el Restaurante

Marvelous Perfecting POZOLE **Mocktails** Independent Restaurant Report

WINNING WITH LTOS:

California Tortilla CEO Shares Formula for Success

| BY ED AVIS | California Tortilla, a 30-location fast casual restaurant based in Potomac, Maryland, is in growth mode. The company recently rolled out an interior redesign and launched a streamlined service system that has already upped profits. Part of the company's success is a commitment to quarterly limited-time offers (LTOs).

That commitment not only keeps the menu fresh, but also acts as a proving ground for new ideas. When the restaurant refreshes its regular menu — something that happens about every 18 months — the best-selling LTOs find a permanent spot, according to CEO Keith Goldman.

Here, Goldman shares insights about California Tortilla's success with LTOs.

el Restaurante: Who creates the new LTOs?

Goldman: Well, that would be me. One of my hats is corporate chef, so I develop all the menu items and LTO ideations. That's kind of my passion. I love creating food that people crave and want to come back for.



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- KEITH GOLDMAN



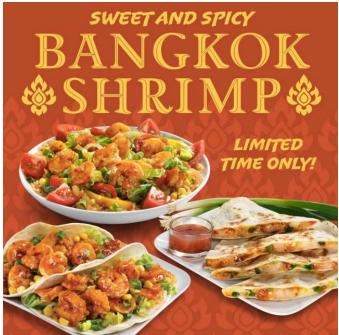
ER: How do you come up with LTO ideas?

Goldman: I look for trends that have been around for a while, that seem to be sticking. That's when I jump in and say, 'OK, let's do one of these.' I think people have to be familiar with it, have to have heard of it somewhere. [For example, we did a Korean barbecue taco LTO many years ago] when people were starting to hear about Korean barbecue and lots of Korean barbecue restaurants had opened. So, there was some recognition of what a Korean barbecue was. Sometimes we just do kind of classic Mexican stuff, which people usually take to right away, they understand what that is. I also like to capture what I think is new and relevant out in the market, what fine dining restaurants are doing on a full scale. I like to see how can we do our version of that in a fast casual setting.

ER: When you dream up a new LTO, do you do then develop the full recipe and spec out the ingredients and all that? Or does someone else do that?

Goldman: I do all of that. The first thing I do is source the ingredients I need, and then I experiment with many different versions of the recipe. I typically start with a recipe that I think is a little too complex and try to simplify it. We need to get it





to the point where it can easily be executed across the chain. When you have 30 restaurants with varying degrees of culinary expertise, you want it to be easy for an hourly employee to execute without too many problems.

So, we start with something complex and then work our way down. Is there any way we can make this simpler and use less ingredients or use more ingredients that we already have in-house instead of bringing new ingredients in? I try to deal with the products we already have in house and stick with that.

ER: Do you do taste testing or something?

Goldman: Yeah, but I wait until the recipe is kind of there. I might do five to 10 iterations for myself and then I start bringing in other people. Usually, the first people I bring in [are members of] the crew from our flagship location in Potomac. The crew will tell you right away if it's good or not, whether they like it or not. I hold their opinion in high regard. They seem to have their finger on the pulse of the customer moreso than anybody. And then, of course, I'll bring it to our management team, our executive team, to get their feedback and input. And then we will include franchisees as well.

After I get the input from everybody, we make a few more adjustments perhaps, and then we move forward with producing the materials we need to get it out there.

ER: What's the timeline for an LTO?

Goldman: I usually need to start working on it six months ahead of time. That allows me enough time to develop it,

test the process, get the training materials. Then it goes to marketing. We have to create POP [point of purchase materials] for it for the stores, whether it's posters or clings or things that go on the menu.

ER: How do you prepare the restaurants for a new LTO? Goldman: We do a video and put together a training guide. And we have franchise consultants for each territory who do hands-on training with the management and the crew members. So we make sure we have enough time to get a franchise consultant out to each store before we roll out the LTO.

ER: What would you say has been your most successful LTO?

Goldman: Well, I would say 80 percent of what's on our menu today is what in the past was a popular LTO. That's the great thing about an LTO. We do it for three months. We don't have too many duds, but if it's a dud, then that's it. It's over. If it's successful, then we typically will go ahead and put it on the regular menu the next time we refresh it.

So, some of the things that are on there now that were popular LTOs are the Blackened Fish Taco, the Korean BBQ Taco, and the California Screamin' Burrito, which is a top seller. The Bangkok Shrimp is also very popular, but instead of putting it on the menu permanently, we bring it back every summer. So it's kind of our summer LTO, and everybody looks forward to it. We feel that's the best way to handle that one.

Has your restaurant offered an LTO that has become a customer favorite? Let us know and we'll share it with readers in a future issue. Email Editor Kathleen Furore at kfurore@restmex.com.