



Hot TOPICS



A NEWSLETTER FOR THE FOODSERVICE INDUSTRY FROM



100% EMPLOYEE OWNED — WINTER 2015, No. 50

Food for thought

by David G. Hatch
Chairman of the Board



Keeping Hot Topics both hot and topical

FIFTY ISSUES LATER, WE'VE ONLY JUST BEGUN



Building foundations

Like any special occasion, the 50th issue of *Hot Topics* presents an opportunity to look back and to look forward. Although many things have changed in our industry and at Hatco since 2000, our core values have remained the same; and I think a good part of that is due to the fact that we are a family-owned company.

Because publicly held companies have to report to shareholders and money managers on a quarterly basis, management can be tempted to sacrifice long-term plans for the sake of short-term performance. This is especially true in companies where there is heavy employee turnover, and people are more concerned with their resumé's than with the future corporate direction.

Since its founding in 1950, Hatco's management, and its people, believed that the company was in it for the "long run" and that, in order to build for the future, we needed to establish a firm foundation.

That foundation is based on our insistence on "Nothing Less than the Best®," our dedication to innovation, our loyalty to our customers, and the quality and devotion of our employees. It is shown in the fact that we still manufacture our very first product—

Please see "Food for thought" on page 5

In reviewing the first 49 issues of *Hot Topics*, it's amazing to see the number of subjects that we have covered. Our lead stories encompassed everything from foodservice at schools, prisons, hospitals, casinos, golf courses, highway rest stops, and many others to features on dining ambiance, specialty foods, television shows, and restaurant critics—to name but a few. We've paid tribute to the restaurant workers who were lost on 9/11 and had the privilege of speaking with some of today's celebrity chefs.

Among our most popular features was the series of interviews with various bacteria, beginning with E.coli. By taking a light-hearted approach to a serious subject, we were able to both educate and entertain. A number of readers requested permission to reproduce the articles in their own newsletters and in educational materials.

The idea for *Hot Topics* was originally developed by David Hatch, Charleyne Brenneis, and Bill Citti (retired Sales and Marketing

Please see "Keeping Hot Topics hot" on page 2

Our format has changed over the years - this issue duplicates the look of our very first Hot Topics

MARKET TRENDS

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"Hot Topics" is produced by the HATCO CORPORATION.

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This issue of *Hot Topics* has been printed on recycled paper with non-petroleum inks.

“Keeping Hot Topics hot” from page 1

Manager) as a means of keeping in touch with Hatco customers and associates in a way that was both enjoyable and enlightening. With the exception of the Product Profile and an occasional feature on Hatco’s NAFEM exhibit, **Hot Topics** has always been intentionally non-commercial in nature and targeted toward subjects of interest to the readership.

Of the many editorial features, the one that has consistently drawn the most reader comment is the “Food for thought” column, originally written by David Hatch and now by Dave Rolston.

Dave Rolston comments, “I think the main reason for the column’s appeal is the fact that it’s very personal in nature. Unlike the typical ‘President’s letter,’ both David Hatch and I have never hesitated to share our thoughts and opinions on such subjects as people, humor, creativity, our hobbies, our food preferences, and some of our favorite memories. We’ve both seen the column as an opportunity for our customers and friends, including those who’ve never met us, to get to know us as people.”

Another popular column is the restaurant profile/recipe in which chefs and restaurateurs from all over the world discuss the “what and why” of their establishments and share some of the dishes that keep their customers coming back.

Because **Hot Topics** represents the face of Hatco to our readers, it has always received a great deal of attention from the top executives and the staff. Once a year, a steering committee meeting is held that includes Dave Rolston, Mike Whiteley, Charleyne Brenneis, Robin Alfano, Bette Leque, editor from the Advertising Department, and the writers and art director responsible for the development of each issue (see “Brought to you by...” on page 3). Dave and Mike’s daily involvement in the industry has resulted in story features and restaurant suggestions that are timely and valuable to readers.

Typically, the team lays out a schedule



for the upcoming three issues, which is always subject to revision in the event of major developments. Once the writers and contributors develop their materials, the layout is reviewed and checked for accuracy.

Of course, we had one “bloop,” but the people involved were understanding, and we called out the correction in the following issue. For our readers and our staff alike, the most enjoyable aspect of **Hot Topics** is the opportunity to learn about the many facets of the fascinating industry that is foodservice. This has come about because of all the people who have been kind enough to share their knowledge, experiences, ideas, and talent with us.

Our contributors number in the hundreds, and their generosity has made the magazine entertaining to thousands of our colleagues. The variety of subjects that touch foodservice is virtually boundless, and even after 50 issues, we’ve only just begun to tell the story. ■

SPECIALTY OF THE HOUSE

The Nightingale Supper Club



A Wisconsin tradition in Sturgeon Bay

A favorite of Hatco University alumni, as well as Door County visitors and locals, the Nightingale Supper Club offers both fine food and a true Wisconsin regional experience. Informal atmosphere and friendly service invite patrons to enjoy a leisurely meal with plenty of laughter and good conversation.

Originally opened in the early 1930s, the Nightingale became a “destination” restaurant for the entire Door County area when David Ripp assumed ownership in 1984. Chef Marcia Brauer, a 30-year veteran of the Nightingale, has created a menu that combines gourmet entrées with such typical Door County delights as lake perch, whitefish, prime rib, and of course the traditional Friday night fish fry.

Visitors to Hatco’s Sturgeon Bay facility from throughout the world who have had the opportunity to dine at the Nightingale experience a “taste of Wisconsin” that makes a lifetime memory.

Located at 1541 Egg Harbor Road in Sturgeon Bay, Wisconsin, the Nightingale serves dinner from Monday to Saturday, phone 920-743-5593, or visit www.nightingalesupperclub.com. ■



Butternut Squash Soup

Yield: Serves 6

Ingredients:

½ onion, chopped
¼ c (58 g) butter
6 c (1079 g) peeled/cubed squash
3 c (710 ml) water

4 cubes chicken bouillon
½ tsp (300 mg) dried marjoram
¼ tsp (140 mg) black pepper
⅛ tsp (100 mg) cayenne pepper
8 oz (227 g) cream cheese

Instructions:

In a large saucepan, sauté onion in butter until tender. Add squash, water, bouillon, marjoram, pepper, and cayenne pepper. Bring to a boil. Cook 20 minutes until squash is tender. Purée squash mixture and cream cheese in a food processor in batches until smooth. Return to saucepan and heat. Do not boil.

Brought to you by . . .

Each issue of *Hot Topics* represents the combined talents of many individuals in diverse areas.

Following the meeting of the steering committee, it is up to the editor from Hatco’s Advertising Department (initially Charleyne Brenneis, now Bette Leque) to bring the publication from concept to reality. With the support of talented writing and design from a long-time marketing agency of Hatco, we have *Hot Topics* brought to reality.

Since the first issue, the circulation of *Hot Topics* has grown by more than 50% and now reaches more than 15,000 individuals. Including estimated “pass-along” recipients, the total number of *Hot Topics* readers is currently in the vicinity of 25,000.

Despite the challenges involved, all those associated with *Hot Topics* consider it one of the most enjoyable aspects of their work. The opportunity to interact with our customers and with those on the leading edge of the foodservice industry, as well as with a genial and supportive staff at Hatco, continually renews our dedication to keeping *Hot Topics*—like all Hatco products—“Nothing Less than the Best®.” ■



The Hatco Hot Topics committee

HUMOR NEVER DIES—
JOKES FROM OUR
FIRST ISSUE

BRINGING A SMILE TO YOUR TABLE



To steal ideas from one person is plagiarism; to steal from many is research.

Eagles may soar, but weasels don't get sucked into jet engines.

You're not old unless
YOU CAN REMEMBER:

- when nobody owned a purebred dog.
- when you got your windshield cleaned, oil checked and gas pumped for free every time and got trading stamps to boot.
- when kids couldn't wear anything but leather shoes to school.

Never teach a pig to sing; it wastes your time and annoys the pig.

Bad Ad Department:

Dog for Sale: Eats anything and is fond of children. ■

Trends... the hottest hot topics



by Dave Rolston

Looking back over the first 49 issues of *Hot Topics*, we can discover much that has changed and much that has remained the same. Because *Hot Topics*, like any newsletter, is a timely publication, we make every effort to keep our readers updated on what's going on in foodservice, as well as what new trends are emerging.

In order to provide as accurate an update as possible, we invited representatives from our leading trade publications to meet with key Hatco team members and some of our associates in what we call our "Hatco Media Day." Combining presentations and a panel format, our guests gave us a fascinating overview of what is happening now in foodservice and where it is likely to go in the near- to mid-term future. I thought you'd like to hear some of their input.

- The singular biggest problem facing foodservice operators today is the need to increase customer traffic. Operators are approaching this with a variety of techniques, including building more attractive menus for different day-parts. Breakfast has proven to be an especially profitable time for quick-service restaurants and convenience stores that offer varied and interesting choices.
- Operators are seeking to derive greater profitability by maximizing the size of the front of the house and opting for smaller kitchens. Compact equipment



that generate menu items more quickly (such as our Ovention line) are rapidly increasing in acceptance.

- Menus are being trimmed as operators seek to capitalize on their most popular dishes and to select ingredients that can be incorporated in multiple offerings.



- Customers are demanding greater freshness and higher quality in their meals. Operators who obtain foods from local sources would do well to publicize that fact on menus, in social media, and in advertising. There is also greater interest in protein-based foods, which are associated with "power" as well as weight management.



- The digital age is an increasing factor, with automated ordering becoming more common for both eat-in and take-out customers. Social media vehicles, websites, and other internet-related tools are a regular part of the foodservice picture. The ability to quickly communicate with customers on questions ranging from waiting times to specials is essential to building goodwill and loyalty.



Please see "Trends..." on page 8

David Hatch's Five Rules for Team Building

Realizing that the success of any company is directly dependent on the quality of its people, I have identified five rules for hiring. They have applied to every Hatco family member from the executive suite to the factory floor, and I invite you to benefit from my years of experience.

Rule #1 **Hire the best.** Humility is one of the most valuable assets any leader can have. The smartest thing you can do is to hire people smarter than you. No benefit can be gained by “dumbing down” an organization.

Rule #2 **Share the vision.** Any endeavor starts with some sense of where you are headed, whether it is Julius Caesar, Christopher Columbus, or the CEO of any organization. If the destination isn't known, you can't expect your team to go there. This rule applies to everyone, not just the executive staff.

Rule #3 **Pay what the job is worth.** It is extremely rare that anyone starts at the highest pay level of a corporation. Individuals entering the workforce seem to have a high regard of their value to the Company. My approach is to start at a fair wage, encouraging them to justify pay raises and bonuses as a result of their accomplishments. I am EAGER to reward their effort.

Rule #4 **Leave people alone.** Empowerment doesn't mean abandonment. This purposely opens the door to stretching the rules, creative thinking, making mistakes, trying something new and different, and serendipitous events. Business insanity is doing the same thing over and over again, expecting different results.

Rule #5 **The Prime Directive.** People hire you, not the other way around. You have hired the best and the brightest. You have espoused, and they have agreed to, the vision of the Company. You have agreed to a “starting” wage. You have agreed upon a general area in which they will contribute. Now it is time for the CEO to help them achieve success. Use your power to support your personnel, NOT to crush them. Ideally, you are their “go-to” person. Turn the classic pyramidal organization chart upside down, graphically demonstrating that the President/CEO is meant to support the organization. The reward is trust and loyalty. ■

“Food for thought” from page 1

the Booster Water Heater—even as we blaze new trails with revolutionary concepts like the Heated Zone Merchandiser and the Ovention Oven.

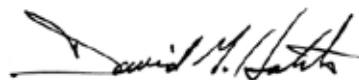
We also have fun.

I've always thought that if you're going to be creative, you have to be at least a little bit crazy. Geniuses in all fields—from science to industry to the arts—tend to look at the world differently. Actually, some look at it a lot differently. With that in mind, we've created a corporate culture in which people aren't afraid to express themselves or, equally important, to fail. Self-expression and learning from mistakes are critical to moving forward. As a result, our employee retention rate is outstanding (something that really impresses our customers), and that was a major factor in transitioning the company to employee ownership, thus keeping Hatco “family owned.”

I've also considered that our corporate culture embraces our customers as well and, at trade shows, invitations to the Hatco gatherings are highly sought after. Knowing us as they do, the people who buy our products are not afraid to come to us with problem-solving opportunities, realizing that our approach will be both creative and practical.

Hatco today is a much larger and more diversified company than we were when issue No. 1 first made its appearance. We're much more international in nature, and our product lines have expanded considerably. Looking long term, we have committed funds to our operations in China and overseas, to the expansion of our factory in Sturgeon Bay, Wisconsin, and to the renovation and improvement of our offices in Milwaukee. All of these are part of the foundation for our future growth, and “growing eternally” is our continuing objective. We never forget that our growth depends on your growth.

Let us help build your foundation.



David Hatch
Chairman of the Board

SHOWTIME

THE

BIG TICKETS

IN TRADE EXHIBITIONS



January 2015

- The Hospitality Show
January 19 - 21
National Exhibition Centre
Birmingham, England
- Sirha
January 24 - 28
Eurexpo, Bron
Lyon, France

February 2015

- Ho.Re.Ca.
February 6 - 9
Metropolitan Expo
Athens, Greece
- Gulfood
February 8 - 12
Dubai World Trade Centre
Dubai, U.A.E.
- Hoteres
February 17 - 20
Tokyo International Exhibition Center
(Tokyo Big Sight)
Tokyo, Japan
- NAFEM
February 19 - 21
Anaheim Convention Center
Anaheim, CA, USA
Booth #4808

March 2015

- International Fast Food Fair
March 3 - 5
Crocus Expo International Exhibition Center
Moscow, Russia
- Aahar
March 10 - 14
Pragati Maidan
New Delhi, India
- Pizza Expo
March 23 - 26
Las Vegas Convention Center
Las Vegas, NV, USA

PRODUCT REPORT

Hatco has been in “hot water” right from the start The Romance of the



After more than 64 years, the product that launched Hatco is not only still with us but remains a significant contributor to sales. Although not as glamorous or photogenic as our heated glass merchandisers, hanging lamps, or carving stations, the Booster Water Heater still performs one of the most essential jobs in the foodservice industry, and does it well.

The story begins in the late 1940s when Gordon Hatch, a young electrical engineer,



Early Booster Water Heater

and his wife LaReine established the Gordon Hatch Co. to represent a line of industrial electrical products including heating elements. The late Rod Chaudoir, an early Hatco employee and former president, explained the genesis of the product: “LaReine and Gordon were always on the lookout for new ideas. One of the sources they consulted was

the announcements of code changes by the State of Wisconsin. In the late 1940s, the State required rinse water temperatures for commercial and institutional dishwashers to range from 180°F to 192°F. They were moving away from towel drying to promote better sanitation, and their initial concept involved a three-compartment sink connected to a patented sanitizing sink heater.”

David Hatch comments, “The first experiments on what would become the booster water heater took place in the garage. Rod Chaudoir assisted my father in the experiments and, on one occasion, they tried an externally wrapped electrical element. It was a cold day, and they were generating quite a bit of steam. Before they



Booster Water Heater

realized it, the entire driveway was covered with a layer of glare ice.”

According to Bruce Hatch, “The early booster water heaters were marketed as products of the Gordon Hatch Co. and used Chromalox® heating elements that were produced by The Edwin L. Wiegand Co. of Pittsburgh, Pennsylvania. When they heard about the new product, they objected to a distributor using their components in a manufactured product sold under the distributor’s name. To get around this, Gordon Hatch formed a new company and made his wife president. They called the company Hatco.”

The success of the Booster Water Heater provided the resources, and the direction, for the many products that would follow.

Basically, the Booster Water Heater consists of a steel tank lined with a highly specialized spun concrete, into which heating elements (in the electric models) or a heat exchanger (in the gas models) are inserted to quickly and efficiently raise water to a temperature of 180°F (82°C) for sanitizing, dishwashing, and other functions.



Though essential to cleanliness and food safety, the device is usually both out of sight and out of mind and remains an “unsung hero” of the kitchen.

Appreciating its contribution to Hatco’s success, there have been attempts to elevate both the visibility and the status of this historic and indispensable appliance. David Hatch explains, “Without a doubt, one of our zaniest ideas involved beautifying the booster water heater. Although we have great affection for the product that was responsible for starting Hatco and that still contributes very well to our sales, the booster water heater is—let’s face it—a squat little tank. When we offered them in shades of yellow and red, and even with wood graining, they attracted a lot of looks but for all the wrong reasons. Some products, like some people, were never meant to be beautiful.”



Like the schoolyard “geek” who goes on to great things, the Booster Water Heater’s appearance belies the many improvements that have been made over the years to generate better performance and greater efficiency. The quality inherent in the product from the first is demonstrated by its phenomenal service life. In 2011, a Hatco representative discovered a 50-year-old Booster Water Heater that had been installed in a church in Minnesota. The



church had been remodeled numerous times, but the Booster Water Heater always stayed, doing its job quietly and unassumingly. Another vintage model was found in a school in Ohio and, doubtless, there are many more throughout North America.



Although Confucius might not have been envisioning the Booster Water Heater when he said, “Everything has its beauty, but not everyone sees it,” his words certainly apply to the invention that not only built a company but, on a daily basis, safeguards the health of millions of foodservice patrons and personnel.

Let us raise a clean glass to the immortal Hatco Booster Water Heater!

Note: Several of the quotes in this article are taken from Hatco’s history, “An Appetite for Life — The people and products that made Hatco.” The book is available free of charge upon request. Please direct your inquiries to bleque@hatcocorp.com ■

“Trends...” from page 4

- Customization is a reality, and diners expect “to have it their way.” The ability to respond to customer requests—within reason—is essential.



- Mobile carts, outdoor dining, and the open kitchen continue to attract diners, especially among both Millennials and Baby Boomers.



If we had to summarize what these trends mean from an overall perspective, I think the most appropriate lesson is the need for flexibility. Like so much else, our industry is being heavily impacted by new technologies and their influence, not only on ourselves but on our customers' lifestyles. Rapid shifts in public taste are something that we have to incorporate into our planning in order to survive and prosper.

Here at Hatco, we try to keep our feet in the present and our eyes on tomorrow. You've probably heard recently that Amazon, UPS, and several other companies are contemplating package delivery using drones. When we build our first foodwarming drone to deliver digitally ordered meals, you'll read about it here first in *Hot Topics*.


David Rolston
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Go to "Our History" on
www.hatcocorp.com
for Hatco's history since 1950