving people second — even third — chances.

"This is what's in his heart," Lee said.

— Nancy Luna

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# Cutting the commute

Restaurants find ways to ease employees' transportation burdens  
by Ron Ruggless



Table 301 Restaurant Group in Greenville, S.C., offers rent subsidies so employees can afford to live closer to work.

**R**estaurant operators realize transportation costs can quickly eat into a foodservice worker's budget, but they are coming up with innovative solutions. It's not a free ride, but it's a helping hand.

Whether the restaurants are in the far-flung suburbs, where restaurant brands can stake territory as the community builds around them, or in the center city, with limited parking and a high residential rents, commuter costs add up for workers on a limited wage. And in newer areas, public transportation may be unavailable.

To address the problem, Carl Sobocinski, who founded the eight-restaurant Table 301 Restaurant Group in Greenville, S.C., this year began offering a handful of rent subsidies so workers could live closer to work and trim commuting time and cost.

"I try to be a creative, out-of-the-box thinker," Sobocinski said in an interview.

"We have 400-plus associates in our eight restaurants here in downtown Greenville. And one of the biggest issues has been affordable housing for the workforce and transportation and parking."

Sobocinski has served on several municipal task forces to address the problem, but he decided to tackle the problem on his own.

"We offer a limited number — we're starting out

with 12 — rent subsidies to see if getting them closer to the restaurants — living in the downtown area — will help with saving them money and getting them to work on time," Sobocinski said. "And it will offer

## Data Snapshot

The mean travel time to work for those 16 and older in the U.S. is **26.4 minutes**

**7.5M** workers commute by bus, subway, commuter rail, light rail or some other form of public transportation on a typical workday

SOURCE: 2013-2017 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES

them a higher quality of life.

Table 301 offers the dozen workers \$200 a month per associate who applies and qualifies, he said, and the company negotiated rent on apartment units in the downtown Greenville area.

"It's working out great," Sobocinski said nearly nine months into the program. "They know you care about them and that it matters that they are working there."

Two associates teamed up and roomed together to reduce the rent even further, he said. The program is primarily for hourly associates, who generally earn in a range of \$30,000 to \$45,000.

"It took a while to get some traction," Sobocinski said, because most were already in a lease that had to expire. "Through the summer, we got the slots filled and we got a great response. The employees know they are appreciated and valued, and that goes a long way."

There's an ecological side benefit, too.

"I spoke to two employees last week," Sobocinski said, "and they said they hadn't driven their cars in several weeks."

Sobocinski, who serves on the board of the National Restaurant Association, said his restaurant operator peers consider transportation a big issue for their workforces, ranking among the Top Three considerations among job applicants.

Behind compensation and typical benefits, transportation ranks as the No. 3 issue for workers at his restaurants, Sobocinski said. "We have to be creative. We have to stand out from our competitors [for restaurant workers]. A cook will leave you for a 50-cent raise down the street, and waiters will all talk and go to the hot new restaurant."

Sobocinski has had restaurants in Greenville for 20 years, and among Table 301's locations are Soby's New South Cuisine, Soby's on the Side, The Lazy Goat and Jianna Modern Italian.

Big restaurant brands also consider commuter benefits, especially during bad weather.

"Corporate-side aid generally tends to come during post-inclement weather recovery, when public transportation choices are limited or unavailable," said a consultant who works with a number of big brands.

"Franchisees generally utilize transportation during either market takeovers where you tend to see mass workforce exodus, or during brand development within a market still in its infancy stage."

The consultant said he had used it in both situations at multiple brands.

"Generally if you compensate the employees for travel time in addition to providing mass transportation, team members tend to go the extra step in times of need," he said. ■

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# Neutral ground

Amid unrest in Ferguson, Mo., McDonald's emerges as a hub for protesters, police and journalists

by Adam Chandler



*Editor's Note: The following is an excerpt from the book "Drive-Thru Dreams: A Journey Through the Heart of America's Fast-Food Kingdom" by nonfiction writer Adam Chandler. The excerpt depicts a scene in a McDonald's a year after the police shooting of Michael Brown.*

**T**he McDonald's on West Florissant in Ferguson, Mo., is an average looking store. On the Sunday afternoon in the summer of 2015 the store was serving as respite from 97-degree Missouri heat and what must have been at least 95% Missouri humidity. There were about 30 people inside, a mix of ages, mostly black, but also white, people in Cardinals hats, people talking on phones, people playing Vince Staples and Kendrick Lamar from small speakers at tables. In one corner by the counter sat a computer terminal, which had been set up so people could apply for jobs there. If the crowd was bigger than normal for the time of day, it had a reason to be; that Sunday was the one-year anniversary of the shooting death of Michael Brown a few blocks away and a flurry of events, memorials, and protests were happening on the avenue outside.

In the days following the 2014 shooting, the Ferguson McDonald's had served a different function as a harborage of sorts for people seeking food or normalcy, for cops on coffee breaks, for reporters needing tables and internet to write and file their dispatches, and for demonstrators escaping the heat of the protests and the clashes with police. The Burger King and 24-hour McDonald's near New York City's Zuccotti Park were similarly depicted as unexpected safe asylums for demonstrators during the months-long encampment of the Occupy Wall Street protests in 2011.

While in Ferguson, Matt Pearce of the Los Angeles Times reported, "When a protester blasted with tear gas comes moaning through the door there are bottles of soothing McDonald's milk to pour onto his or her eyes." One worker had been a classmate of Michael Brown and knew his regular order: A McChicken, medium fries, medium drink.

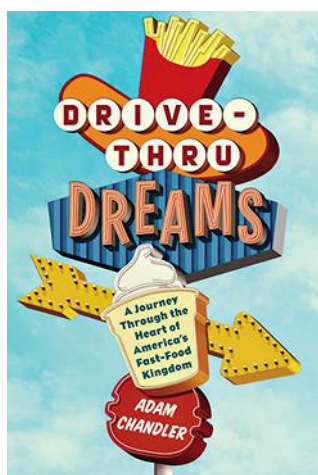
Some McDonald's employees had quit to join the demonstrations or had protested in their uniforms before or after their shifts. Despite the extensive damage and tumult around it, the store itself had been spared, becoming a drop-by destination for Jesse Jackson and a mishmash of community and national leaders, media personalities, and celebrities. On this Sunday, the same large-screen television on which observers, rioters, and

*continued on page 44*

**"The Ferguson McDonald's had served a different function as a harborage of sorts for people seeking food or normalcy."**



On separate days in 2014, demonstrators shout slogans following the shooting death of Michael Brown in Ferguson, Mo., while others take cover from tear gas inside a McDonald's.



demonstrators had watched President Obama address the unfolding unrest a year before, a local channel was now showing a documentary on wounded American soldiers returning from the war in Afghanistan. Outside in the parking lot, a group of people held court, smoking cigarettes and drinking booze in the heat, listening to music, watching the crowds and the afternoon pass.

It's not just that fast food restaurants are culturally pluralistic social hubs or places for familiar meals, meaningful rituals, and uncommon encounters. Or that they act as community centers of first and last resort. They also function as hallowed, neutral territory, where people can set about building connections and performing the work of whatever their interpretation of repairing the world might be.

In the recent, particularly fraught years, law enforcement agencies have (formally and informally) used fast food restaurants as bases to step up their community outreach efforts. The most highly orchestrated version of this effort is Coffee With a Cop, a national initiative started in California by working police officers to respond to the pervasive tension and anxiety between police and the communities they serve. Funded in part by the U.S. Department of Justice, these social outings take place in scattered town halls, churches, and (naturally) coffee shops. Nevertheless, an overwhelming number of these meet-ups happen at fast food franchises in far-flung places. A Whataburger in northwest Florida; a Burger King in Pasco, Washington; six McDonald's in New Orleans, three in Rockford, Illinois, and one in Hagåtña, Guam. Chick-fil-As in North Carolina, Tennessee, Indiana, and Maine.

The officers buy the coffee and sometimes work the drive-thru, taking orders, answering questions, dispensing friendly hellos, and startling the bejesus out of any addled customers. In announcing their participation in the initiative, the City of

Dayton, Ohio, promised "no speeches or agendas, just a chance to get to know the men and women who patrol your neighborhood." Responding to a public Facebook comment from an irate citizen who asked why taxpayers are paying for cops to serve drinks instead of preventing crime, the police department of Albany, Oregon, explained:

"When our officers engage people in different ways (like serving them coffee), it provides a unique opportunity for connection. It also gives people the chance to talk about issues on their minds which they may not have otherwise called us about."

Ultimately, fast food succeeds and has succeeded in large part because its appeal transcends nearly all demographic bounds. More than its innovation, imagination, convenience, value, or capacity to decode the national appetite, fast food's greatest virtue — and what people fail to appreciate most about its significance — is its fixture as the creator of America's most successful democratic gathering points. Small matchbox chapels where there is practically no barrier to entry or belonging, regardless of race, age, class, gender, religion, and other. There is no velvet rope, no palm to grease, and no tracking shot of VIPs being ushered through the kitchen. There is no waitstaff injecting a sense of hierarchy, no dress code, no reservation book, and no culinary norms. You are welcome to bumble in wearing last night's clothes and order seven small cheeseburgers and an apple pie at 10:30 in the morning. ■

*Adam Chandler is a writer based in Brooklyn, N.Y., and the author of "Drive-Thru Dreams." A former staff writer at The Atlantic, his work has also appeared in The New York Times, The Wall Street Journal, The Washington Post, Slate, New York Magazine, Texas Monthly, Esquire, TIME and elsewhere.*

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1. Technomic, Branding at Foodservice, February 2018

2. Nielsen, xAOC plus Convenience—52 weeks ending 12/29/18



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# 2019 Leadership Awards

NRN honors the Golden Chain and Norman Award winners  
for extraordinary contributions to the restaurant industry

**F**or more than four decades, Nation's Restaurant News has recognized the restaurant industry's most innovative and impactful leaders with its annual Golden Chain awards.

These are the headline makers. Together, they lead businesses with more than \$15 billion in combined domestic sales. And whether they're building larger-than-life brands, drawing major investments, pioneering digital tools or incubating the next buzzworthy brand, their accomplishments are impossible to ignore.

The five executives in this year's class of Golden Chain winners are Julie Felss Masino, president of Taco Bell North America; Sam Fox, founder and CEO of Fox Restaurant Concepts; Elizabeth Smith, executive chairman of Bloomin' Brands

Inc.; Scott Svenson, co-founder and CEO of MOD Pizza; and Tim McEnery, founder and CEO of Cooper's Hawk Winery & Restaurants.

These winners will be celebrated at an awards gala Oct. 15 during the MUFSo conference in Denver. They will also address the most pressing industry issues during a panel session, sponsored by CardFree, earlier that day.

In addition, Alice Elliot, founder and CEO of The Elliot Group, will receive this year's Norman Award. That honor, now in its 10th year, recognizes an executive committed to developing and elevating restaurant industry leaders in the spirit of the late Norman Brinker, the casual-dining pioneer for whom the award is named. The Norman Award is sponsored by PepsiCo Foodservice.

Read on to see what sets these executives apart.

# Julie Felss Masino

Nurturing Taco Bell's culture of creativity  
to drive sales and defy expectations

by Nancy Luna

**T**aco Bell is known as a zany, innovative brand that garners legions of fans all over the world.

As Taco Bell North America president, Julie Felss Masino's job is to ensure her teams, from field-level restaurants to product development, keep the creative juices flowing.

In the 18 months since Masino joined the Irvine, Calif.-based chain, Taco Bell has been busy. The brand has introduced a state-of-the-art delivery program, launched a record-breaking unconventional menu item, tested a vegetarian menu and converted a California desert hotel into a Taco Bell resort.

But it almost didn't happen that way. When Taco Bell first approached Masino about the role, she didn't even consider it. She was six months into a new role at

Mattel and planned to recommend someone else for the position.

Her husband told her she should take it. After all, Masino had been a huge fan of the brand since eating her go-to meal, a chili cheese burrito, at age 15.

"It's a brand that I just always admired," she said.

She joined the company in early 2018, and a month later, her then-boss, CEO Brian Niccol, left the chain to lead Chipotle Mexican Grill.

"You never know what's going to happen, right?" she said. "You just go and give your best every single day."

Her best has been beyond good.

Taco Bell's same-store sales have consistently outperformed the industry, with positive results reported in

each quarter since Masino came on board. In the latest quarter, Taco Bell posted a 7% increase in same-store sales.

Beating those results each quarter is "a big hill to climb," she said. "But we get excited about the challenge of that. We will continue to lead the industry and that is what gets me super excited."

## Slowing down to go fast

A large part of Taco Bell's success has been doing things on its own terms.

Case in point: delivery. Taco Bell launched delivery in early 2018, a national rollout that came long after its quick-service peers' delivery programs. Masino said the brand held off on delivery so the company could work with exclusive partner Grubhub to create a fully

integrated delivery system. Taco Bell did not want to use third-party tablets to process incoming orders, which often slows delivery times and leads to mistakes.

Grubhub is now fully integrated into each restaurant's POS and kitchen systems. Orders are fulfilled when Grubhub identifies a driver who has crossed a predetermined geofence.

At that point, Taco Bell can prepare an order in less than four minutes, she said.

"We're fast," Masino said. "And that was the goal for us because we wanted to really meet that 30-minute [delivery] paradigm. When you want a taco, you want it now. You don't want to wait 65 minutes."

*continued on page 52*

**“When you want a taco, you want it now.”**

— Julie Felss Masino



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'We are real bar raisers'

The key to Taco Bell's steady stream of marketing and menu innovation, Masino said, is the people. And it is her job to nurture the culture and help employees think even bigger and better with every new project, she added.

"We really try to hire and find people who are passionate about innovation, about creativity, about great quality food, about doing things that haven't been done before. We are real bar raisers," she said.

That was certainly the case this summer when the brand launched an epic marketing event when it operated a Taco Bell-themed pop-up hotel in Palm Springs, Calif., featuring resort food and cocktails made with a Taco Bell twist, exclusive merchandise and the first taste of yet-to-be released national menu items.

"It was an amazing experience," said Masino. "I am so proud of the Taco Bell team and all the hard work that they put in every detail to truly make it a fan-stravaganza. It truly was your taco dreams come true."

On the food side, Masino's culinary team has been on a tear with the introduction of the wildly popular Nacho Fries in early 2018, the launch this fall of the Toasted Cheddar Chalupa and this year's test of a dedicated vegetarian menu.

Even Taco Bell's approach to its vegetarian menu underscores its rebellious side. Rather than partner with one of the major plant-based meat suppliers, as many its peers have done, the chain created the menu in-house.

Masino said one of the best parts of her job is visiting the test kitchen, where teams are constantly "pushing the boundaries of what's possible, what's delicious, what's nutritious and what will delight and surprise not only our customers at Taco Bell

but the team members," she said.

That boundary-pushing spirit is deeply embedded into the brand's DNA, Masino said, citing a legacy of innovation that began long before she joined the company. She credits Greg Creed, CEO of parent company Yum Brands Inc. for being an inspiring mentor. Creed ran Taco Bell before Niccol.

"I stand on the shoulders of Greg Creed and all those before me who actually built this business into the really amazing, relevant brand that it is today," she said. ■

Above: Julie Felss Masino in Taco Bell's New York City Cantina restaurant. Below: Masino with NRN senior editor Nancy Luna, when Masino was given the 2019 Innovation Award at UCLA Extension's Restaurant Industry Conference in April.



On a roll: Taco Bell's sales momentum

Same-store sales have risen in each quarter since Masino joined the company

Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
+1%	+2%	+5%	+6%	+4%	+7%

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**TEXAS PETE**

# Sam Fox

Writing the next chapter of his pioneering multiconcept company under new parent The Cheesecake Factory Inc.

*by Ron Ruggless*



**S**am Fox has had a very big year. The prescient restaurant entrepreneur in July agreed to sell his Phoenix-based Fox Restaurant Concepts to Calabasas Hills, Calif.-based The Cheesecake Factory Inc. in a deal valued at \$353 million.

Cheesecake first invested in FRC's North Italia and Flower Child concepts in 2016, partnering with the visionary Fox who, with the opening of True Food Kitchen in 2008, sealed a fantastic future for kale as a salad at a time when the leafy green was lingering as a durable divider on salad bars.

Fox, who grew up in a restaurant family, had created and sold popular concepts before selling his entire company. Besides spinning off True Food Kitchen, he sold the fast-casual Sauce Pizza and Wine in 2015.

His first Fox Restaurant Concepts restaurant — Wildflower in Tucson, Ariz., opened in 1998 — continues to appeal to customers with its upscale American eatery format.

And he partnered with seasoned restaurant companies. He created True Food Kitchen with Dr. Andrew Weil and then teamed with P.F. Chang's China Bistro to expand it. He partnered with The Cheesecake Factory on casual-dining North Italia and fast-casual Flower Child.

David Gordon, Cheesecake Factory president, said immediately after the purchase of Fox's company: "As we've got to know Sam and his team, we've been very impressed with the concept

curation, menu innovation, commitment to hospitality, eye for design and, importantly, business discipline. In turn, we believe Fox Restaurant Concepts is the ideal incubation engine to develop concepts of the future."

Fox Restaurant Concepts, which will continue to be based in Phoenix under Fox's direction, has more than 50 restaurants in 10 states with such concepts as The Arrogant Butcher, Blanco, Culinary Dropout, Dough Bird,

The Greene House, The Henry, Olive & Ivy and Zinburger.

"It's been a busy year for us over here at Fox Restaurant Concepts," Fox said in an interview.

Some brands have increased growth nationally, including Flower Child and North Italia.

"This year, we also opened up a couple

of other brands that we haven't grown in a while," he said, "Those are The Henry — we opened one in San Diego and then Dallas — and we've also done Blanco, which is our Mexican concept that we hadn't opened a new one in five or six years."

The Henry covers three dayparts, he said, which also has a coffee-service component as well as space for working during the day.

"Not a lot of people are out there doing that," Fox said. And Blanco is a favorite within the Fox Restaurant Concepts organization for 10 years, he added, and the team is updating it and testing it in markets outside Arizona. Blanco has expanded to San Diego and Houston.

**“My parents did not want me to go into the restaurant business.”**

— Sam Fox



Above: Sam Fox talks with staff at Dough Bird Pizza & Rotisserie, which offers organic-flour pizzas and rotisserie meats. Right: The Flower Child's Late Riser combines scrambled eggs, quinoa, heirloom beans, avocado, roasted chile, salsa, corn, Greek yogurt and queso blanco.



With the Cheesecake Factory acquisition, Fox said, "It's not been boring or slow around here."

Fox said he doesn't see his role changing with the purchase, as Cheesecake's equity investment over the past three years had already created a relationship.

"It's just an affirmation of all the hard work and amazing people within our organization," he said.

Fox foresees growth for existing brands like Blanco, Culinary Dropout and The Henry as well as the creation of new concepts. Culinary Dropout has expanded to Austin, Texas, and the company has plans for one in Denver.

Fox's roots in the restaurant business run deep.

"My dad had a deli in Chicago," he recalled. "We moved to Tucson when I was child, and we had restaurants all the while I was growing up. I spent many nights and days in the restaurants. My parents worked six and seven nights a week in the business."

He said the restaurant business became a natural part of who he was.

"My parents did not want me to go into the restaurant business," Fox said. "I went to school for real estate finance, which has helped me out a little bit in my career."

A couple of years into college, he

realized higher education was not for him. He dropped out — unbeknownst to his parents — took some tuition money to open the sports-oriented Gilligan's Bar & Grill in Tucson, which he sold after four years.

"I never made a dollar in the business until I sold it," he admitted. "But I really learned. That was sort of my college. That was my MBA in the restaurant business."

Fox added that to be successful, operators need to realize restaurant business is two words. "You really need to have both disciplines," said Fox, who created the dripping-paint wall murals at Flower Child and personally picked the water tap fixtures at The Henry.

Since then, Fox has gone on to receive multiple honors. He has been a James Beard semifinalist for Outstanding Restaurateur 11 times and had a best-selling cookbook, "True Food: Seasonal, Sustainable, Simple, Pure," with his True Food Kitchen partner, Dr. Andrew Weil. Three of his concepts have received Nation's Restaurant News Hot Concepts awards: Sauce in 2005, True Food in 2011 and Flower Child in 2017.

Fox also supports a number of philanthropies, including the Boys & Girls Clubs, the American Heart Association and No Kid Hungry. ■

## Sam Fox's fleet

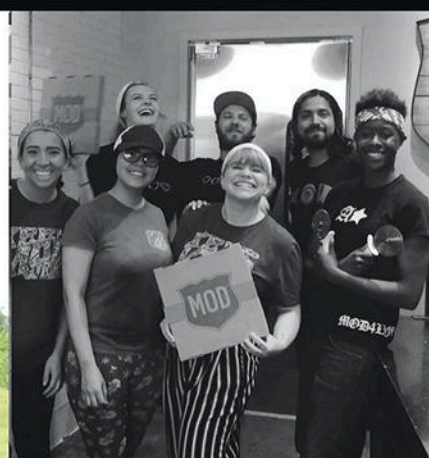
Fox Restaurant Concepts has grown to include more than 50 restaurants in 10 states. Here's a look at the concepts, cuisines and experiences under the company's umbrella.

- **THE ARROGANT BUTCHER** Downtown Phoenix spot for steak, burgers and seafood
- **BLANCO** Taco and tequila joint with locations in Arizona, Texas and California
- **CULINARY DROPOUT** Elevated comfort food in Arizona and Texas
- **DOUGH BIRD** Pizza or rotisserie chicken? This Phoenix eatery specializes in both
- **FLOWER CHILD** Healthful fast-casual chain with more than 20 units coast to coast
- **THE HENRY** Four-unit concept that's an ode to "Gatsby-era grace"
- **THE GREENE HOUSE** California cuisine in a cozy atmosphere in Scottsdale, Ariz.
- **NORTH ITALIA** A casual-dining Italian brand that has become a key growth vehicle
- **OLIVE & IVY** Mediterranean restaurant with two locations in Arizona
- **WILDFLOWER** The first FRC concept, serving modern American food in Tucson, Ariz.
- **ZINBURGER** Upscale burger brand with six locations in Arizona





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**SPREADING MODNESS SINCE 2008**

# Elizabeth Smith

Preserving Bloomin' Brands' culture while helping the company adapt and evolve  
*by Gloria Dawson*

**W**hen Liz Smith was tapped as CEO of Bloomin' Brands in 2009, industry folks wondered what this outsider could bring to the company. But a decade later when Smith announced she was stepping down as CEO, the industry asked what the company would do without her.

Smith stayed on as executive board chairman of Tampa, Fla.-based Bloomin' Brands Inc., and she's not done surprising the business world.

When Smith was first approached about joining Bloomin' she did what she's always done — she considered the decision with her head and her heart. At the time, she was an executive at Avon, the cosmetics company, but as she puts it, she had “hop-scotched” around to different industries in the past. Before Avon, she had worked at Kraft Foods where she took a little-known mint, the Altoid, to the masses.

Smith readily admitted that “I don't have a master plan or a game plan” when it came to building her career.

“I have had a guiding philosophy, which is that I have to feel passionate.”

What inspired her to make this move was the culture at Bloomin'. In fact, in all of her roles, she's valued a company's culture above almost anything else.

“I fell in love with the culture at the organization and their notion of pro-

prietorship,” she said. “They take their food seriously but not themselves seriously.”

In all of her roles, she considered herself the guardian of a company's culture as well as a leader with the responsibility to push the company forward.

Packaged goods, beauty products and restaurants aren't so dissimilar, she said.

“They're different industries, [but] they're ruthlessly focused, each one, on delivering incredible customer experience.”

When Smith first joined Bloomin', she went on a listening tour. Stopping at locations of the company's restaurant brands — Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse and Wine Bar.

“I first assured them that I'd got the culture and that I knew what I didn't know,” she said. “I was there to learn, but I also felt like I could bring some

other things to it.”

There's a tremendous value in industry experience, she said, but there is, as well, a value in “fresh eyes.”

It's with these fresh eyes that Smith tackled delivery for Bloomin'. As Smith sees it, her focus on delivery was all about listening to the consumer. While CEO, she built a consumer research and data analytics group to help fine-tune the customer-focused culture she values.

What she heard from customers was clear: “They love our food, but

*continued on page 58*

**“My role was to honor the past and understand the new culture in the restaurant industry. Master the present, but also build for the future.”**

— Elizabeth Smith





Above: Liz Smith spent nearly 30 years growing brands in consumer-facing industries, including serving as president of Avon Products Inc. Below: Smith's tenure as CEO at Bloomin' Brands included the launch of the Abbraccio Cucina Italiana chain — known stateside as Carrabba's Italian Grill — in Brazil.



Smith serves as a director for the U.S. Fund for UNICEF as well as the H. Lee Moffitt Cancer Center & Research Institute in Tampa, Fla.

sometimes they want our food in their homes. So they were speaking loudly and clearly that they wanted the notion of our restaurant table to expand to include the table in their home."

So, Bloomin' built delivery-only locations and remodeled to accommodate for delivery orders. As of February, delivery made up about 14% of Bloomin's business. And Smith has said it has the potential to be about 25%.

Smith took a decidedly different approach to delivery than others in the industry. While many executives bemoaned that delivery would cannibalize their business, she did not.

"Either you cannibalize your core business or someone else will because you're not going to change where the customer wants to go. If they decide they want to eat in three

out of four dining occasions, they're not going to change their mind because you won't deliver to them. They're going to go someplace else. So it's our responsibility to give the customer what they want and to figure out our own business systems and processes."

As Smith sees it, her most significant achievements at Bloomin have all stemmed from "investing ahead of growth" and spending time with and listening to customers. In addition to the brands' delivery push, Smith is proud of the company's loyalty platform, which is close to 10 million

strong, and international business growth in Brazil and elsewhere.

And now, after a decade as CEO, her role has changed, but her commitment to the company has not.

"I'm enjoying the role and the fact that I'm not the CEO of the business. I'm not leading the day-to-day, or the team, but I'm very much engaged and take a lot of pride in the company and the people, and that's going to be my focus for the next two years."

In keeping consistent with her career thus far, Smith isn't thinking too far into the future.

"I've never been somebody that has long-range plans. I find them to be restrictive versus instructive, and I'm really happy doing what I'm doing, which is, I'm continuing to be involved with this amazing company." ■

#### Smith's résumé at a glance



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1990



Started in  
2004



Started in  
2009



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# Scott Svenson

Fueling MOD Pizza's impressive growth with an unwavering commitment to putting people first

by Bret Thorn



**S**cott Svenson believes in second chances. That means if customers go a little nuts over MOD Pizza's pricing strategy, which allows as many toppings as they want at a flat price, they can have a do-over.

First-time visitors to the 11-year-old chain are "surprised and very attracted to this idea of one price and any combination of toppings," said Svenson, a serial entrepreneur who founded MOD Pizza in November of 2008 with his wife Ally Svenson.

Part of staff training at the chain — which had 400 units on its 10th anniversary and has since surged past 450 — is to encourage customers to keep it simple when building their pizza. But some customers nonetheless "explore the edges" of MOD's policy "by piling the toppings on and creating a pizza pyramid," Svenson said.

But no matter. If at first you design a gloppy casserole instead of a pizza, you can try again for free.

"It kind of takes the stress and the angst away," Svenson said.

And it makes for booming business. MOD Pizza's domestic sales exceeded \$390 million in 2018, according to Nation's Restaurant News Top 200 data, surging past the second-largest fast-casual pizza chain, Blaze Fast-Fire'd Pizza, which had just under \$327 million in sales.

But second chances go well beyond customer satisfaction for the Sven-

sons, and MOD's mission goes beyond selling pizza.

Before founding MOD Pizza, the couple had already built two successful businesses in the United Kingdom: Seattle Coffee Company, which they ultimately sold to Starbucks, and Carluccio's Caffè, which they grew with their business partners to more than 50 locations before taking it public.

Having fallen in love with all things Italian, the Svensons looked at the American foodservice market and saw in pizza, the second largest restaurant category (after burgers),

a segment with "a shocking lack of innovation over the last 30 years," Svenson said.

Yes, there was California Pizza Kitchen, already more than 30 years old, and local pizzerias that remained dynamic, but the big chains seemed to be more focused on changes in delivery technology than updating their food.

The Svensons conceived of a thin-crust pizza that would cook quickly enough in their gas-fired deck ovens to be assembled in front of — and in collaboration with — their guests and be served to them within six or seven minutes.

They also conceived of a business whose mission was about giving people a second chance in life.

"We came across this opportunity to do something in pizza, and decided to really focus our efforts around

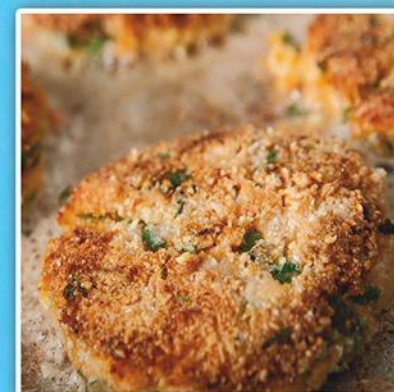
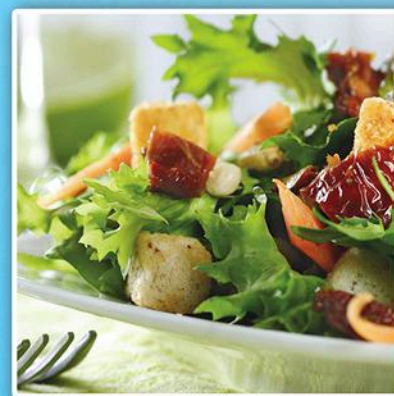
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**“We are an unapologetically for-profit business, but our purpose is to make a positive social impact.”**

— Scott Svenson

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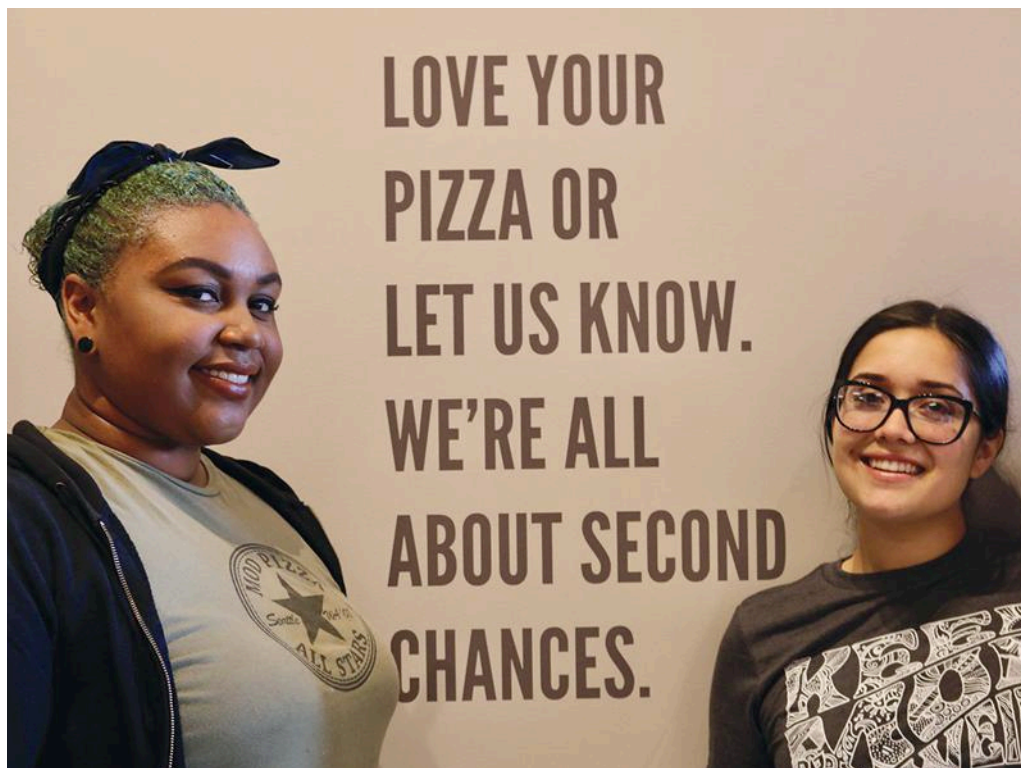


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Husband-and-wife team Scott and Ally Svenson (right) have built their business with an employee-first philosophy. The fast-growing company now has 10,000 employees.



using it as a platform to try to make a positive impact on the world,” Scott Svenson said.

So they worked on hiring people that others might not hire — those transitioning from incarceration or drug addiction, socio-economically challenged young people and people with learning disabilities, neurological disorders or other challenges.

“To be honest, it was a very selfish decision,” Svenson said. “My wife and I reflected back on the journey that we’d traveled and we realized those moments when we were happiest, the most content and just feeling the most joy was when we were doing something to contribute — doing something to help somebody in their life’s journey — and we desired to create a business that would allow us to fill our lives with as many of those moments as possible.”

In the early days of the business, MOD’s employees played an important role in determining how they would make the world a better place. They pointed to people they knew with diverse backgrounds, including a three-time felon with an ankle bracelet, and encouraged Svenson to give them a chance.

“That just blossomed,” Svenson said.

Soon employees were bringing in other people who needed help. The result was gratitude and loyalty both from the new staff and the mentors who had recommended them.

“Those who needed the job, but also those who provided them with the job ... stay with us much longer, are more engaged in our journey, are happier [and] more productive,” he said.

Today, of MOD’s 10,000 employees, Svenson said 300 to 400 of them have learning disabilities or similar issues and between 30% and 40% of staff would be defined as “impact hires” who have some kind of barrier to employment.

But MOD’s not a charity.

“We are an unapologetically for-profit business, but our purpose is to make a positive social impact,” he said.

Pizza is simply a vehicle for accomplishing that mission.

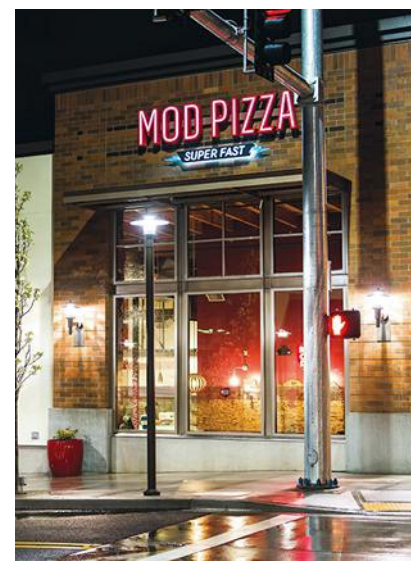
With a purpose that goes beyond pizza, Svenson said they have higher retention, which results in better productivity, a better customer experience and better business results.

“It’s proven to be powerful today, and we think we’re just getting started.” ■

### Tracking MOD’s rapid rise

MOD Pizza has topped the list of fastest-growing restaurant chains in the NRN Top 200 for two consecutive years. Here’s a closer look at this booming business.

- **2008:** Ally and Scott Svenson open the first MOD Pizza in Bellevue, Wash.
- **NOVEMBER 2013:** MOD Pizza has 12 locations in western Washington state with sales of around \$9 million
- **2014:** Sales grow by more than 124% and MOD ends the year with 31 units
- **2015:** Sales grow by 220% and MOD has 92 units
- **2016:** Sales hit \$150 million, up by 131% at MOD’s 187 locations
- **2017:** MOD Pizza’s annual U.S. sales grow by 80% to \$270 million, making it the fastest-growing chain in the NRN Top 200
- **2018:** MOD Pizza has 400 locations in 71 markets, including the United Kingdom
- **2018:** MOD Pizza’s annual U.S. sales grow another 44.7% to just under \$391 million, making it the fastest-growing Top 200 chain for a second consecutive year
- **AUGUST 2019:** MOD Pizza has more than 450 locations worldwide



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# Tim McEnery

Creating connections that go beyond restaurants  
with the growing Cooper's Hawk brand

by Joanna Fantozzi

**C**ooper's Hawk Winery & Restaurants wants to be much more than a restaurant. Sure, the company operates 38 upscale-casual restaurants in 10 states. But, as founder and CEO Tim McEnery will tell you, the magic of the brand lies in the ways it integrates into the wine lover's life.

Cooper's Hawk has always had a multifaceted business model since the first location opened in 2005 with a winery, tasting room, retail store and restaurant all under one roof. Today McEnery is focused on taking that to the next level, building a lifestyle brand that connects wine and travel enthusiasts.

## A lightbulb moment

The cornerstone of the Cooper's Hawk brand is undoubtedly its wine club, now nearly 400,000 members strong, which McEnery has dubbed the brand's "secret sauce." Members pay \$19.99 a month to receive monthly wine selections and get access to members-only events, discounts and other rewards.

What started as a "wine of the month" perk for frequent guests has transformed into a program that's not just about wine anymore.

It's also part loyalty program and part vacation club with exclusive wining- and dining-centric trips and events for members.

"We think of the wine club member as the center of our universe," McEnery said.

"We initially started the wine club because we thought, 'We are a winery and we are supposed to have one.' It

started off as 10% off a bottle and you can get a unique wine every month. It wasn't until our first trip when we went to Napa eight years ago ... that the lightbulb went off for me that Cooper's Hawk is more than just a tasting room: People are incorporating us into all aspects of their life."

Today, the Countryside, Ill.-based company entices prospective members with exclusive "Friends of Cooper's Hawk" dining events with well-known chefs, wine-centric Cooper's Hawk-sponsored trips five to six times a year like a bourbon tour of Kentucky and an exploration of historic wine regions of France — as well as celebrity collaborations, such as featuring John Legend's preferred wine selections.

The result is more than the sum of its parts.

Cooper's Hawk reached systemwide sales of \$282.3 million in fiscal 2018, up from \$185.4 million two years earlier, according to NRN Top 200 data.

Sales grew 16.8% in fiscal 2018, making it the third fastest-growing casual-dining brand and the 11th fastest-growing chain in the Top 200 overall.

Investors have taken notice, too. Earlier this year Cooper's Hawk got a major private investment from Ares Management.

Although the company has not revealed whether or not Ares Management will have a controlling interest, it did say that McEnery would continue to lead the company as CEO.

*continued on page 66*

**“We think of the wine club member as the center of our universe.”**

— Tim McEnery





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## Cooper's Hawk's wine club by the numbers

390,000

Number of Wine Club members

825,000

Cases of wine will be produced in 2019

\$19.99

Monthly subscription

The wine club has grown by **25%** annually over the last 5 years and produces **23%** of the company's revenue

## Measured expansion

Before coming up with the concept for Cooper's Hawk Winery & Restaurant, Tim McEnery cut his teeth in the hospitality industry by working "just about every job you could imagine" in the food and beverage sector, including early jobs with Aramark and Lynfred Winery in Roselle, Ill.

"I did everything the wrong way at least once," McEnery said. "I was washing dishes when I was 11 years old and I've been washing dishes ever since, 32 years later. When you work in every role there is growing up, I think you learn an incredible respect for the people you work with."

At the age of 29, after securing interest from private investors, McEnery opened up the first Cooper's Hawk location, along with the winery in Woodridge, Ill. Since then, McEnery strategized smart ways to expand nationally without sacrificing quality or losing the core tenets of the Cooper's Hawk brand.

"One of my wise mentors used to say, 'With every restaurant you open it's not plus one, it's plus 10,'" McEnery said.

By now, Cooper's Hawk is expanding at roughly the rate of five units per year, and the company will be opening six new locations by the end of 2019, including a new concept in Chicago this November, known as the Cooper's Hawk Tribute to the

World of Wine. This tri-level, 425-seat, 24,000-square-foot unit will be the largest store format in the Cooper's Hawk portfolio and will feature the largest wine-tasting experience in Chicago, along with wine tastings from around the world.

Over the next few years, McEnery plans to focus on speeding up the brand's rate of growth to eight to 10 units annually, bringing its signature blend of food, wine and memorable experiences to new markets.

"We provide great experiences that our members might not otherwise have access to," McEnery said. "It has certainly come a long way since the original vision."

Asked to describe the Cooper's Hawk experience 10 years down the road, McEnery sees an even more expansive experience that includes upwards of 100 restaurants and a stronger foothold in the travel market.

"Our restaurants will be just one facet that our members will be able to experience, whether we have other restaurants under our brand that people can enjoy, or they have the ability to travel — not just on our five annual wine club trips, but be able to travel wherever they want through booking with Cooper's Hawk," McEnery said.

"You might be able to stay at the Cooper's Hawk bed and breakfast or resort when you go out to Napa Valley," he added. ■



Since 2005, Tim McEnery has grown Cooper's Hawk to 38 upscale-casual restaurants in 10 states, but the brand's strategy involves much more: a wildly popular wine club, retail areas within its restaurants, celebrity collaborations and wine country trips.



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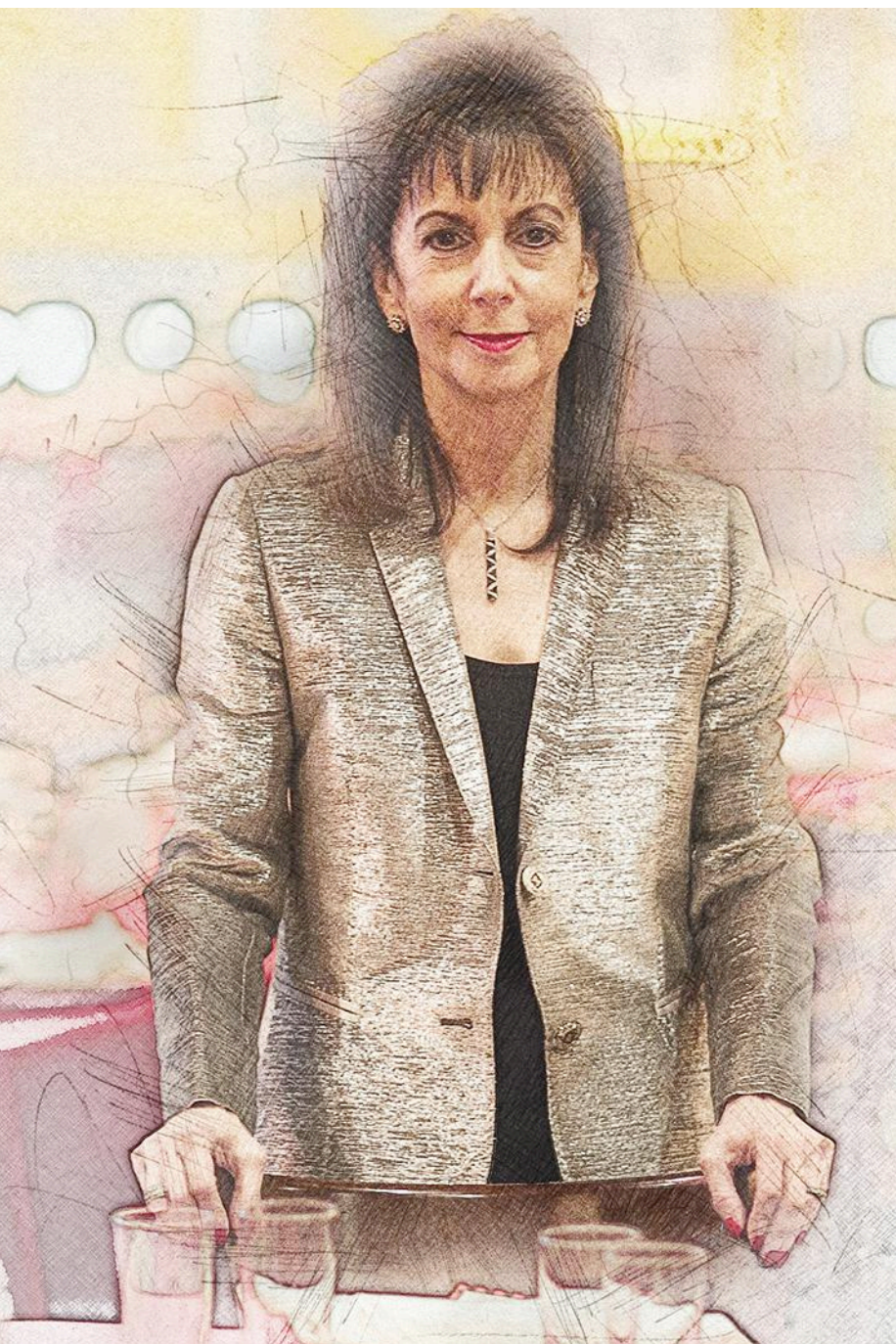
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# Alice Elliot

Developing the restaurant industry's future leaders

by Jenna Telesca



**A**lice Elliot, CEO and founder of the executive search firm The Elliot Group, began her career in hospitality with a cold call.

"I literally took a phonebook at the foot of my bed in my one-bedroom apartment and started calling fast-food restaurants," she told NRN.

"People on the other end liked my energy, and they said if you could provide us with managers and assistant managers, we'll pay you \$25."

Elliot's business expanded over the last 35 years, and now The Elliot Group has deep and long-standing relationships with some of the most powerful people in the restaurant industry, many whom the firm placed at top spots.

"At a very early age, I was able to make an indelible impact on others who wanted to change the course of their career," she said.

Due to her industry mentorship and leadership, Elliot is the Nation's Restaurant News 2019 Norman Award winner. She follows in the footsteps of Norman Award alumni like Inspire Brands CEO Paul Brown, former Popeyes' CEO Cheryl Bachelder and former Domino's CEO Patrick Doyle.

The award is named after the late Norman Brinker, who founded Brinker International Inc. and was a pioneer in the casual-dining space. Chosen by a committee of NRN editors and previous Norman Award winners, the award is given to an executive who consistently mentors and inspires future restaurant brand leaders, as Brinker did.

It's fitting that Alice Elliot was mentored by Norman Brinker himself.

"He was such an extraordinary human being, such an extraordinary and remarkable man," she said.

"He had a keen eye towards talent. He believed in training people. He believed in respecting people," she said. "He understood with a twinkle in his eye, that in that one moment you can change someone's life. He worked very hard throughout his organization and throughout the industry to make sure everyone had a chance."

Giving people chances is a key part of Elliot's philosophy, and she often talks about the opportunities available in the restaurant world to do work that makes a difference. She has first-hand experience being on the receiving end of that, too: Her success in the restaurant

industry came after she went through an early bankruptcy.

"If you are smart and you are humble and you are curious, and you want to make a contribution, the hospitality industry is always the place that will give someone a chance because there's so many different aspects of getting in the business," she said.

"And in my case, it was ultimately because I've always been very prone to human capital and believing in people and believing there's a dignity of work."

The one-on-one relationships that started Elliot's foodservice career continue to be the center of her business philosophy.

**“The hospitality industry is always the place that will give someone a chance.”**

— Alice Elliot



Above left: Alice Elliot said Norman Brinker “understood with a twinkle in his eye, that in that one moment you can change someone’s life.” Above right: Elliot and Patrick Doyle, former CEO of Domino’s. Below: From her first cold call 35 years ago, Alice Elliot has built The Elliot Group into an executive search empire with offices in seven states. Her firm has deep ties in hospitality as well as retail, private equity, consumer products and manufacturing. “What’s required of executives today is far beyond any one industry,” she said.

“In our orbit, it is very individualized,” she said. “We break bread. In our world we develop and nurture and incubate relationships for a very long time — and that’s something we are constantly doing in a new way.”

When filling a leadership position at a restaurant company, it’s critical that the role is the right fit for both the company and the executive at that point in his or her career, she stressed.

With offices in seven states, The Elliot Group has expanded beyond hospitality executive search, to include strategy and consulting and to work across more industries, including retail and lifestyle, franchising, private equity, consumer products and manufacturing.

The company’s expansion reflects the bigger restaurant industry trends of blurring channels and a rise in private-equity investment.

“What’s required of executives today



is far beyond any one industry,” she said. “We see a lot of people coming into the industry today that have never been in hospitality. And similarly, you see a lot of people in the restaurant

space going into other industries and being very successful. But the intellectual requirement to be in business today and to be nimble and to be global is far different than ever before.” ■

#### Norman Award winners over the years

- **2018:** Paul Brown, CEO, Inspire Brands
- **2017:** John Miller, president and CEO, Denny’s Corp.
- **2016:** Sally Smith, former president and CEO of Buffalo Wild Wings
- **2015:** Cheryl Bachelder, former CEO of Popeyes Louisiana Kitchen
- **2014:** J. Patrick Doyle, former president and CEO of Domino’s Pizza
- **2013:** Jon Luther, former CEO and chairman of Dunkin’ Brands Group
- **2012:** Rick Federico, former CEO and chairman of P.F. Chang’s China Bistro
- **2011:** Philip J. Hickey Jr., former chairman of O’Charley’s
- **2010:** Doug Brooks, former president and CEO of Brinker

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# Mall restaurants rev up deliveries by drone

**Tech Tracker:**  
Yelp updates app; DoorDash eyes autonomous vehicles; NYC gets ghost kitchen

by Nancy Luna

*Editor's Note: Tech Tracker looks at different technologies and innovations that are disrupting the industry and changing the way restaurants operate and interact with customers.*

**T**he developers of Holly Springs Towne Center in Holly Springs, N.C., about 20 miles from Raleigh, is partnering with various companies to launch unmanned drones for food delivery in a suburban neighborhood near the mall.

The food drops will be conducted by Flytrex, a Tel Aviv-based logistics company specializing in delivery of consumer goods and food by drone. Last year, it was among several private-sector firms selected by the Federal Aviation Administration to work with 10 local, state and tribal governments on a pilot drone program.

Flytrex, in cooperation with the FAA and other partners, is tasked with testing best practices to ensure safe drone operations as well as public acceptance.

Flytrex said has not named the mall-based restaurants participating in the initial drone testing in North Carolina. The Holly Springs shopping center directory lists Blaze Pizza, Panera Bread, Olive Garden, Texas Roadhouse, Starbucks, Chili's, Jersey Mike's, Freddy's Frozen



In a North Carolina pilot program, a food delivery drone will fly a single route from a mall to a nearby outdoor sports facility.

Custard & Steakburgers, Marco's Pizza, Rise Biscuits Donuts, Zaxby's and Tijuana Flats.

The drone will load items at a designated distribution center at mall, and then deliver the meals at a drop area at Ting Park, a nearby outdoor sports and recreation hub. The drone will travel across a single predetermined route and will fly primarily over unpopulated areas, Flytrex said.

"We are thrilled to have been chosen to work so closely with the FAA to help this pilot take off," Yariv Bash, Flytrex

CEO and co-founder, said in a statement. "This is just the beginning as we expand the possibilities of sky-bound delivery."

Flytrex did not provide a date for the first food delivery drop. The company is also using drones to deliver hot dogs and sodas to golfers at a North Dakota golf course.

#### **Yelp: New changes won't cost restaurants**

Yelp is updating its app to better match consumers with the restaurants they're more likely to care about based on

**"This is just the beginning as we expand the possibilities of sky-bound delivery."**

— Yariv Bash, Flytrex

individual preferences such as dietary lifestyle, the company announced late last month.

For the first time in its 15-year history, Yelp said when two users with different lifestyles open the Yelp app from the same location they will see different suggestions. For example, a pescatarian might see a set of restaurants that are completely different than those suggested for someone looking for kosher restaurants.

Users must opt-in by filling out information about their dietary requirements, acces-

*continued on page 72*

## Mall restaurants rev up deliveries by drone

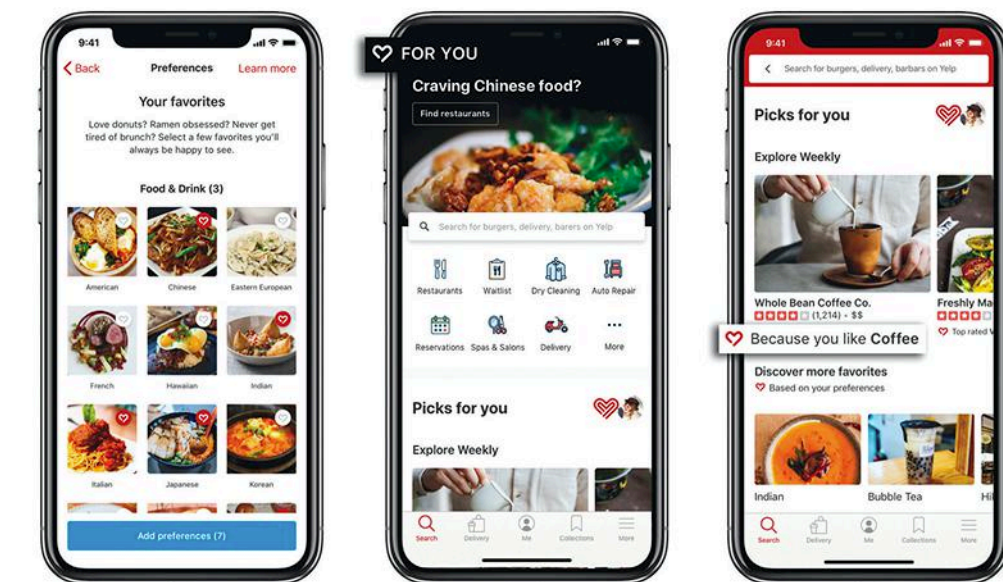
sibility preferences, lifestyle attributes and favorite types of cuisine. For example, under the accessibility filter, “gender neutral bathrooms” is an option.

A consumer can get uber-specific by indicating he or she is a homeowner with kids who prefers Mexican food and pizza.

Yelp crunches the data and returns tailored restaurant suggestions based on these attributes, as well as information on a business's Yelp page and user-generated Yelp reviews and photos.

A Yelp spokeswoman said the new update helps restaurants because Yelp will now match them with “more high intent consumers.”

“This is actually better for restaurants because their



Yelp says its updated app will filter in better matches between customers and restaurants.

gluten-free menu items or keto-friendly items are being surfaced to the consumers who care,” Yelp spokeswoman

Julianne Rowe said.

But will the customization box out certain restaurants from getting full visibility on

the Yelp marketplace?

“Restaurants are not being filtered out,” Rowe told Nation's Restaurant News. “In fact, just

because a person says they prefer Chinese, Italian and ramen, that doesn't mean Yelp will never show them French food again. It just means the foods they indicated they prefer will be surfaced.”

Still, restaurants need to make sure attributes about their restaurant are filled out on their Yelp business page, which is free to claim.

### DoorDash's autonomous vehicle investment

DoorDash has acquired startup firm Scotty Labs, which has quietly been perfecting logistics for the safe deployment of autonomous vehicles.

Terms of the deal were not disclosed. DoorDash could not be reached for comment.

The purchase gives Door-

ABOVE: YELP. FACING PAGE: ZUUL KITCHENS

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Dash a solid competitive edge over its rivals. Earlier this year, the San Francisco-based third-party delivery company announced plans to test autonomous vehicle deliveries in San Francisco through a partnership with General Motors-owned Cruise Automation.

Other third-party companies and restaurant brands exploring the deployment of autonomous vehicles include Postmates and Pizza Hut. Postmates plans to deploy Serve, an autonomous delivery rover designed to move on sidewalks, instead of roads. It is expected to debut for test in Los Angeles later this year.

Earlier this year, Pizza Hut said it plans to team up with FedEx Corp. on a delivery test using autonomous carts.

**New Virtual Kitchens**

A new ghost kitchen concept, Zuul Kitchens, was scheduled to launch operations in New York City in September. The company joins a growing list

of rent-a-kitchen facilities, which offer restaurants a space to expand their delivery reach without having to add a brick-and-mortar location.

Zuul, for example, will

include delivery outlets for the chain Sweetgreen, the growing Asian concept Junzi and fast-casual Lebanese concept Naya.

Ghost kitchens also host

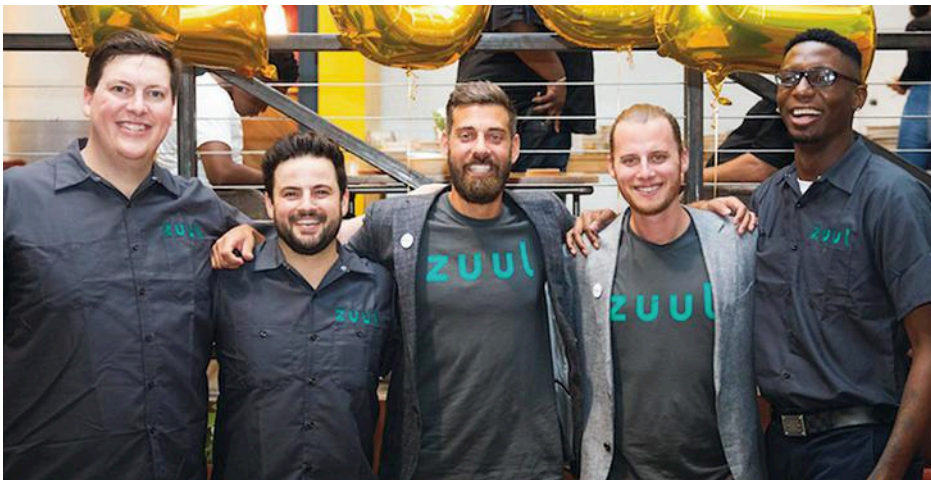
virtual restaurants, concepts developed for delivery only.

Lettuce Entertain You Enterprises, for example, recently announced plans to open a Whole30-branded virtual restaurant in Chicago in partnership with Grubhub.

The delivery-only concept, called Whole30 Delivered, will sell Whole30-approved meals based on the lifestyle diet that emphasizes whole foods and the elimination of temptations like added sugar and alcohol.

Lettuce Entertain You said there are currently no plans to expand the Whole30 Delivered concept to other cities. ■

*NRN editors Lisa Jennings and Joanna Fantozzi contributed to this report.*



Ghost kitchen concept Zuul will provide delivery space for Sweetgreen, Junzi and Naya in New York.

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# Back-to-school meal lesson plans

4 restaurant promos designed to make family meals more convenient

by Nancy Luna

**I**t's that time of year, where kids frown at the thought of another school year while parents rejoice as structure returns to their household.

And, as is tradition, the restaurant industry aims to ease the transition from summer to fall with some back-to-school promotions and family-friendly food specials. Here's a look at four recent offers.

## Bertucci's

The New England staple has introduced Bertucci's Bundles, an off-premise deal designed for families or large groups.

"With schools back in session and busy routines kicking in, Bertucci's is here to make mealtime easy for you and your family," the brand said.

A \$35 Pizza Bundle comes with a choice of salad, choice of one large signature pizza or 2-topping pizza, a small cheese pizza and four mini cannoli. The \$45 Classic Bundle includes choice of salad, choice of two family-style entrées, large signature or 2-topping pizzas and four mini cannoli.

## Noodles & Company

The Broomfield, Colo.-based fast-casual chain has found a sneaky way to introduce a serving of vegetables into a kid's meal — a new cauliflower-infused rigatoni, dubbed Caulifloodles, which rolled out nationwide last

week. The hybrid pasta is an alternative to the chain's zucchini-based Zoodles, which have been a tougher sell for children and are rarely used as a pasta substitute in kids' meals, CEO Dave Boennighausen said. Caulifloodles are a permanent addition to the menu.

Noodles is also removing soft drinks from its kids' meals in an effort to promote more healthful options.

## Chipotle Mexican Grill

The Newport Beach, Calif.-based fast-casual chain offered free delivery every Sunday in September to help alleviate back-to-school woes. The free delivery offer was valid on orders that were \$10 or more and made via the company's app or website.

"For many, Sunday means a case of the scaries so Chipotle is making it easier to cope," the chain said when the deal debuted.

## Blaze Pizza

The fast-casual pizza brand recently rolled out a "share-able" pizza pie geared for delivery. The Pasadena, Calif.-based chain, known for its individually sized 11-inch custom pies, created a 14-inch pizza to compete with traditional players like Domino's as it dives into nationwide delivery. The brand also offered free delivery in September for orders made through its website or app. ■

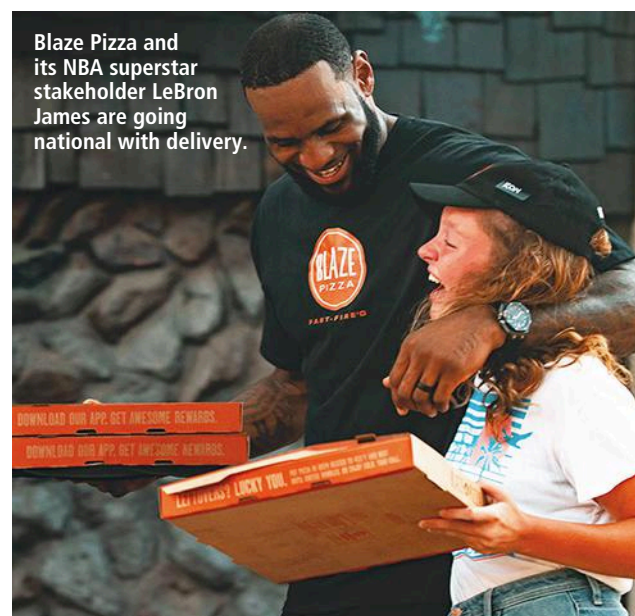
Spaghetti and meatballs are among the entrée options in Bertucci's Classic Bundle offer.



How to get kids to eat more vegetables? Noodles & Company offers up its new Caulifloodles, cauliflower-infused rigatoni.



Chipotle looked to relieve back-to-school stress this month by offering free delivery every Sunday for orders over \$10.



Blaze Pizza and its NBA superstar stakeholder LeBron James are going national with delivery.

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# Paris Baguette plants its flag in Manhattan

The chain plans to 'democratize' the concept from New York City to the rest of America

by Gloria Dawson

**T**o Jack Moran, it seems he has spent his career searching for the perfect croissant. The search has finally landed him at Paris Baguette, where he thinks he has found a company that can bring a flawless flaky pastry to the masses.

"We're bakers, and we're proud of our craft," said Moran, who was the director of operations at Au Bon Pain and Le Pain Quotidien before coming to Paris Baguette America, where he is CEO.

Before entering the bakery-cafe segment, he spent four years in France working for

**"We're bakers, and we're proud of our craft."**

— Jack Moran, Paris Baguette

Hard Rock Cafe and falling in love with baked goods and bakeries.

"The secret in France ... they tell you if you open a bakery and, say, if you don't have the time and money to get all the products right, the way you cheat is have a great baguette and great croissant.

"And if those two are great, most people will forgive you on the other products.

"If you can't get these right, people think, 'You're kidding me? They can't even make a baguette? They can't make it.'

"So, then we're exposed as a fraud. This is why symbolically this becomes unbelievably important," Moran said holding up one of his brand's baguettes.

The croissants, the baguettes and all the baked goods at Paris Baguette are made in-house with a high level of precision, but most Americans don't know that and many have never heard of the brand. It's Moran's job to tell Paris Baguette's story.

But it's a complicated story.

"We are a Korean bakery with a French name that's trying to do business in America where the bakery culture is on its deathbed," Moran said.

To be fair, the bakery-cafe segment had U.S. sales of \$8.1 billion in the latest fiscal year, according to NRN's Top 200. But what really defines a bakery-cafe, Moran wonders: "It's a broad category."

As for Panera Bread, the segment leader, "I want them to admit that they're really a soup, sandwich, salad place and not bakery," Moran said.

"And we're trying to teach the culture something that it forgot. That you can get up in the morning and gather

*continued on page 78*



Mastering the basics — specifically croissants and baguettes — is a must for any serious bakery, Paris Baguette's CEO said.

## Paris Baguette plants its flag in Manhattan

around freshly baked goods and not gorge yourself.”

Paris Baguette was founded in 1988 and now has over 3,500 locations worldwide. The company is owned by Paris Croissant, a division of SPC Group, a bakery and confection manufacturer based in Seoul, South Korea. The company is so proud of its product that it has even opened locations in Paris, a city with strong opinions about pastries.

The company has had a small presence in the U.S. for years. There are about 80 locations in the U.S. today.

But Moran, who took over as CEO last year, has been tasked with making Paris Baguette a household name in the States, starting with New York City.

“We think New York is a billboard for the world,” said Moran. “If we want to get on the map in people’s consciousness, we want to plant a flag here and want to be very highly visible and noticed. And we want people to come here and see and think, ‘I really would like one of these back home.’”

“If back home is Wichita, Kan., or Seattle, we want to plant that seed by having the brand very visible in New York because of it.”

On a recent morning, Moran was standing at the door of the new Paris Baguette in Time Square. It’s one of six locations in Manhattan that the company has opened or plans to open in the borough this year, all company-owned.

Moran is surveying passersby and asking customers and staff questions. The location was doing a brisk business in bottled water and drip coffee. Inside some customers were confused about how to use the tray and tongs stacked up to gather pastries. Moran intervened.

The self-service model is fairly standard at Paris Baguette locations around the world, and at Asian bakeries in general.



The berry tart joins a parade of baked goods, including breads, croissants and cakes, all made in house.



Customers wield trays and tongs to navigate the chain’s self-service layout.

“We have to teach people how to use the brand,” Moran said. “I think there’s going to be this cross-educational thing where we’re going to teach the American customer some things, and they’re going to teach us some things.”

The baked goods at Paris Baguette could be considered a cross-national experience. There are traditional French sweets like pain au chocolate as well as Asian delicacies like mung bean cakes and milk bread. Then there are mashup creations like the pastry-wrapped hotdogs and sweet potato pastries with sesame seeds. There are also cakes, which aren’t traditionally found in Paris bakeries, but are what American customers are craving, Moran said. These cakes, priced at about \$35 each, help raise the average check price, too. A new line of sandwiches and salads brings customers in for more than just sweets and coffee.

And Moran has got to bring in a crowd. Many of the new





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# Melt Shop has a cheese for every purpose

Sandwich chain takes its gooey products seriously

by Bret Thorn

Once upon a time — around 2010, actually — grilled cheese sandwiches seemed poised to take over the country. The sluggish economy was driving consumers toward inexpensive comfort food, and the low cost and operational simplicity of the food appealed to some restaurateurs so much that it looked like this simple menu item was going to be the next frozen yogurt.

That turned out not to be the case, but some grilled cheese-focused restaurants from the era survived, including Melt Shop, based in New York City.

Founded in April of 2011 by Spencer Rubin, the concept has grown to 18 locations, with the help of Aurify Brands, which now owns a majority stake in Melt Shop.

Rubin remains the CEO as well as the creative mind behind the brand, which he notes doesn't specialize in grilled cheese but rather in "melted sandwiches," since most of what's on offer also has chicken or beef in it.

Either way, cheese is at the center of the concept, and Melt Shop's regular menu requires seven of them: Pepper Jack, American, aged cheddar, Muenster, brick cheese, Parmesan and the house cheese sauce that's a blend of American, cheddar, brick and some other proprietary ingredients. "Combining cheese helps

create great flavor," said Rubin, who added that cheese serves multiple purposes on a sandwich.

"You have the flavor-profile purpose, you have the textural purpose, you have that melty pull purpose — the elastic ooey-gooey thing that happens with a grilled cheese sandwich. Cheese also acts as a protector of our bread from all the other toppings and sauces."

The bread's important too, though, and Melt Shop mostly uses a "Country White" bread with just a bit of sourdough starter in it. It's baked for them by local producer Orwashers Bakery. A pullman-style loaf, "it has a great crumb that makes for a better crust, and the air pockets in the bread are the perfect size to make the perfect melted sandwich," Rubin said.

Melt Shop's classic grilled cheese sandwich isn't just American cheese. It also has some aged cheddar, which brings more to the table than just its nutty cheddar flavor.

"It pulls differently than American," Rubin said.

"The cheddar added another element that we weren't getting when we were using only American cheese," he said of developing the sandwich.

"Cheddar has a different body than American that helps carry the meltiness a little bit longer."

Muenster, meanwhile, is a good starter cheese, Rubin said. "It's like a canvas for anything else you want to do with it."



The New York-based chain's "melted sandwiches" feature cheese but often much more.

Mild in flavor and with a soft meltiness, he uses it on sandwiches like the Grilled Chicken Melt, which also has roasted tomatoes and truffle mayonnaise on multigrain bread. Muenster's also the cheese used in the Truffle Melt, made with mixed greens, black pepper and truffle oil on that sourdough-white bread.

**"Combining cheese helps create great flavor."**

— Spencer Rubin, Melt Shop

Then there's brick, a sharp Wisconsin cheese.

"Brick is like our secret weapon," said Rubin, particularly since it isn't common in the Northeast where most of the Melt Shop locations are concentrated. Although some versions of the cheese are pretty mild, Melt Shop's is "this

*continued on page 82*

## Melt Shop has a cheese for every purpose

super intense, pungent cheese spread that really hits hard.”

He combines it with the house cheddar in a sandwich that also has maple syrup and applewood-smoked bacon.

“Brick’s meant to be intense, but it’s great when you pair it with something a little sweeter,” he said. “The cheddar helps create that more melty moment, and it pairs really well with bacon as well. Most cheeses do.”

Then there’s spicy pepper Jack, which accompanies red cabbage slaw and the chain’s special sauce on a concept favorite, the Fried Chicken Melt.

“The spice helps balance out the savoriness of the fried chicken,” Rubin said.

That fried chicken sandwich is usually the bestseller,



Melt Shop selects cheeses both for flavor and for that “elastic, ooey-goey” effect, CEO Spencer Rubin said.

although at the moment that position goes to a limited-time offer, the Chicken Bacon Ranch. That’s made with dill pickle planks, which Rubin said are “ideal for sandwich coverage,” along with two strips of bacon, each torn into

two pieces, again for coverage, sea-salt brined buttermilk chicken breast cut in half and slathered in ranch dressing. The cheese of choice for that sandwich is cheddar.

“We want to have a bite of everything in every bite,” he

said. “It’s pretty simple, but all those things combined are a complete flavor bomb.”

Melt Shop has upped its LTO game, with five limited-time specials this year, including The Notorious CHZ, which was sold during National



Grilled Cheese Month in April. The triple-decker sandwich had two grilled cheese sandwiches stacked on top of each other using five different cheeses, all coated in a Parmesan-parsley crust.

“It sold so much more than we expected,” Rubin said.

Sweet heat, American and cheddar are the keys to the success of Melt Shop’s Burger Melt, which has sweet bread-and-butter pickles and a “burger sauce” that Rubin said is similar to burger chains’ special sauces, but with maple syrup and Sriracha sauce added. Caramelized onions round out the sandwich, which is served on Country White bread.

Rubin summed up its qualities succinctly: “Our Burger Melt is, like, ridiculous.” ■



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# The insect that could nourish the world

Investors are looking at black soldier fly larvae as a future ingredient in animal feed

by Bret Thorn

**T**he global population is expected to reach 9.7 billion by 2050 — 2 billion more people than there are today. As a result, researchers are looking for solutions to feed everyone while also trying to slow down climate change, reduce food waste and safeguard our natural resources.

One such solution that's starting to gain traction is an insect called the black soldier fly.

Unlike some other flies, this variety, which has the scientific name *Hermetia illucens*, doesn't spread disease, sting, bite or otherwise annoy people. In fact, as adults they only live for between five and eight days, don't eat and drink only water.

But as larvae they're enthusiastic consumers of food scrap and manure. They're rich in calcium and high in protein. They are efficient converters of feed to protein, produce few greenhouse gases and don't need special equipment to raise — let alone farmland or pasture. They also require much less water than livestock, milk or eggs, and they even have the decency to "self-harvest," leaving the rotting scrap they're eating and moving to a high, clean place to pupate, or begin their metamorphosis into adults.

Additionally, their own waste is high in nitrogen and suitable as fertilizer.

Although research firm

Black soldier flies don't sting or bite, and their larvae is rich in calcium and protein.



Meticulous Market Research expects human consumption of insects in the West to grow by 25% annually — largely due to a growing interest in crickets and grasshoppers as protein supplements and novelty snacks — few people are seriously suggesting we'll eat soldier fly maggots.

However, fly larvae are already popular food for pet reptiles and amphibians such as lizards and frogs, and they might well be promising ingredients in animal feed.

Steve Sands, vice president

of protein for Performance Food Group, an integrated food distributor that has spearheaded innovations such as cattle traceability and introducing probiotics into feed, said most innovation in livestock so far has been done through breeding.

"We think one of the next big things is going to be feed," Sands said.

Insects might be the way to go not only as a food supplement, he said, but they will allow chickens to engage in their natural behavior of

eating insects, while also cutting down on food waste by feeding that waste to black soldier fly larvae.

"You take garbage that would otherwise go to landfill [and] you turn it into protein," he said.

When it comes to eating insects in general in the United States, "the feed area seems to be the area that's getting the most traction right now," said Cheryl Preyer, spokesperson for a fledgling trade association called the North American Coalition for Insect Agriculture, or NACIA.

Preyer said that apart from black soldier fly larvae's high protein content, they're also high in fat, particularly lauric acid, which is also found in coconuts and is reportedly good for building up the immune systems of young animals.

She said that Enviroflight, a black soldier fly larvae producer based in Maysville, Ky., has found that feeding it to piglets helps boost their immunity systems, possibly making it a viable substitute for antibiotics.

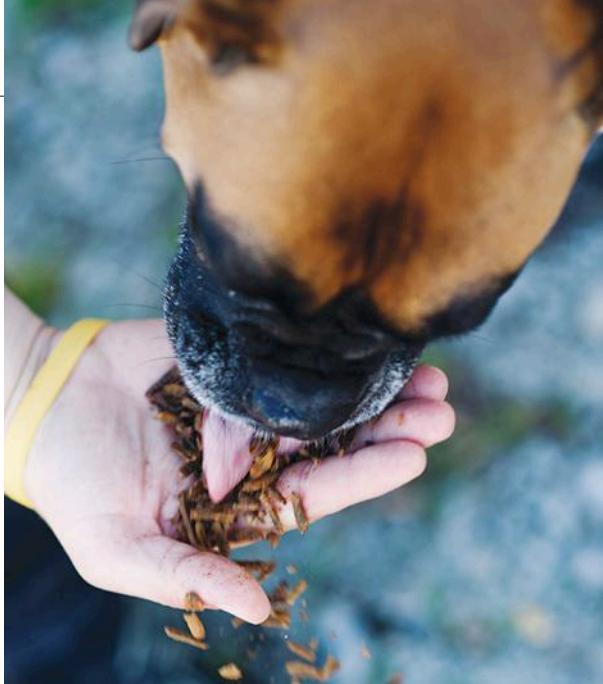
"Black soldier fly are an ideal

species of insect to raise for animal and human feeding applications,” EnviroFlight president and chief operating officer Liz Koutsos said in an email.

She highlighted their low environmental impact, saying that with their vertical farming systems they can grow 1 million to 2 million pounds of protein, “on the same amount of land that can be used to grow less than 300 pounds of pork, poultry and beef and about 1,500 pounds of soy.”

Interest seems to be coalescing around the soldier fly.

Dutch black soldier fly larvae producer Protix has had Rabobank as an investor since it was founded, and in June, French company InnovaFeed, a producer of black soldier fly meal, announced a partnership with Cargill to market fish feed that contains insect protein.



Fly larvae, a common food for pet lizards and frogs, could become an ingredient in food for fish, farm animals, and dogs and cats.

Preyer says that aquaculture is where insect-based animal feed is likely to take hold, particularly as a replacement for fishmeal. Due to global fishing quotas, fishmeal has been harvested and produced at a flat rate since 2005.

Koutsos of EnviroFlight said one of her company’s products,

EnviroMeal, ground larvae with some of the fat removed, is approved in the United States to feed to salmonids (salmon and trout) and poultry.

“Additional approvals are under review for pigs, dogs and cats,” she said

At the moment, however, there’s not enough black sol-

dier fly larvae to go around.

“Not to be too punny, but we do have a bit of a chicken-and-egg issue here,” Preyer said.

There needs to be a market for black soldier fly larvae in order for production to be ramped up, but there has to be enough larvae available to create the demand.

Also, although the larvae will eat pretty much whatever waste you feed to them, Preyer said, to make them into reliable, consistent feed, they have to be fed a consistent product.

“The ideal world is where you can find a fantastic source of pre-consumer food waste [which is where most of the food waste in North America is generated] and instead of dumping it somewhere you feed it to black soldier fly larvae,” she said. “So you upcycle the nutrients, and then you

get a high-protein source out of the output from the larvae and you turn it into feed.”

But at the moment, the larvae are too expensive for animal feed.

Although fishmeal prices have spiked in recent years as aquaculture production has increased — at times exceeding \$2,000 per metric ton — black soldier fly larvae is priced even higher. EnviroFlight declined to provide prices for its products as they are sold out for 2019, but Preyer indicated that it’s currently out of reach to compete with even the priciest of fishmeal.

But that will change if production can be ramped up.

“If you’re going to feed fish, or poultry, to scale, you need a lot more black soldier fly larvae than is being produced today,” she said. ■

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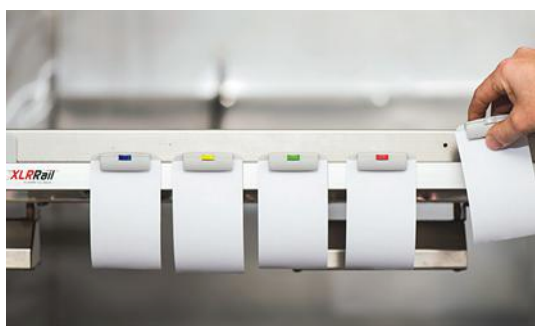
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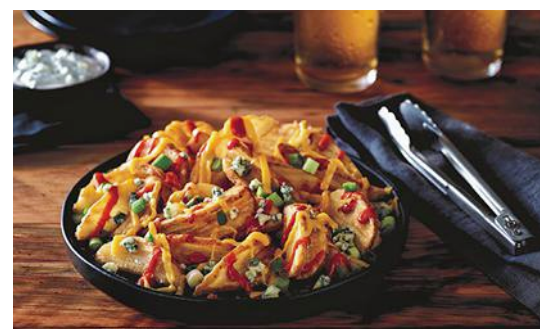
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VISUALLY IMPAIRED DENIED LATE-NIGHT MENU

# Drive-thru roadblock



**D**rive-thrus have become an essential part of the QSR experience offering customers added convenience and enabling restaurants to stay open late, without the expense of a full staff. But as chains put an increasing focus on drive-thrus, certain consumers are left out.

The latest example is in California, where Taco Bell's late-night drive-thru only option is being questioned in a class-action lawsuit.

"Despite being accessible to the general public, Taco Bell drive-thrus lack any meaningful accommodation for visually-impaired individuals who are unable to operate motor vehicles," plaintiffs write. "Since they are unable to drive, and because it is not safe for them to walk through the drive-thru, visually-impaired individuals are totally precluded from accessing Defendant's products during late-night hours."

Wendy's and McDonald's have also faced similar legal action from people with various disabilities and those representing them.

As drive-thrus become a more prominent part of the fast-food experience, it begs the question, do restaurants have the responsibility to make drive-thrus available for everyone?

— Gloria Dawson

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