

# THE MANASK REPORT

## Foodservice & Gift Shop News & Views

for Museums, Zoos, Aquariums, Botanic Gardens & Historic Homes

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### Celebrity and Famous Chefs Seek Out Cultural Institution Locations

#### *What Makes Your Institution Attractive?*

By: Arthur M. Manask, Principal—Manask & Associates

During the last 10-15 years we have seen significant growth and interest from high profile restauranteurs, celebrity and famous chefs wanting to get involved with their local museum or other cultural institutions throughout the U.S. and Europe. A few examples include Kevin Taylor at Denver Art Museum, Danny Meyer at MOMA in New York, Wolfgang Puck at Walker Art Center in Minneapolis, Museum of Science in Boston and Georgia Aquarium in Atlanta, among others, Joachim Splichal at Los Angeles County Museum of Art, MOCA in Los Angeles among others, Stephan Pyles at the Dallas Museum of Art, Monique Barbeau at the Seattle Aquarium and Jean Robert Cavel at the Cincinnati Museum Center. The motivation is not 100% financial. Following are some of the key motivators:

- A love for the arts (*chefs are, in fact, artists and artistic people*).
- Community involvement.
- Brand expansion with cross promotion opportunities with the

cultural institution and their other restaurants in the area.

- They also do catering at their restaurants and possibly off-premise which is a large part of cultural institution foodservices.
- In some cases, with smaller institutions, having their restaurant kitchen to support the institution's café/restaurant and catering services that might have limited onsite kitchen/support.
- They are recruited by foodservice operators (Aramark, Compass, Sodexo and Culinaire, among others have done this successfully).
- The financial arrangements oftentimes include the chef receiving a fee or royalty in exchange for providing ongoing culinary training, menu development if not personally owning/operating the restaurant. Personal appearances and participation at the institutional annual gala and marketing/promoting the institution by attending special exhibition

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### THE ECO- CONSCIOUS CONSULTANT

*Manask & Associates is dedicating this issue to the sustainability of our environment in relation to foodservice. We, at Manask & Associates, are also taking steps to being eco-friendly to the best of our ability for the health and betterment of our environment.*

#### In Los Angeles Restaurants, An Eco-Frenzy

For all the hype, a few chefs are actually devoted to sustainability. But what does green really mean?

When chef Christopher Blobaum was opening Wilshire restaurant in Santa Monica, he wanted to do the right thing, both culinarily and environmentally.

He buys much of the restaurant's produce at local farmers markets and sources meat and fish carefully. He used solar-heated water for dishwashing and low-output fluorescent lighting. The deck out back is made from recycled lumber (and is built in a way that preserves the property's existing mature trees). Tables are set with woven vinyl Chilewich placemats that can be rinsed and reused instead of white linen tablecloths that need to be washed and bleached.

Blobaum even bought a backyard and compost tumbler he keeps behind the restaurant to dispose of much of the food waste.

Remember when restaurants used to

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## ***The Eco-Conscious Consultant***

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brag about organics? These days, in food as in everything else, the buzzword is “sustainable.” Every time you turn around, someone is claiming to be “green” or “eco-friendly.”

But as Blobaum learned, moving beyond the slogan stage is hard work and complicated. And despite the many claims, few restaurants are up to tackling going green in a serious way.

In large part, that’s because eco-friendly and “sustainable” are still so loosely defined that they can include a dizzying maze of factors: how the restaurant was built, how and where the ingredients were grown, the nature of the materials used to serve them, and how the leftovers are disposed of.

There are a few notable exceptions, but for the most part, chefs and restaurateurs are still trying to sort out just what “sustainable” means, and beyond that, how it fits into running a variable business.

“Learning about sustainability is an ongoing process,” says Blobaum, who is still looking at improvements for Wilshire, even after having won a Sustainable Quality Award grand prize from the city of Santa Monica this year.

“You can’t do it all in one day. It’s an education. You decide this week or this month we’re going to try to tackle this. It might be something simple, like switching a cleaner. Once you’ve accomplished that, then you move on to the next thing.”

And it’s not just trendy high-end restaurants that are thinking about sustainability either. The movement has all the earmarks of being the next big thing. How big? Last summer, the National Restaurant Assn. launched a “roadmap to sustainable restaurant operations” project to guide the group’s 375,000 members toward more environmentally friendly operations.

There’s also a Green Restaurant Assn. that steers its clients toward sustainability by advocating steps

such as eliminating Styrofoam containers, conserving water and power, using recycled and chlorine-free products and searching out sustainable food sources. Among its members are the 500-outlet Coffee Bean & Tea Leaf chain and the Le Pain Quotidien chain, which even has its own director of sustainability.

### **Staying Local**

Some restaurants are working harder at sourcing ingredients that come from closer to home. At Grace, Neal Fraser has introduced a weekly “Ethical Tasting Menu,” using mostly ingredients that come from within 400 miles of the restaurant. One recent menu included caviar from the Sacramento River, prawns from Santa Barbara, sand dabs from Morro Bay and pork chops from Devil’s Gulch Ranch in Marin County.

The hardest part, he says, isn’t finding the star ingredients but the supporting players. Veal bones for making stock, in particular, were a challenge, since most veal comes from the Midwest. Through diligent digging, though, Fraser was able to track some down from a dairy herd in Central California.

And sometimes it’s not even clear what the right direction is. Is it better to buy organic vegetables that have been shipped across country or ones that have been conventionally grown close by?

Providence’s chef-owner Michael Cimarusti is well aware of the problems involving seafood. He runs a restaurant based on it and is an avid fisherman himself. Though he makes no special claims for sustainability, he does follow the Seafood Choices Alliance program and serves only fish that is rated a “smart choice.”

Seafood featured on a recent menu included Maine lobster, Dungeness crab, oysters, farmed caviar, squid, manila clams, Alaskan king salmon, wild striped bass and yellowfin tuna. There is no bluefin tuna and no caviar from Russia, both of which are seriously overfished.

Despite all of the homework he did to develop the menu, he still has questions. “It’s a difficult thing, especially now with carbon miles being considered,” Cimarusti says.

“What’s sustainable when it’s caught in New Zealand may not be considered sustainable by the time it gets to Los Angeles,” he says. “On the other hand, if I had to restrict myself only to what was caught within 200 miles, I couldn’t be a seafood restaurant anymore. Am I going to build a menu on mackerel and squid and sardines? How many of my customers will come for that?”

Sometimes making the sustainable choice saves money, but sometimes it costs—and not just for fancy equipment such as solar panels. When Chez Panisse’s Alice Waters decided to stop selling bottled water at her restaurant because of the amount of energy it took to ship it from Europe, Wilshire’s Blobaum was among those who wanted to follow suit—until he ran the numbers.

“It’s really crazy,” he says. “I put in a reserve osmosis program for the restaurant so we have perfectly clean water going to all the stations, probably cleaner than most bottled water, but we still need to sell bottled water. That’s partly because the customers demand it, but also because there’s a lot of money involved in it. To give up bottled water, I would have to give up a fair amount of extra revenue.”

Fraser says he’s getting around the problem at Grace by introducing his own house-bottled water within the next month or so. “We’ve already got filtered water with reverse osmosis; now we’re getting a machine that will carbonate it with medical-grade CO<sub>2</sub>, he says. “We’ll price it a couple dollars cheaper than regular bottled water and it’ll be an as-good or better product.”

*By: Russ Parsons, LA Times Staff Writer (www.la.times.com). July 18, 2007.*

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## ***The Eco-Conscious Consultant***

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### **How Del Posto Went Green**

Cultural institution restaurants, cafés and foodservice operations can learn valuable lessons from this recent article. “**How Del Posto Went Green**” is the title of an article from *Bon Appetit Magazine* February 2008 issue about how famous Chef Mario Batali is saving the world one meal at a time. At the most ambitious collaboration in the Mario Batali and Joe Bastianich restaurant empire (which include New York’s Babbo, Lupa and Casa Mono, and projects in Los Angeles and Las Vegas). Del Posto seems the least likely to vie for the title of environmental crusader. The posh restaurant (co-owned by Lidia Bastianich) serves fare like \$110 veal chop for two, occupies a 2,600 square foot space in Manhattan and employs a staff of 220. Examples of sustainable

and green practices include purchasing pork through Heritage Foods USA, a conservation group dedicated to preserving North American livestock. One of Batali’s preferred breeds, the Red Wattle pig, once had a dwindling population, but thanks to restaurants like Del Posto, it has become a viable breed for farmers to grow. Instead of bottled water shipped from far away locales, the restaurant creates its own mineral water from the tap. For sparkling water, carbon dioxide is added. Twice a week fresh organic produce is delivered and when delivered the same person picks up filtered Frialator oil that is used in the produce delivery truck as fuel. Compostables from Del Posto’s kitchen go to the farm where the vegetables are grown for the restaurant. To go containers are made from biodegradable potato starch and corn starch.

By: Elisa Huang, *Bon Appetit*, February 2008.

### **Greg Christian Catering Also Goes Green**

Another example is Greg Christian, Chicago’s Conscious Caterer™, who is on a mission to nourish with inventive, natural and organic cuisine that will have an impact on the health of the population and a deep regard for the preservation and protection of our planet. Greg Christian Catering and Events seeks out the finest natural and organic ingredients from local farmers, who nurture their treasures with a deep regard for the earth. *Get Me Greg’s Online Catering* seeks to change the way offices eat for their meetings by providing organic and hormone-free food items as well as bio-degradable disposable flatware.

As an expression of his mindful commitment and concern about our environment, all purchases made

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## ***Celebrity and Famous Chefs Seek Out Cultural Institution Locations***

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openings and fundraisers.

- Having a reasonably large annual attendance is important but not critical depending on the type of financial arrangements the institution is willing to offer. We know some institutions feel there is so much value in having a high quality brand associated with their institution that they are willing to underwrite certain costs/expenses.
- Where your restaurant/café space is located. Within the institution or at/near the entrance, possibly with its own separate entrance so it can operate somewhat independently; the latter being more attractive.

### ***Is this a growing trend?***

Yes, without a doubt we will see more museums (art museums primarily but also botanic gardens, historic homes

and some other venues like aquariums or zoos that have restaurants and science and natural history museums) attract local, regional and national well-known, high quality celebrity chefs and restaurateurs.

### ***How can you make it happen at your institution?***

- Do not do a “request for proposal” (RFP); *this will likely scare them away!*
- Reach out to your board members, major donors and volunteers that likely dine in great restaurants and know many of the owners to make personal calls/contacts on your behalf. (You can also reach out to traditional foodservice operators like CulinArt, Guckenheimer, Aramark, Sodexo, Savor by SMG, Centerplate and Compass, among others and ask them if they can/will involve a celebrity

chef; most will do this).

- Invite prospective operators out for a personal meeting and tour with your senior management, similarly as if you were trying to attract a major donor or sponsor.
- If there is interest, provide them with as much easier to read and understand information about your institution and the current (if applicable) foodservices and then, simply ask them for a proposal.
- Upon receipt of the proposal, this would be the best time to get expert outside advice from a consultant that specializes in this area. The consultant can take you through all the next steps to be sure you establish a contract that is mutually fair and has reasonable business terms and that neither party has unrealistic expectations. ■

## NEWSBRIEFS: FOODSERVICE & GIFT SHOPS

*Kudos to the American Association of Museums and their columnist Susan Bretkopf for the outstanding cover feature article in their September/October 2007 issue of Museum News titled, "Check, Please!" This is a must-read for any cultural institution director, CEO or board member that would like to have a destination restaurant.*

*Ditto kudos to Forbes Traveler.com and writer Farhad Heydari and the article that was published on msnbc.com and USA Today.com titled "Best Museum Restaurants." This article takes a look at what Museums are doing with dining internationally and is a must-read for all art museums, in particular and any other cultural institution considering destination dining as part of their guest/visitor experience.*

*[These articles can be viewed on the home page of [www.manask.com](http://www.manask.com).]*

The **California Academy of Sciences** in Golden Gate Park, San Francisco will reopen in September 2008. As their food service operator they selected commercial restaurateurs Loretta Keller—Chef/Owner of *Coco500*, and Charles Phan—Chef/Owner of the *Slanted Door*, both known to be San Francisco's most distinguished chefs. They will run the Academy's café and restaurant. The 200-seat café (plus 80-100 on the patio), open for lunch, will mimic a high-end cafeteria with cooked-to-order food stations. The full-service restaurant will be open for lunch and dinner and will be a museum exhibit in form of a restaurant. Phan and Keller plan to bring sustainable produce and ecological practices to the Academy's kitchen through exploring and explaining the natural world in a living way to visitors not only through exhibits, but through its menus as well. Extending its sustainable practices, the Academy's architect—

Renzo Piano with local partner Chong Partners—will combine creative architecture and exhibits to inspire its visitors to protect the natural world. Topped with a living planted roof, the new building received the silver Holcim Award for sustainable construction in North America; estimated cost of the project is \$484 million (including building, exhibition, relocation and interim operation costs). [www.calacademy.org/geninfo/newsroom/releases/2007/restaurant\\_release.php](http://www.calacademy.org/geninfo/newsroom/releases/2007/restaurant_release.php)

The **Seattle Aquarium** re-opened in June 2007 after a major renovation and expansion which includes a new self-service café located on a mezzanine overlooking the main entry hall with a view of Elliot Bay. The new café is operated by *Sodexo* with onsite executive chef Betsy Davidson. *Sodexo* also handles catering at the Aquarium in partnership with local chef Monique Barbeau. *{CURRENTS, Winter 2008}*

**Seattle Art Museum's** restaurant has an upscale casual bistro, "Taste" with an organic/sustainable approach and executive chef Christopher Conville in the kitchen. The article said that its organic top sirloin steak is among the best selling. The 90-seat restaurant with \$13 average lunch check and \$45 to \$50 average dinner check is operated by *Bon Appetit* debuted May 5, 2007 when the museum reopened after being closed for about 18 months for renovation. *{Nation's Restaurant News, 6/11/07}*

One of Kansas City's premier restaurants is *Café Sebastienne* at the **Kemper Museum**. Executive chef Jennifer Maloney offers contemporary American cuisine while surrounded by the Museum's permanent collection, in either the intimate café setting or enclosed Courtyard. *Café Sebastienne* is highly rated by *Zagat Restaurant Guide* and Chef Maloney makes guest chef appearances at the esteemed *James Beard House* in New York and the renowned *Cannes International Film Festival*. [www.kemperart.org/café/index.asp](http://www.kemperart.org/café/index.asp)

The **Sports Museum of America** in New York selected *Restaurant Associates* in 2007 to be the exclusive catering

partner at the facility, an interactive, multimedia museum located in lower Manhattan that is dedicated to preserving the history, grandeur and significance of sports.

**Cleveland Metroparks Zoo** signed a new contract with *Aramark* (which includes a *McDonald's*) covering all foodservice concessions and catering services and a new contract with *Event Network* to operate their retail/gift concessions in January 2008.

The **Denver Performing Arts Center** contracted with *Centerplate* who partnered with local chef/restaurateur Kevin Taylor to provide foodservice at the DPAC. Taylor also operates the restaurant *Palette* at the **Denver Art Museum**. *{Foodservice Director, October 15, 2007}*

The **Dallas Museum of Art** has selected a partnership of *Sodexo*/Stephan Pyles and assumed operation of the *1717 Restaurant*, *Atrium Café* and all catering services in March, 2008. Menus in all areas will be redone to reflect the encyclopedic nature of the Museum's collection. In October 2008 the Museum will be hosting the *Tutankhamen* special exhibition with hundreds of thousands of additional visitors during this special blockbuster exhibition.

The **U.S. House of Representatives** selected *Restaurant Associates* to operate all foodservices at the U.S. Capitol and nearby House office buildings.

*Sodexo* who has been partnering with celebrity chefs in the U.S. at some of its museum locations has partnered with chef Alain Ducasse on a new restaurant opening at the **Eiffel Tower** in Paris, France.

*Event Network*—retail operator at cultural attractions (museums, zoos, aquariums, gardens and other attractions)—commenced new partnerships in 2007 with **Old Stur-**

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## ***The Eco-Conscious Consultant***

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through Greg's companies will contribute positively to the community and the environment by donating proceeds to the Organic School Project which seeks to transform Chicago-area children into healthier, more mindful eaters, one school and one child at a time.

*By: news from the web.*

### **IT'S NOT EASY BEING GREEN**

*It seems that everywhere we go these days, the topic of "Going Green" is an active discussion. "Should we? What will it take? How much will it cost? Where do we start?"*

Today, the concept of "Green Foodservice" is really better defined as "Sustainable Foodservice" and involves much more than using recycled paper napkins. The concept has expanded to include:

✎ Local—buying from and supporting local farmers to reduce emis-

sions caused by long distance transportation. No problem "in season" but requires creative menus in the winter! Many contract operators have developed local programs in their various communities to build on this concept.

✎ Organic—Certified farmers and ranchers do not introduce hormones, chemicals, or wide spectrum use of antibiotics.

✎ Sustainable—Menus feature only fish or meat that are considered sustainable by watch groups, best known advocate is the Monterey Aquarium Seafood Watch program. ([www.mbayaq.org/cr/seafoodwatch.asp](http://www.mbayaq.org/cr/seafoodwatch.asp))

✎ Biodegradable—Use of only products that are safely biodegradable under normal landfill conditions. This includes "paper" products made from sugar cane fibers and new "plastics" made from corn/potato starches and are made into cutlery, straws, cups and bowls that look like traditional paper or

plastic products but are durable and can withstand high temperatures. ([www.worldcentric.org/store/bioplastics.htm](http://www.worldcentric.org/store/bioplastics.htm))

✎ Recyclable—Maintaining visible and accessible recycling stations to separate and recycle plastics, paper, cans, etc. Not only out front with the customer, but in the kitchen as well. Don't forget to recycle the grease! There is increasing demand for bio-diesel fuels.

✎ Reduce—Increased use of reusable china and silverware reduces the need for any of the disposable products. But remember, many kitchens have small or no dishwashing machines. And don't forget the added labor to wash the dishes!

Make no mistake about it, there are costs that need to be considered when deciding to adopt sustainable foodservice programs.

✎ While coming down in price in recent years, the biodegradable products can be 50% or more expensive than their traditional substitutes.

✎ Local and organic products will not offer the same shelf life as their traditional substitutes due to lack of preservatives used in their processing. Product may also require more trimming, all adding to waste and increased costs. We have seen overall produce costs increase 10-15% when converting to the sustainable programs.

So, is it worth the efforts and costs? Only you can decide that for your institution. But maybe the bigger question is: "Can we afford not to?" ■

*By: Rob Schwartz, Principal—Manask & Associates*

### **TRENDWATCH**

- ✎ Americans will spend more than \$16 billion on organic food in 2007—Organic Trade Association.
- ✎ Sales of organic food are growing at a compound annual rate of 21% a year, higher than any other segment—OTA.
- ✎ Retail sales of organic food and beverages are expected to reach \$30 billion by 2025—SPINS (a natural market research firm).
- ✎ Three-quarters of the American public buys organic food on occasion; 23% buy it weekly—The Hartman Group.
- ✎ 51% of consumers would eat more fast food if it were available in healthier versions—Natural Foods Merchandiser.
- ✎ About 46% of organic food is sold through mass-market channels such as grocery stores—OTA.
- ✎ An estimated 7% of organic food is purchased in farmers' markets, foodservice and other non-retail channels—Nutrition Business Journal.

{Foodservice Director, November 15, 2007. Organic, By The Numbers}

## NEWSBRIEFS: FOODSERVICE & GIFT SHOPS

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**bridge Village**, the **Independence Visitor Center**, **The Henry Ford**, **Liberty Science Center** (Jersey City) and the **Royal Ontario Museum**. In 2008, new partnerships commence at **Garden of the Gods** and **Seven Falls** (Colorado Springs), the **Chicago Botanic Garden**, **Newseum** (Washington, DC), **Gettysburg Na-**

**tional Military Park** and the **California Academy of Sciences** (San Francisco).

In 2007, *Sodexo* took over the foodservice operations at the **Virginia Aquarium and Marine Science Center**, **Akron Art Museum**, **Old Sturbridge Village**, and **Houston Zoo**.

In January, 2008 *Guest Services* unveiled a new food court at the **West Virginia Capitol Complex** in Charleston, WV. Approximately 300 indoor seats are available in the recently renovated establishment for state employees, legislators and visitors.

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## Visitor Count Is Up and Store Sales Are Not: *What's the Rule?*

By: Joan Doyle, Principal—Manask & Associates

A museum store is not usually a destination retail location; so, as a result, a museum store is dependent on the museum visitation for its customer base. Fluctuations in visitation, up or down, affect sales revenue in the same direction as the fluctuation. If visitation goes up, so should sales revenue; if visitation goes down, so will sales. This is the general rule and like most rules, there are exceptions or specifics that can have equal or even greater impact on sales revenue. As the saying goes “the devil is in the details.”

If you find yourself in a situation where visitation has increased but sales remain flat or on a decline, then you need to do a deeper analysis to determine the reasons for that situation. There are two critical measures used to determine the visitor interest and response to your museum store; they are capture rate and average transaction. Capture rate is the percentage (%) of museum visitors who make purchases in the store. Average transaction is the average purchase in dollars. When looked at together these two measures provide good insights to the customers' overall reaction to your store and can

be particularly useful if museum visitation is flat or on a decline. By increasing the capture rate of visitors and increasing the average transaction, you can continue to grow sales revenue even when visitation is stagnant.

If you find that the store capture rate of the museum visitation has declined, then you need to look for the reasons. Remember, the only opportunity for a customer base is the museum visitor, so capturing as many of them as possible is vital to retail success. Ask what has happened to the shop that would reduce its opportunity and ability to capture a fair share of museum visitation. Has the shop been reduced in size? Has it relocated? Was it undergoing construction? Was it too hot or too cold? Was signage removed or pathways to the store rerouted? Has anything happened that would make it more difficult for the visitors to enter and explore the store?

If the answers to each of those questions is “No,” then something inside the store is not working. This is why analyzing the average transaction is critical as it provides a clear insight into how well the customer is responding to the merchandise selection. Ask if there has been a shift in merchandis-

ing and product selection. Is the buyer selecting merchandise that appeals to the visitor markets? Are price points appropriate to the market purchase thresholds? Has the increase in museum attendance come from a new market segment that has different purchasing interests than the traditional visitor? Are merchandise displays appealing, well ordered and fully stocked?

Museum store merchandise must fit the institutional mission and still appeal to the various visitor markets. If not, then sales will suffer. It is not uncommon for buyers (often at the direction of museum administration) to selectively choose which customer market they wish to appeal to more or increase via product selection in the store. For example, you may “want” to attract a more upscale customer base, but the reality is that fifty percent of your visitation comes from school groups aged 10–15 years. That market is interested in trendy, affordable products and not high end, artisan or designer products. Successful museum retail marries the merchandise selection to the visitor base and recognizes that there are usually multiple visitor

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# Powerful Marketing Materials

## Increase Special Event Revenue by 51.7%

### *With No Budget!*

By: Kelley McCall, Special Events Coordinator

**N**ot unlike other museums and cultural institutions, the state history museum I work for is on a fixed budget with limited resources. Approximately 7 years ago, we found an opportunity to increase revenue through special events and have since seen our facility rental program thrive and grow, generating thousands of dollars for artifact purchases and educational programming. A powerful means of advertising and promoting events at the museum is through the use of written handout materials distributed from our information desk, staffed by receptionists with limited knowledge of the special events program. The museum faces a greater marketing challenge than most, as a majority of our visitors and prospective clients don't naturally perceive the museum as a special events venue. It's only recently, as clients have started thinking "outside the box," that museums are more often being considered to host events. We offer the perfect balance of cultural significance and refined sophistication that puts us a step ahead of the average banquet hall.

As Special Events Coordinator, it occurred to me that we could increase business if we were able to communicate our message to potential clients through an inexpensive and professional medium. Our existing brochure didn't address the museum's full range of business, barely mentioning our wedding business that was steadily on the rise. It also didn't pack any punch when it came to aesthetics; the lackluster pictures didn't properly showcase our venue. Most of all, the brochure needed more comprehensive information. I routinely provided clients with supplemental materials necessary to understanding our facility rental program. Better marketing materials could result in more income and better use of

my time with clients. They would allow me to more efficiently sell and coordinate events rather than answering basic questions and inquiries.

Almost instantly, I faced obstacles that hindered my ability to accomplish this goal. First, I had an almost non-existent budget, certainly not enough to produce brand new marketing materials. I was also acquainted with the inherent challenges of working for a state government bureaucracy. The obligation to follow a rigid set of procedures impedes new ideas from being carried out.

Creating a brochure that wasn't the exclusive product of the museum solved my problem. I came across Hawthorn Publications, a company that provides customized marketing publications *free-of-charge* to the global hospitality market. The museum's partnership with Hawthorn helped us realize our goal of creating a new brochure. Hawthorn's business model is to connect clients with their customers through highly focused distribution channels using carefully crafted editorial and cutting-edge design. Costs are offset by advertisements placed by the venue's preferred vendors to satisfy reader interest. The entire project from start to finish was completed at no cost to the museum.

I was naturally skeptical about a proposal that promised to deliver an industry average of \$11,000 in marketing collateral – free. We signed an agreement with Hawthorn after we were assured that there was zero risk involved. Hawthorn's role was to solicit advertisements from our preferred vendors (caterers, rental companies, florists, entertainers, etc.), layout and design the brochure

according to the museum's specifications, print the brochures and post a complimentary feature page on [www.elegala.com](http://www.elegala.com), a wedding web site that reaches more than 2.2 million brides. My role as the museum liaison was to supply the preferred vendor contact list and museum letterhead, approve all correspondence with vendors, supply photographs and text, direct design decisions and distribute brochures to prospective clients. In short, the publication was managed by Hawthorn, but we were given complete control throughout the process.

The production process typically spans 4 to 6 months and involves three phases: sale of advertisements, design of the brochure, and editorial consultations. The second and third phases are contingent upon the successful completion of the sales phase, which on average take 5 weeks until completion. Hawthorn's sales team respectfully approaches preferred vendors and invites them to participate in the brochure. Hawthorn Publications can only provide the brochure free-of-cost to the client if a certain advertising revenue quota is achieved. The specifications of each venue's brochure are based on the total sum of advertising sales. At Hawthorn, the minimum revenue achievement is \$8,000, which converts to 1,000 copies of a 12-page brochure for the client. Advertising revenue above this limit ensures more copies and increased brochure pages (\$9,000 = 1500 copies/12-page brochure, \$10,000 = 1,500 copies/16-page brochure). The client always has the option to upgrade to the next brochure level by paying the difference between the revenue achieved and the revenue required for the desired brochure specifications. If you don't reach the \$8,000 threshold, you have a couple options. You can discontinue at

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## NEWSBRIEFS: FOODSERVICE & GIFT SHOPS

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**Fresno Chaffee Zoo** contracted with *Service System Associates*—provider of visitor foodservices to zoos and aquariums—to manage its 2,400 square foot gift shop in 2007.

*Service System Associates* was also selected by the **Dallas Zoo** to manage the zoo's concessions, catering and retail operations. At the 95-acre zoo *SSA* will manage the "Prime Meridian" food court, the main facility; "Ndebele Café," a concession in the African portion of the zoo; a concession in the children's zoo; and mobile carts throughout the zoo. Retail operations improvements will include the main gift shop, "Zoofari Market", in which

*SSA* plans to remodel and enlarge the shop.

**The National Gallery of Art** Sculpture Garden's Pavilion Café in Washington, D.C. is unveiling in March, 2008 their new Spring menu in anticipation of the annual warm-weather jazz series that takes place every Friday evening from May-September. Among the fresh dishes are pasta Depeche, a pasta medley of seafood and aromatic dill, popular Panini hot off the grill, and hearty dishes like fajita beef salad, and a roulade of chicken Florentine. The café will offer online ordering of jazz picnic baskets for the Friday night series, beginning in May. In addition, executive

chef Char Broadus will celebrate the National Cherry Blossom Festival (March 29-April 13) with a Japanese inspired honey chicken salad.

Based in Philadelphia, starting to serve cultural institutions in the Philadelphia and New York and northeast areas is restaurant operator *Starr Restaurants*. Future plans include establishing *Starr*-owned venues throughout the metropolitan Philadelphia area and into Atlantic City.

**Grounds for Sculpture** in Hamilton, NJ received a wonderful review on its *Rat's Restaurant* ([www.ratsrestaurant.org](http://www.ratsrestaurant.org)) by Susan Sprague Yeske. (*The Times*, 2/29/08) ■

### ***Powerful Marketing Materials Increase Special Event Revenue by 51.7%: With No Budget!***

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no penalty, in which case Hawthorn simply refunds any deposits received from vendors who already committed. Alternatively, if you are just shy of the mark, you are welcome to assume financial responsibility and pay the difference if you want to see the project move forward.

The collaboration between the museum and Hawthorn Publications has been hugely successful. Our new materials seamlessly meld aesthetics with an effective message, inform readers and dramatically influence their buying decisions. As proof, in the 6 months that the brochure has been in circulation there has been over a 50% increase in special events revenue,

largely due to our new marketing materials. We've completely redefined our event business, continually attracting higher-end clientele. Most notably, there has been a dramatic increase in wedding inquiries since our new brochure more adequately addresses this kind of business. I also receive several event inquiry emails each month through our direct lead campaign on [www.elegala.com](http://www.elegala.com). Overall, we've created an aggressive marketing platform that is paying off in more than just dollars and cents, bringing a wider audience to the museum.

The inventive marketing strategy that Hawthorn Publications puts into action is mutually beneficial to everyone involved. The client receives beautiful

new marketing materials free-of-cost, preferred vendors receive increased exposure through a more widespread distribution vehicle (online and print) and Hawthorn profits from advertising sales. Since Hawthorn started the multi-year option (January 2007), over 60% of their partners have signed a multi-year contract, a true testament to client satisfaction. Working with Hawthorn has provided the museum with stunning marketing content that complements our venue and clearly showcases our marketing directive. Since we began the distribution of the brochure to prospective clients the collateral has yielded a huge return – for absolutely no cost to us. ■

June-November 2006-2007 Special Events Revenue (in dollars)

| Date         | June     | July      | August   | September | October  | November  | Total     |
|--------------|----------|-----------|----------|-----------|----------|-----------|-----------|
| 2006         | 7,537.00 | 7,267.00  | 4,240.00 | 3,670.00  | 6,065.00 | 8,625.00  | 37,404.00 |
| 2007         | 9,297.85 | 12,055.24 | 6,539.31 | 5,721.75  | 9,057.45 | 14,060.66 | 56,732.26 |
| YTD Increase | 23.4%    | 65.9%     | 54.2%    | 55.9%     | 49.3%    | 63.0%     | 51.7%     |

## Dealing With Contractors: Playing the Contractor Investor Game

There's money to be had, but it's not free and there are strings

There's no free lunch is a time-worn truism that applies to a food service contractor's investment in your dining facilities as fully as it does to any other "free-something" offer.

In most cases, this is not an investment in the same sense that you use the term when buying new equipment or putting money into the stock market.

Contractors expect a profit from the services they provide and a healthy return on their money when they advance funds for your facility. If anything goes wrong, no matter the cause, the client must pay back the balance of the investment, just as you would if the bank called your loan.

### "FREE LOAN" (PLUS INTEREST)

In a recent proposal, a major contractor spelled out its "investment" offer with unusual candor. The contractor offered a "XXX,000 interest-free loan" to be repaid over the life of a 5-year contract.

However, in the event this agree-

ment expires or is terminated—prior to the complete repayment of this loan, the loan (client) shall repay the outstanding balance plus all accrued interest at prime rate plus 2% from the date the loan was made. The contractor's purpose was unmistakable. It will advance funds to gain or retain an account, but does not intend to lose money in the process. Other contractors may be more diplomatic in their wording, but the intent is much the same.

### IS INCUMBENT MORE GENEROUS?

Now, a contractor's proposal is not necessarily its best offer, and the terms of an investment/loan usually can be negotiated to something less onerous. This is especially true in a competitive situation.

An incumbent will want to retain your account and may be persuaded to provide funds at the price of an extension of its contract. Usually, it will seek more favorable terms—lower commission or elimination of unprofitable ser-

vices—if the amount involved is large.

If you understand your position—how valuable your business is to the contractor and what you can offer in exchange for the investment—you usually will obtain the funds on favorable terms, meaning no interest charges and no concessions that are harmful to your interests. (You may agree to transfer the vending contract and allow some price increases, but can't agree to reduce operating hours, for example.)

### BEWARE THE "BUYBACK"

Except when the amount is small, you will not get an investment without a "buyback" agreement. The contractor wants to spread recovery (amortization) of its investment over a period of, typically, 5 to 10 years and assurance that, if the contract is terminated by either party for any reason before the end of that period, the client will reimburse the unamortized

(Continued on page 10)

### CONFERENCE DATES TO REMEMBER!

*\* Visit Our Booth and Meet a Manask & Associates Representative(s):*



#### **\* ACM—Booth 50**

Denver, CO  
April 24 — 26  
(202) 898-1080

#### **\* APGA**

La Canada, CA  
Jun 22 — 27  
(302) 655-7100

#### **\* ASTC**

Philadelphia, PA  
Oct 18 — 19  
(202) 783-7200

#### **\* MAAM**

Washington, DC  
Oct 26 — 29  
(202) 452-8040

#### **\* AAM—Booth 43**

Denver, CO  
April 27 — May 1  
(202) 289-1818

#### **\* AZA**

Milwaukee, WI  
Sep 14 — 18  
(301) 562-0777

#### **\* AMM/MPMA**

Kansas City, MO  
Oct 21 — 24  
(314) 746-4557

#### **\* NEMA**

Warwick, RI  
Nov 12 — 14  
(781) 641-0013

*\* Contact Manask & Associates for exhibiting days and booth #'s.*

## **Visitor Count Is Up and Store Sales Are Not**

*(Continued from page 6)*

markets to satisfy and many include tourists, families, school groups, singles, boomers, etc. If the buyer is not matching merchandise selection to visitor interest and appropriate pricing thresholds, then the average purchase will decline and overall sales revenue will decline.

Retail, even museum retail, is about having the right products, at the right price, in the right quantities for the right customer. By analyzing your retail operations' ability to meet those criteria, by evaluating critical business issues that interfere with or hinder that goal and by identifying strategies to realistically grow revenue, you position your retail operation for profitability and contribution to institutional fiscal health. ■

## **Dealing With Contractors: Playing the Contractor Investor Game**

*(Continued from page 9)*

amount.

Therein lies the problem. It's not unknown that a client becomes dissatisfied with the services long before the amortization period ends. What then? If the investment is, for example, \$500,000 over 5 years and the contract still has 3 years to run, you must write a check for \$300,000 to terminate the contract.

You might ask the successor contractor to pay off and refinance the amount, but you are not offering the new company much of a benefit. If funds are paid off, but gets no "bang" for its investment, its terms may be tougher than they would be if its money was used for, say, sprucing up the

servery or installing new concepts.

### **WHERE'S THE VALUE?**

Some questions to ask yourself before entering into an investment agreement:

- ✦ Do we really need this improvement?
- ✦ Will the new facilities outlast the amortization period?
- ✦ Is there a less expensive alternative?

*"The Investment Game," a Clarion special report, is available on request.*

Contact: Clarion Group, Kingston, NH 03848

**This article is reprinted from "The Manask Report 2003 Issue."**

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