

HOT TOPICS

A Newsletter for the Foodservice Industry from Hatco Corporation. 100% Employee Owned — Summer 2019, No. 62



Comments to: socialmedia@hatcocorp.com

Welcome to Hot Topics!



“Hold back”

by Dave Rolston

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Brand Extension—a path to profitability

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New Hatco Palletti™ Countertop Professional Induction Warmers—low profile, high performance

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“HOLD BACK”

by David Rolston
President and CEO



I was very lucky in my choice of a profession. Engineering has always fascinated me and continues to do so after many years. I love the challenge of solving an existing problem and the excitement of developing a new product. As VP of Engineering at Hatco, I was privileged to work with exceptionally talented people, both within the company and at our customers.

In my various experiences, especially at the start of my career, I learned that a good team leader has to guide rather than dictate. There is usually more than one way to approach any particular situation, and I know from experience that there is nothing more frustrating to team members, or counterproductive to success, than the “boss” who insists on defining everything regardless of other inputs.

As humans, we tend to share a preference for doing things our own way. There are any number of occasions when I was tempted to leapfrog over other opinions to my own solution. At such times, it can be hard to hold back or realize that your way might not be the only way.

When I became president of Hatco, I had to learn a new skill set and take a different position on many things. Although, as an employee, I was familiar with areas such as accounting, HR, sales and marketing, manufacturing, and other areas, my responsibilities were now very different. As we proceeded with new product development, it was very tempting to become more heavily involved in my primary comfort zone in engineering. Ultimately, I knew that I could not do that, and that my responsibilities had shifted.

In business and in life, I have seen the harm done by individuals unable to reorient themselves. This is understandable and can occur in any profession. For instance, individuals in sales generally possess an outgoing personality and prize the variety and freedom of working with customers in the field. For some salespeople, the transition to the skills required of a sales manager becomes stultifying, and they can’t resist the temptation to accompany their subordinates on sales calls “just to give you some backup.” While it is important for sales managers to “know the customer,” it is more important for them to avoid giving customers carte blanche to skip through the ranks. This involves the knack of supporting the conversation without “taking over.”

Our society places a high value on individual achievement, and there’s no denying the satisfaction that comes from finding the right answer or attaining a particular goal. With team work, it’s different—especially for the leaders. Sports legends are full of stories about managers and coaches who, though doubtful of an individual player’s ability to score at a critical moment, have taken the chance on them, and both parties have been richly rewarded.

Relying on our accomplishments, experience, and knowledge is natural but, to be truly successful, it’s necessary to balance pride and confidence with a degree of humility—to know when to “hold back.”

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Brand

Extension—

a path to profitability

Every year, corporations, institutions, and individuals (especially entertainers and political figures) spend billions of dollars in developing, protecting, and, where possible, extending their “brand.” Although the volume of material written about brands and branding might seem intimidating, it is basically a simple concept: a brand is a promise. For example, the post-War period saw expansive growth in both chain and franchised QSRs (Quick Service Restaurants) fueled by the public’s desire for restaurants that offered fast service, cleanliness, and a predictable menu at a reasonable price point. Not surprisingly, consistency is the key element in branding and, even today, although variance can be found from place to place, the time-tested favorite dishes can be found in all QSR family units.

For select foodservice establishments, as well as key individuals, the extension of the brand can become a source of increased profit, heightened recognition and, in certain cases, can establish its own identity.

In 1924, Chef Ettore “Hector” Boiardi opened the Il Giardino d’Italia restaurant in Cleveland, Ohio. In response to customer demand, he began selling his sauce packaged in jars. Sales grew to the point where factory production was required, and the line was extended and sold under the phonetic Chef Boy-Ar-Dee name accompanied by Hector Boiardi’s picture. The public responded enthusiastically to the tasty, inexpensive, and easily prepared foods, and the brand grew in reputation and distribution. Today, the products continue to retain their identity, and popularity, as a part of ConAgra Corporation. By maintaining a continuing identity, Chef Boyardee has acquired a high brand value.



What do your CUSTOMERS see in you?

Before defining any brand extension strategy, it is essential to accurately determine what your establishment is most noted for in the minds of your customers and the public. While the quality of the food and service are of prime importance, other key factors often play a part. Select restaurants are defined by their clientele—a circumstance that confines them to a single location and, often, menu. Hollywood’s legendary Brown Derby and Chasen’s Restaurant were known to be favored by leading film stars and executives. Chicago’s Como Inn was a favorite lunch spot for political figures and entertainment personalities. The original Four Seasons in midtown Manhattan attracted powerful and prominent businessmen and individuals associated with the Arts. Location was exceptionally important to these restaurants, as demonstrated by the fact that when the original Four Seasons lost its lease, a successor establishment closed several months after opening.

Other restaurants are noted for their menu, although there is a wide variety of differences in types and selection. Mike Whiteley, Sr. VP of Sales and Marketing at Hatco and a keen observer of international cuisines, states, "Basically, there are two different types of restaurants: one is known for reliability in terms of the food and atmosphere. Both regular patrons and those who return after years of absence know exactly what to expect. The others, which are extremely popular today, offer an ever-changing variety of items and often make use of exotic seasonings and unusual fusion dishes. This type is frequently associated with a celebrity chef and/or a specific geographic locale noted for access to unique ingredients."

In certain cases, the reputation of a foodservice establishment can depend on the popularity of a particular dish and, like Chef Boiard's tomato sauce, can be offered for sale as an extension of the brand. This is especially true with such genres as chili and barbecue sauce.

From Restaurant to Manufacturer

The Montgomery Inn, located near Cincinnati, Ohio, opened in 1951 and specializes in barbecued ribs. The unique flavor of their sauce resulted in repeated requests from customers for "take-home" samples, and the restaurant obliged by offering it for sale, originally in plastic bottles.

According to Evan Andrews, who heads up the Montgomery Inn's branded products operations, "By the time we opened our second location in 1989, the demand for the sauce had increased to the point where we could see a real marketing opportunity. We began working with a private label food producer who had the capability to satisfy our initial and growing demand."

Obviously, producing large batches of sauce is a far cry from making it up in the kitchen. "We had to tweak the way in which some ingredients are put together to obtain the flavor identical to what our restaurant customers enjoy. We produce the sauce in 2500-lb. batches, and we taste every batch to ensure quality. We also retain samples of each for at least two years in case there are any problems. Thankfully, there have been none," says Andrews.

Initially, the sauce was distributed through Kroger supermarkets (a locally headquartered chain) in an eight-state area. Currently, it is also carried by Sam's Club and Costco and is sold on the internet at www.cincyfavorites.com.

The line has expanded to include frozen specialties, such as ribs and pulled meats as well as signature "Volcano Cakes" and ice cream.

Evan states, "Extending your brand into the grocery business demands not only attention to detail but the ability to recruit excellent help and to successfully work with broker networks. It is rewarding to know that our products are being enjoyed in an increasingly wide area and that many customers who visit our restaurants for the first time are already fans of our foods."

Increasing AWARENESS—a first step

The ability to increase awareness of a restaurant and promote customer traffic can be accomplished in any number of ways. Historically, publication of a cookbook can enable patrons to recreate some of their favorite flavors at home. Sales of the book provide higher visibility, longer term customer awareness and loyalty, as well as a source of profit. Thanks to the growth of electronic publishing, it is now possible to more easily produce a cookbook and order even limited quantities on demand.



continued from "Brand Extension"

Along with the recipes, many cookbooks contain photographs, historic information, anecdotal facts, and local color so as to qualify as interesting souvenirs for visitors.

The website can be a very important tool, not only in exposing the contents of a menu but in including any number of recipes that will entice amateur chefs to visit the restaurant and to see how close they have come to creating the signature dish.

Another market for extended branding has been popularized by the increased interest in regional and international cuisine. Chef Emeril Lagasse markets a line of spices and flavorings that characterize the Louisiana cuisine for which he is famous. Such offerings have made it possible for those well outside of a particular area to enjoy exotic and flavorful dishes.

PROMOTION. . . in a bun!

Promotion is a key component of successful brand extension and can take the form of advertising, public relations, local or special events, and other means of enhancing visibility. Nathan's Famous, Inc. started as a hot dog stand in 1916 at Coney Island—a New York City amusement area—and became known for the uniquely spiced hot dogs. The business was largely seasonal, and it was not until 1959 that a second branch was opened. In 1987, Nathan's was franchised, and multiple restaurants were established around New York City. Today, the company and its franchisees operate throughout the United States and around the world. Additionally, Nathan's branded hot dogs are widely sold in grocery outlets.



A major factor in establishing public recognition of the Nathan's brand is the hot dog eating contest, which has been held since the early 1970s on the 4th of July at the original Coney Island location. Contestants are challenged to consume as many hot dogs as possible in 10 minutes (as of 2018, the world record was 74 hot dogs). News outlets and other media began covering the contest, and shortly it was as much a part of the 4th of July as fireworks. As with any brand, heightened awareness is key to success.

Sub-branding—protecting the primary brand

Another brand extension strategy involves so-called "sub-branding." Sub-branding involves the creation of a different brand identity than the original establishment or product. It allows the foodservice operator to bring different products or services to the marketplace without confusing or diluting the original brand. It can also be an effective tool for penetrating higher or lower price points. Companies such as Restaurant Associates and Lettuce Entertain You Enterprises both created a family of restaurants with vastly different identities and menu items.



More recently, Pittsburgh-based Eat'n Park of Homestead, Pennsylvania, introduced Hello Bistro, a fast-casual chain offering a specialty menu augmented with some of the most popular Eat'n Park products while maintaining a totally separate identity.

For many foodservice operators, the extension of the brand, no matter how financially successful, carries a further satisfaction in knowing that the recipes, dishes, or ingredients that they have created are being enjoyed by people far beyond the original establishment and have the potential to provide a unique dining experience for generations to come. And, that is a true fulfillment of the brand promise. ■

From steak to (cheese)cake

A true visionary and a talented restaurateur, Eli Schulman's career is a vivid example of the evolution and power of a personal brand.

Born in Chicago in 1910, Eli opened his first restaurant, Eli's Ogden Huddle, in 1940. This was followed by Eli's Stage Delicatessen, where the combination of fine food and his outgoing personality attracted numerous theater and show business people.

Having built a significant reputation, in 1966, he created Eli's The Place for Steak, which quickly became a Chicago landmark that attracted a large public following, as well as celebrities including Frank Sinatra, Gale Sayers, Sammy Davis Jr., and others. Always attentive to details, he created a unique cheesecake as his signature dessert.

According to Marc Schulman, Eli's son and current president of Eli's Cheesecake, "My father was a true innovator. He wanted to serve something different than the traditional New York cheesecake and so came up with what he called the 'Chicago Cheesecake.'"



Introduced to the general public at the very first Taste of Chicago in 1980, it created a sensation and was named the most popular dessert. Before long, Eli's Cheesecake Company went on its own with a small plant on Chicago's north side. The product line was expanded to include a wide of variety of cheesecake flavors, as well as pies, tarts, and other treats.

Marc Schulman recalls, "In 2005, after 39 years, Northwestern Hospital, which held our lease, announced plans for Lurie Children's Hospital to be built on the site. Although we and our many loyal patrons were sorry to see the restaurant go, we decided to devote our entire efforts to the cheesecake business. By 1996, we had moved to a new location that included a state-of-the-art antique bakery, a café, and corporate offices. Our business has continued to grow, and we serve both retail customers and foodservice clients including supermarkets, airlines, and others. People throughout the world enjoy our products, and we're represented in Europe, the Middle East, and Asia. Our staff has grown to 220 people, but our commitment to quality has never wavered. We use only the best ingredients."

Promotion has always played a large part in the success of Eli's Cheesecake Company, which has produced extra-sized cheesecakes for four American presidential inaugurations, celebrity birthdays, and special and civic events. It continues to be the signature dessert at the annual Taste of Chicago.

The evolution of coffee shop to major international foodservice operation is an excellent example of the power of a brand that began small but through vision and perseverance became what is today regarded as a Chicago institution. In addition to the company, Eli Schulman's name is remembered for extensive participation in many civic and charitable events. A playground established in 1988 across the street from Eli's The Place for Steak has been named the "Eli M. Schulman Playground." For the company he established and that his family continues to run, and his many contributions to his customers and the city he called home, Eli's remains an enduring brand and a Chicago tradition. ■





WHERE FRIENDS GET TOGETHER

Located in historic Chatham on Cape Cod, Massachusetts, Chatham Squire serves traditional New England fare, as well as international favorites in a friendly family atmosphere. Founded in 1968, the restaurant/bar is a long-time favorite of locals and tourists alike.

According to General Manager Richard Sullivan, "Chatham Squire is truly a multi-cultural institution, both in terms of our menu and the entertainment we offer, which includes anything from Irish music to Karaoke and our popular Sunday Italian Night. Cape Cod's maritime tradition has made it home to people from all over the world, and we're proud to help preserve that heritage."

Chatham Squire is open 7 days a week from 11:30 a.m. to 1:00 a.m. To check out the menu—and the entertainment—visit the website at www.thesquire.com, or call 508-945-0945. ■



Cape Codder Pâté

[Click here for recipe](#)



(Units are sold separately, 3 units shown daisy chained and interconnected to one power cord)

IWRM-CD1-03-3



Hatco Palletti™ Countertop Professional Induction Warmers— **low profile, high performance**

Designed with an ultra-thin profile to maximize food presentation, Hatco's new Palletti Countertop Professional Induction Warmers have five simple and precise settings to keep food warm and retain quality. Available in both standalone countertop (600 watts of power for large volumes) and lower-watt daisy chain countertop units for multiple interconnections.

Features include:

- Energy efficient, quiet, and safe
- Pan Sense Technology (PST) saves energy by activating unit only when a suitable pan is placed on top
- User-friendly control panel equipped with standby key, temperature control arrow keys, and temperature setting indicators
- Automatic shut-off to prevent overheating

Ideal for buffets and other “front-of-the-house” operations, the elegant, low-profile design incorporates a classic black housing and durable, easy-to-clean glass ceramic top.

Contact your Hatco representative or visit our website at www.hatcocorp.com and experience Hatco's highest quality in a low-profile package. ■