

New menu items, expanded wine list have sales booming

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price points and fanatical attention to bottom-line imperatives.

So far, the answer is yes. Olive Garden revenue, profit, average check size and customer-satisfaction scores have hit all-time highs. Shares in parent Darden, which also owns the Red Lobster chain, are trading near a record high. Olive Garden's sales at restaurants open at least a year have climbed to

Cover story \$3.5 million from \$2.4 million in 1994. Weekly customer traffic is up 25% from three years ago. Turnover among general managers is down 50%.

Seven of the company's 10 biggest sales weeks have come since the introduction of a new menu in June. The biggest change was the addition of seven dishes inspired by the Tuscan culinary school Olive Garden runs in partnership with an Italian winemaking family.

Industry watchers are impressed. "They're producing great results," says Jack Russo, analyst at A.G. Edwards. "This is a good investment, and it's helped them further their lead. Nobody's even close."

The other major pieces of Olive Garden's Italianization are its new look and big gamble on wine.

The company is spending \$200 million to renovate 470 Olive Gardens by 2002, adding Roman columns in some, a minimalist Milanese look in others and imported Italian tableware in all.

At Blum's insistence, Olive Garden stopped opening new restaurants from 1996 to 1999 to concentrate on operational performance. After 24 consecutive quarters of growth, the chain has embarked on an expansion plan that calls for 15 to 20 new restaurants a year, built to resemble Tuscan farmhouses.

Among the selections on Olive Garden's expanded and upgraded wine list are a Chianti Classico Riserva for \$6.75 a glass, a \$32 bottle of Pinot Grigio and a \$110 Amarone — prices the chain once considered too



Passion for food: Kitchen manager Julie Videll talks with customers Raymon Durda, left, and Steven Hardage at the Olive Garden in Huntington Beach, Calif.

steep for its customers. Even before the upgrade, Olive Garden was one of the world's top five purveyors of wine. Check sizes and customer-satisfaction scores are both higher among diners who order wine. As a result, the company's new "Dine with Wine" campaign has become a personal crusade for Blum.

Thirty thousand Olive Garden employees have been through 300,000 hours of training on wine alone. Restaurant lobbies are being configured so waiting customers can be treated to impromptu wine tastings. Wine "ambassadors" later help them pick the proper wine for their meals.

At the inn at Riserva di Fizzano, the six kitchen managers are learning how to identify a wine's "bass notes" and getting a sermon on the vital connection between wine and food in Italy.

The average Italian adult drinks 150 to 180 bottles of wine a year, but the country has a low alcoholism rate," says Greg Schweitzer, head chef of Olive Garden's developmental kitchen. "We don't want to turn

Olive Garden leads Italian dining

Olive Garden dominates the \$9 billion "casual Italian dining" restaurant category. Sales in millions in 1999:

Company	Revenue	Number of restaurants
Olive Garden	\$1,500	458
Macaroni Grill	\$1,419	157
Pizzeria Uno	\$1,318	162
Carrabba's Italian Grill	\$1,170	172
Bertucci's	\$1,147	172

Source: Technomic Inc. By Quin Tian, USA TODAY

our guests into winos or drunks. We want to get them to enjoy their meals more. Wine does that."

Olive Garden walks a fine line in its quest to deliver a "genuine Italian dining experience" to 2.5 million people a week. It must lure new customers without turning off old ones.

That means finding "approachable" Italian dishes — risotto, grandmother's cake, dessert wines — it can adapt to American palates and expectations. Or, in the case of rabbit, tripe and prosciutto with melon, checking them off the list as too much of a stretch.

It also means Olive Garden can't abandon its "trust items." Those include manicotti, chicken parmigiana and other favorites that either originated with Italian immigrants or have strayed from their origins to suit American tastes. "When people say you're just a chain, not a real Italian restaurant, remember that you are a real Italian restaurant," Schweitzer tells his students. "You're using the same cooking techniques and ingredients used in Italy."

Not everyone agrees.

"Authentically staged fakery," wrote critic Jerry Herndon of *Detroit Metro Times*, describing Olive Garden. Not so, counters Dennis Lombardi of Technomic, a Chi-

cago-based restaurant consulting firm.

"There's no reason Olive Garden can't be more authentic. Some people want the small, independent, only-I-know-about-it Italian restaurant. Those aren't the people you're after," he says.

Olive Garden's market clout has been eye-popping for its Italian partners. Sergio and Daniela Zingarelli. Their rustic, 21-room inn, located between Florence and Siena, would normally close in the winter months. But Olive Garden will fill the inn from January to March, when it sends more than 100 kitchen managers to week-long sessions at the culinary school.

And thanks to Olive Garden, the Zingarelli's Rocca delle Macie winery is among the fastest-growing in Tuscany's Chianti Classico region. Exposure on the Olive Garden wine list has helped drive U.S. sales of Rocca wines from 27,000 cases last year to an anticipated 45,000 cases in 2000. "Bringing people here isn't about cooking. It's about passion, the flow of the meal, why wine is such an important part of food and enhances it," Sergio says. "If it was just about cooking, we could have sent our chefs and recipes to Orlando."

If nothing else, a week in the Tuscan countryside is a huge morale boost for the six far-from-home kitchen managers. They are giddy from epic five-course, four-wine dinners that have featured delicacies such as wild boar, octopus pizza, truffles and sea bream encrusted in salt. They marvel at the chefs they've seen. And after intense instruction, the six know when the pasta is done *al dente* and when a Bolognese sauce has been properly "layered." But it is left up to them to decide what to take back to their jobs in places like San Antonio and Vistal, N.Y. For Julie Videll, a kitchen manager in Huntington Beach, Calif., the challenge is convincing waiters and waitresses that they'll make more money and serve customers better with fewer tables and more wine sales.

Benny Gilbert of Houston and Joe Wharton of Clearwater, Fla., have decided to slow their frenetic pace and focus on sauce quality and freshness of ingredients. "When you're worried about a guest screaming at you, you let things slide," Gilbert says.

Beth Cavanah, who runs the kitchen at a Paducah, Ky., Olive Garden, is scheduled to land back home at 3 a.m. and report to work before she can see her 4-year-old. "I'm looking forward to hitting everybody with a big, 'Ciao, baby! Buon giorno! Let's get going.'"

Italian expert turns nose up at Americanized fare

Italian cooking expert Marcella Hazan, whose books have sold more than 1 million copies worldwide, accepted USA TODAY's invitation to a meal at Olive Garden. She was joined by her husband, Victor, an expert on Italian wine and food. The idea: to gauge the company's claim of offering "a genuine Italian dining experience."

SARASOTA, Fla. — What's wrong with Italian cooking in America?

"Too much garlic, too little salt and much of what's on the menu at Olive Garden," says Marcella Hazan.

This is her first trip to an Olive Garden, but she has visited the company's Web site and found cause for alarm in a pasta recipe. "It says six cloves of garlic. Six! And they say to put garlic and onions together while you brown the onions. If you do that, the garlic will be burned."

As she turns to the menu, her face clouds with concern. "Manicotti doesn't exist in Italy," she says, running a skeptical eye over the entrees. "Spaghetti with meatballs doesn't exist in Italy. And this is the first time I ever see fettuccine Alfredo with garlic."

The food arrives.

► **Soup:** Zuppa Toscana. Creamy broth of sausage, potatoes and greens.

"Not bad," Marcella says. But not Tuscan, either. Real Tuscan soups, she says, contain bread, mashed beans and olive oil, all of which are absent from this broth. "For a mass-market restaurant, this is an admirable dish," Victor says as he sips. "We just don't recognize it as Italian."

► **First course:** Penne Romana. Green beans, tomatoes and olive oil tossed with penne noodles and white wine herb sauce.

Marcella looks sad. The problem? The sauce is bland. The beans are undercooked and should have been cut so they could be eaten without the use of a knife. Undercooked beans "have the taste of grass," Marcella explains, shaking her head. "I don't know why they do it. It's all wrong."

► **Second course:** Tortelloni di Fizzano. Pasta stuffed with ricotta cheese and spinach, served in a beef and pork Bolognese sauce.

"This is bad. This is really bad," Marcella says. She stares into the bowl. "This is Bolognese sauce?" She reaches for a menu in disbelief. Bolognese it is. "Poor Bologna," she sighs. Her complaints: The pasta is "gummy" and the Bolognese has no subtlety or flavor. Tortelloni requires a lighter sauce of tomato or butter, she says.

Victor finds the cheese and spinach filling to be "heavy-handed." Marcella nods in agreement.

Everyone looks glum. "I must console myself," Marcella says. She orders a Jack Daniels.

► **Third course:** Lobster Spaghetti. Lobster and spinach sautéed with olive oil in a creamy broth and served over spaghetti.

Marcella renders judgment in a word. "No," she says, pushing her bowl away.

The criticism pours forth. These are pre-cooked noodles, soft, soggy and underdone, she says. The sauce is not properly reduced and there is too much of it. The lobster meat tastes boiled, not sautéed.

► **Fourth course:** Pork Flettino. Grilled pork tenderloin marinated in olive oil and rosemary, served with roasted potatoes.

Marcella looks distraught, unable to go on. Reluctantly, she turns to the pork. She takes a bite and suddenly brightens. "This is not bad. The meat is very tender. The potatoes are sautéed, so they catch the flavor." She stops to weigh the importance of what she is about to say. "This is a winner."

The Hazans say the food that they have tasted bears little resemblance to authentic Italian cuisine. "But if it resembles a fish like the pork with the rosemary," she says, "it's a winner."

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