

“Location Location Location”

An Interview with Michael Sottile of Esquire Network’s

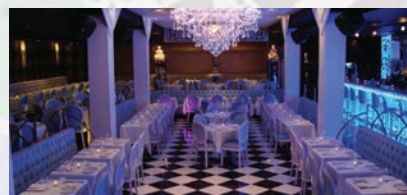
RISKY LISTING

In October 2013, the new Esquire Network debuted a reality show concerning one of the most critical — but least publicized — aspects of the foodservice and club industry: the search for the perfect location. Centered on Picken Realty, New York City’s leading resource for club and restaurant venues, the series follows the business activities of four realtors, broker Alex Picken, and their multiple and varied clients. *Hot Topics* was fortunate in securing an exclusive interview with Michael Sottile, a key member of the Picken staff and a veteran of the foodservice industry.

Please see “Location” on page 2



TOWER BROKERAGE
PICKEN HOSPITALITY



Esquire
NETWORK

spotlight



food for thought

by David Rolston
President and CEO

When complexity drives courage

Although Hatco is technically defined as a manufacturing company, I have always thought that we are, first and foremost, a service business. As such, it is up to us to not only respond to our customers’ needs but to anticipate them. In order to maintain that perspective, the management team and I try to keep the “big picture” in view, even as we deal with our day-to-day business.

In surveying the foodservice industry, I am always astounded at the web of complexity that our customers face on a regular basis. Maybe this is because for most operators, foodservice involves manufacturing, service, and retailing all rolled into one. In trying to define some of the most serious challenges they face, I have come up with what I call the three “T’s”: Timing, Technology, and Trends.

In foodservice, timing has multiple meanings. It includes the time it takes to establish an operation, introduce new menu items, schedule service hours, and establish meal preparation times in the kitchen. It would also have to allow for the hours apart from the operation for

Please see “food for thought” on page 5

on the menu

food for thought.....1, 5
spotlight.....1, 2, 4, 5
foodsafety.....2
the big tickets3

Hatco U.....2
specialty of the house.....3
product profile6

“Hot Topics” is produced by the HATCO CORPORATION.

Edited by Bette Leque.

To reach Bette or to be added to the mailing list, phone 414-615-2270 or email her at bleque@hatcocorp.com.

Get “back to basics” with **Hatco**’s FREE temperature chart

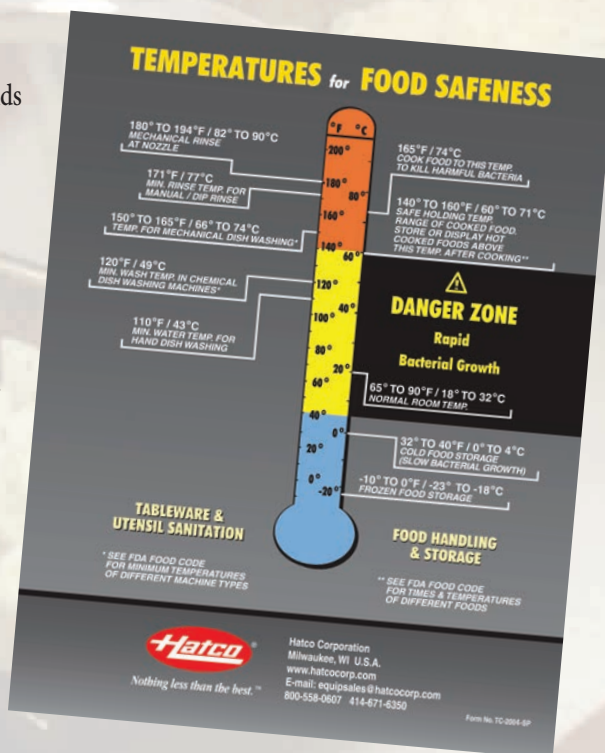
In the constantly changing world of foodservice, one basic fact always holds true — food must be cooked to the proper temperature in order to kill harmful bacteria.

Although the facts of food safety might be well known to operators and executive chefs, newly hired kitchen staff are frequently unaware of the temperature levels required for cooking and other kitchen functions.

To promote education and assist our customers in keeping compliant with current FDA food codes, Hatco offers a colorful, easy-to-read chart (in English and Spanish) illustrating the proper temperatures for food handling and storage, as well as tableware and utensil sanitation.

We suggest posting several at strategic locations where they can serve as regular reminders. The chart is free and can be downloaded from our website www.hatcocorp.com.

We’re happy to be of service in keeping your operation at the right “degree” of safety. ■



“Location” from page 1

Hot Topics: Tell us a little about your personal background.

Michael Sottile: I’m originally from upstate New York and was initially involved in acting and theatre. I’ve appeared in the movies “Reservoir Dogs” and “Speed” among others and done a good deal of stage work. In order to support myself between jobs, I became involved in real estate. I spent a number of years in Wisconsin and lived in Milwaukee for a portion of that time. While in Milwaukee, I opened a pub called the “Lemon Lounge” in a small storefront in the Riverwest area. I am very familiar with foodservice. My father, Robert Sottile, patented the “Cone Buddy” — the white plastic sleeve that ice cream cones come in. It’s used by Culvers, Dairy Queen, and many others.

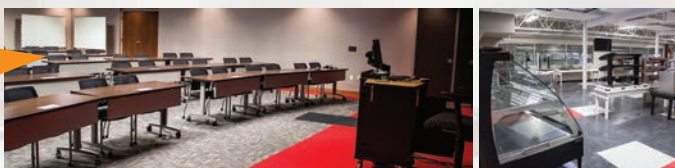
In addition to the bar traffic, we did light food service and a good amount of catering and special events. I ran the lounge for five years and it was extremely successful — so much so that I had to expand. Unfortunately, the revival of Riverwest — of which I was a part — resulted in a large increase in commercial property values. When I totaled up how much I’d have to invest in the lease for a larger place and what it would cost to do the buildout that my concept required, I decided to close up and move back to New York.

HT: So, you’re saying that the success of Lemon Lounge was ultimately what killed it?

MS: Absolutely, and you wouldn’t believe how frequently that happens. A successful restaurant or club reaches the end of its lease and finds that the cost of continuing, moving or expanding is too great a risk for the owner. My personal experience really helped me understand that and to provide guidance to clients in that situation.

HT: How did you become involved with Picken Realty?

MS: When I returned to New York, I reconnected with an old friend who ran an established restaurant in the Columbus Circle area — it’s called “Gabriel’s.” He knew I was in real estate and asked if I could sell it for him. He was asking \$2 million so I started contacting the top players specializing in restaurants



Hatco is putting the final touches on the recent factory expansion, which includes a dramatically improved training space for Hatco University. The actual training room has been relocated, enlarged, and equipped with state-of-the-art technology. Adjacent to the training room is a new test and demonstration kitchen that will be utilized for hands-on training. Upstairs from the training center is a great new product bistro where equipment is on display in a clean, temperature-controlled environment that overlooks our newest factory space. While we are not planning on expanding the number of attendees at each Hatco University, we are now in much better shape to entertain, educate, and learn from our valued customers. We look forward to seeing you at an upcoming Hatco University. ■

the big tickets



TRADE EXHIBITIONS

April 2014

- Food&HotelAsia (FHA) 2014
April 8 - 11
Singapore Expo
Singapore, Republic of Singapore
Booth #3F2-01

- Hotelympia
April 28 - May 1
ExCeL Exhibition Centre
London, England
Booth #1941

May 2014

- Seoul Food & Hotel
May 13 - 16
JavKorea International Exhibition Center
Goyang, South Korea
- National Restaurant Association Show
May 17 - 20
McCormick Place Convention Center
Chicago, IL, USA
Booth #2218
- Thaifex
May 21 - 25
Bangkok, Thailand

June 2014

- Manila Food & Beverage Expo
June 11 - 13
World Trade Center Metro Manila
Manila, Philippines
- Foodservice at Retail Exchange
June 16 - 18
Gaylord Texan Resort & Convention Center
Dallas/Fort Worth, TX, USA

Angus Club Steakhouse

A classic New York steakhouse... and *much more*



specialty of the house

Located in the heart of midtown Manhattan, the newly opened Angus Club Steakhouse was designed as a treat for the eye as well as the palate. The décor could best be described as elegant yet informal with an emphasis on comfort. In addition to a full menu of fine Angus steaks prepared in both the traditional and a uniquely individual manner (a specialty is the Porterhouse steak for 1, 2, 4 or more), the Angus Club features a full complement of other meat and seafood choices. The crab cakes (see recipe) have already garnered numerous rave reviews on Internet restaurant sites.

According to founder/owner Aldin "Dino" Gacevic, "We want to be more than just a steakhouse. Our mission is to serve the highest quality food, uniquely prepared, in an atmosphere that is comfortable and inviting. The word 'Club' in our name is important, as we want our patrons to feel a sense of belonging and to visit us often."

Judging from the reviews, the Angus Club has attracted a large following in a relatively short time.

The Angus Club is located at 135 E. 55th St., New York, NY 10022, phone 212-588-1585. ■



Angus Club Famous Crab Cakes

4 to 6 servings

Ingredients:

1 cup (237 ml) red pepper	½ cup (118 g) onion
1 cup (237 ml) green pepper	4 cups (946 ml) crabmeat
1 cup (237 ml) yellow pepper	1 tsp (5 ml) Tabasco
1-1/2 cups (355 ml) mayonnaise	5 eggs
½ cup (118 ml) Old Bay seasoning	1 cup (237 g) breadcrumbs
1 tsp (5 ml) lemon juice	

Instructions:

Dice the peppers and onion in 1/8" to 1/4" pieces. Combine the crabmeat, eggs, Tabasco, lemon juice, mayonnaise and Old Bay seasoning. When thoroughly mixed, stir in peppers and onion and one-half of the breadcrumbs. Mix thoroughly and form into cakes about 3-1/2" in diameter. Coat both sides with remaining breadcrumbs, and sauté in sweet butter in a medium hot pan for approximately 2 minutes on each side or until golden brown.

Crab cakes may be used as a main dish or served proportionately smaller as an appetizer.



The cast of Risky Listing: Michael Sottile, Hazm Aliessa, Alex Picken, Danielle Lacko, and Jason Lewis

and clubs. That's how I met Alex Picken. Alex was impressed with my presentation and asked me to join the firm.

HT: How did the TV show get started?

MS: In October of 2012, we were contacted by Zodiac Productions. They wanted to pitch a show idea based on the excitement of New York's dinner and club scene to the new Esquire Network. They chose Picken Realty because we're the ones who are doing the biggest deals in the hottest areas.

HT: We've got to ask: how real is a reality show?

MS: Actually more than you would think. At least when it comes to "Risky Listing." Occasionally, a client will lapse into business jargon that the public wouldn't understand, so the director or I might suggest a different way to express his thought. But that's about it.

HT: What's the most critical element you have to consider when matching a client and a location?

MS: It's the concept. The concept always comes first. For instance, if a client wants to create a club aimed at younger people, you'll want to direct them to the really hot and upcoming areas. Today, that would include the old Meatpacking District and the East and West Village (Greenwich Village), both of which are in lower Manhattan. On the other hand, I just connected an upscale steakhouse, The Angus Club, with a great mid-town location adjacent to the big business power centers — their logical patrons.

HT: What are the biggest obstacles that clients face?

MS: Money... and time. Rents in New York — especially in the hot areas — are going through the roof. Buildout costs including design, fixtures, etc., are also high. Once a client finds the right place, it's necessary to close the deal and get moving as soon as possible. Unfortunately, negotiations with landlords — and their lawyers — can eat up a tremendous amount of time, and time is money.

HT: What other factors are involved?

MS: Community boards and similar organizations can become a major stumbling block. In a city like New York, these boards have a tremendous amount of power that can result in delaying liquor and other licenses or in killing the project entirely. One of the reasons people come to Picken Realty is the fact that, because of our experience, we have a good idea of what concepts will play in what areas.



HT: What do clients look for in terms of physical location?

MS: They're concerned with the space, with the facility, and especially with the kitchen. If they're looking to make major changes,

their first question is usually about venting for the cooking operation.

HT: How important is the equipment?

MS: I would say that the kitchen equipment is of the utmost importance because it has a direct bearing on time. A good kitchen setup and dependable equipment results in less downtime and less expenditure and can cut weeks of preparation and thousands of dollars out of the startup.



HT: What trends are you noticing in kitchens?

MS: As rents have skyrocketed, clients want to maximize space in the front of the house so as to generate more profit. This is resulting in more compact kitchen designs. I'm seeing increased use of convection ovens and more attention paid to energy efficiency. Some operators, especially ones with two or more restaurants, will even maintain commissary-type setups in lower rent quarters where a good deal of food preparation is done and then transport the food to the restaurant kitchens for finishing and service.

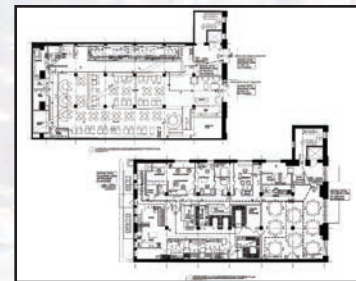
HT: How does the design function work?

MS: That's all over the lot. An individual starting out might have his or her own ideas as to how the place should be laid out and look.

That's especially true if they're operating on a shoestring. More successful and experienced people will have a design team that might include a combination of staff people and outside services like architects or designers.

HT: The beginning of the "Risky Listing" show always states that New York has 50,000 restaurants and clubs and that in a year, a thousand of them will fail. In your experience, what makes for success?

MS: I would say that success results from a perfect storm of many factors, but three are most important. First, you've got to have a great concept. Second, you need the right location. And, third, you've got to have a lease arrangement that gives you time to develop the concept and that's reasonable enough to allow you to make money.



HT: Thanks much, Michael, and we'll be looking for you on TV.

Readers can find more information on "Risky Listing" — and clips from the show — at <http://tv.esquire.com/shows/risky-listing>. ■



"food for thought" from page 1

bookkeeping, accounting, dealing with regulatory and other procedures, hiring personnel, and miscellaneous management functions.

The excessively demanding schedule can be complicated by any number of extraneous events such as a party of 18 that arrives just before closing, a power outage or weather event, or a breakdown in the supply chain. Failure to handle any of these situations in a way that is seamless and invisible to patrons can result not only in loss of business but angry Internet postings and the destruction of a reputation built over years.

Technology is another complex element in our industry. It can range from incidents as small as the purchase of cookware and kitchen utensils, to the selection of major equipment, to the development and management of a website for real-time ordering. When it comes to foodservice — especially with regard to the kitchen — payback is extremely hard to measure. At Hatco, we pride ourselves on building products that are energy efficient and enjoy long service lives, but the savings a customer enjoys can be negated by an increase in utility costs that is beyond their control or a premature change in their market that disrupts the operation. Some operators have commented that they distrust new technology because it may not do the job that was promised.

Today, one of the fastest growing aspects in foodservice involves Internet ordering for meals

that are either delivered or carried out. This literally introduces a whole new business to the existing set-up and can result in increased costs and greater pressure on both staff and facilities. Adding to the difficulty is the fact that the Internet is all about speed, and regardless of the complexity of the order, customers expect faster service than those in the front of the house.

The third challenge involves trends. Virtually every operator understands the importance of keeping current with ever-changing public tastes. Just consider how the menus and décor of the leading fast-food chains have changed in the past ten — or even five — years. New competitors are constantly entering the market and not just in traditional ways. The increased popularity of convenience stores and food trucks has altered a large segment of the market.

Every year the trade magazines — both printed and digital — announce what they believe to be the upcoming trends for the following 12 months. These extend from emerging food preferences, to the increased traffic at certain day parts, to new wrinkles in everything — from service to décor. It is up to the operator to sift through the mountains of data and to select those elements that will appeal to customers, both present and future, while evolving the business in the most profitable direction. Decisions made invariably come at a price, and the penalty for a wrong guess can involve serious losses.

More than external market trends, the operator needs to keep aware of trends within his or her own business. If business is good, will it be necessary to expand and, if so, how can this be done with the least disruption? Is the concept of the operation or the menu becoming dated, and should it be evolved into something else? Is the area surrounding the location still viable or will ongoing changes have an effect on business?

As difficult as the challenges mentioned here might seem, they are being successfully met on a daily basis by the great majority of our customers. For them, foodservice is not just a job but a vocation and a way of life. In seeking the opportunities inherent in a changing world, our customers have built an infrastructure that touches all our lives and of which every person — in one way or another — is a part.

Ernest Hemingway famously defined courage as "grace under pressure." In looking at the "big picture" of this industry, all of us at Hatco and the members of our team can only congratulate you for your courage, perseverance and success. It's a complex world out there, but you make it look easy.

David Rolston
drolston@hatcocorp.com

Introducing
the

EVERYTHING grill

Hatco's new Multi Contact Grill makes "comin' right up" faster and easier



The latest addition to our light cooking line, available in three sizes, is ideal for paninis, different size sandwiches, snacks, vegetables, meats, burgers, and just about anything you'll ever want to grill.

And, when you're done, our Easy Clean System® makes for quick, efficient cleaning. Features include:



- Patented Heating Element Pack for even heat distribution
- Standard Grooved Top and Bottom Plates (accessory Smooth Top and Bottom Plates available) are easy to exchange: check out our new video at www.hatcocorp.com to see HOW easy!

- Stainless steel frame
- Removable drip tray with handles

product profile

So, don't keep your customers waiting.

Expand your menu and your profits with the new Multi Contact Grill. When it comes to grilling, it's "Nothing Less Than the Best!" of everything.

For more information, contact your representative or visit www.hatcocorp.com today! ■