

Branded Beef for White Table Cloth Restaurants
Yildris Rodriguez

[1]We have a slight change in the order of presentations because of a flight challenge, and so, our next presenter is Ms. Yildris Rodriguez from Shula's Steakhouses in Miami Lakes, Florida, to discuss branded beef for white tablecloth restaurants. Ms. Rodriguez joined team Shula's in September of 2001. Her career background consists of consulting to large companies in the areas of finance, accounting, marketing, and technology. For over six years, she has specialized in business and technology solutions for several clients. She is currently responsible the management and measurement of all operating departments in Shula's. Another of her primary responsibilities is insuring that the company is operating in concert with the strategy, vision, and culture. Let's welcome Yildris Rodriguez. wonderful. Good morning. Thank you for having me here. It's my honor to be in front of all of you. We are thankful to the scientists in this room and the people that make our job easier. My presentation is going to be less technical than the ones before, but we have to give thanks to people like Eric and Glen and Marty who make our job easier. We represent... consumers, and we are in the restaurant business, and if it wasn't because of everybody that is in this room today and because of the USDA, we would not be in business. So, first of all, allow me to thank you for that.

[2]Today, I'm going to tell you a little bit about Shula's and our story, and I'm also going to tell you about our beef, what we label the Shula Cut, which is our marketing angle for our beef, and then how we market our product as well as a little bit about our restaurants.

[3]Does anybody know who Coach Shula is? Yes. Oh good. So, some sports fans here, and how about the Miami Heat last night? Miami. All right. Well, Coach Shula, as most of you know, he is the most winning coach in football history. Just a little bit of trivia for you guys; he was drafted by the Cleveland Browns in 1951. He, obviously, was the head coach of the Baltimore Colts as well as the Dolphins, and with the Dolphins out of Miami, he took them to two Super Bowl wins; 1972 being a very special one as it was the seventeen and zero perfect season, and you'll later in my presentation that we use our restaurants and we follow the theme of the 1972 season. He is obviously a legend. He is the one with the only perfect season. Last year, we came close, as we all know, but it was great to see how the coach did as well, and in 1989, he carried this winning tradition into the restaurant business, and that's when we got started. In 1994, we became a franchise company, and in '97, he was inducted to the Hall of Fame. What we try and do is - Coach Shula is known as a winner. He is known for quality. His career was filled with admiration and respect to others, and Eric was talking about quality in the pork industry. What we try and do is we try and carry that quality on a day-to-day basis to our restaurants, and we do that mainly through our beef.

[4]Today, Coach Shula's son, Dave Shula, who also is an ex-football player, runs our restaurant company. He is the President of our company. A little bit of trivia on his end, he actually coached for fifteen years, and he worked with the Bengals, and he left coaching to become part of Shula's Steakhouses. He really does most of the brand integrity for our company. He goes out and visits our sites. He makes sure that all of our restaurants are coming in compliance with our brand integrity, especially on the beef end. He also rewards our team members through MVP visits as well as work experience, and he is also a speaker and a motivator.

[5]Here's where we get started with the beef. We have expertise. We have beef and what we call custom butchery, and I'm going to go through each one of those now.

[6]Expertise; we really have been partnered in the beef industry since the 1930s. Our partner is known generally by the name of William A. Graham with the Graham Angus Farm in Albany, Georgia. He is related to Shula's Steakhouses, and he is one of the pioneers in the Registered Angus Cattle Business, and what we've done is we've partnered up with him, and he showed us how the angus cattle breed was the way to go, and through that, we decided on certified angus beef.

[7]We decided on certified angus beef because angus cattle produce the best cattle in the world. In our opinion, it's the most tender of all cattle, and our expertise has led us to certified angus beef just because of a quarter of a century of quality and integrity in the industry that they possess, and on the top there, certified angus beef is the oldest and largest branding program approved by the USDA.

[8]Then, we took that a step further, and we added what we call our custom butchery program. Our custom butchery really talks about how we have partnered up with Buckhead Beef, and in Buckhead Beef out of Atlanta, they distribute all of the beef for our restaurants nationwide. We usually - what we do is we take, out of an entire tenderloin, we take the two center-most cuts, depending on what cut it is. So, out of a short loin, we'll take just one forty-eight ounce steak. Believe it or not, we do serve forty-eight ounce steak of porterhouse, and we have over thirty-thousand members in our database who have a forty-eight ounce, and basically, at Buckhead Beef, there are two butchers dedicated exclusively to cutting the Shula Cut. That's all they do. So, we started off with the best beef money can buy, certified angus beef, and to that, we are adding our custom cutting standards.

[9]Then, of course, you have to age the beef. Our beef is aged anywhere from three to five weeks.

[10]Therefore, combining those three pieces, we can say that our beef, what we call the Shula Cut, is less than one percent of all steaks, and again, our proprietary standards and specifications for custom standard cuts and aging top those of all our state steakhouses and all of the other competitors. We compete with people like... and... and Capital Grill. We believe we take it a step further. We believe we take time to attend events such as this. We take time to learn more about our beef industry and partner up with people that understand how the process works from pasture to plate.

[11]And in this slide what we did is we started off with great beef as it was; USDA prime, USDA choice is excellent. We went into the certified angus beef program, which takes it up a notch, and in addition to that, we've added the two standards, the cutting standards as well as the aging standards, that make us the Shula Cut, and we looked up medium to fine marbling texture. We looked at the marbling quantity, the maturity, superior muscling, dark cutters, leanness, ruptured capillaries, and the Braham-influenced cattle, and we can say that the Shula Cut standards exceed those of USDA prime by seven and those of choice by eight.

[12]So, if you look at the beef quality pyramid, we've put the Shula Cut on top. That's how we explain it to our customers. We say, "We started off with the best beef that money can buy, a certified angus beef program, and to that, we've added two key components that make us the Shula Cut, which we say is better than prime."

[13]We've been involved in several organizations and awards throughout our existence in Shula's Steakhouses. We received the 2003 and 2005 Food Service Chain Marketer of the Year, and in 2005, we received the Top Volume Award Platinum from Buckhead Beef.

[14]What we've done is we continue, as I mentioned before, we continue to learn more about our product by visiting the American Angus Association. We took a tour through the Midwest. We visited some feed lot operations as well as some packing companies to understand and continue to learn more about our business, and we utilize that information to benefit our consumers on a day-to-day basis.

[15]And this just an example of how we follow the process from gestation all the way to the way it's delivered to Shula's in a cryovac.

[16]What we do from a marketing perspective and how we train our team members is that we actually - everything that we learn, we have standard operating procedures that people in our organization can tap into, and we also have, as you'll see up front here, I've left for you some table... So, we put together collateral pieces on

top of the table for our consumers to also understand the quality and the effort behind the beef so that they appreciate things that everybody in this room – the work that you guys are all doing, and everything is communicated to our team, and we try and communicate that to our customers on a day-to-day basis as well.

[17]We have promotions that we work on with our customers; promotions where we give away free cars, where we give away free trips, and in those promotions, we also talk about our beef. So, you'll see the certified angus beef logo. We try and partner up with them in most things that we do. You'll see that they are on our webpage. So, we are always enforcing to our customers how, by visiting Shula's, they are getting the best beef money can buy.

[18]And then, Coach Shula; Coach Shula speaks. He speaks in thirty to forty speaking engagements a year. He is continuously talking about the restaurants. Now a days, he jokes, because he says that people don't recognize him as a football coach anymore. They recognize him as a restaurateur, and that kind of hurts his ego a little, but he is always talking about the beef, and he is always talking about how we have the best beef, and people will stop him and people will stop me and say, "Oh my God. I had the best steak last night. It was like butter. It melted in my mouth." So, that's another way that we communicate and market our beef.

[19]And then, Dave as well. Dave goes out to our restaurants. He... and what we call MVP Awards for our team members. He goes out and he learns different positions in our restaurants. He learns and has become the beef expert for Shula's Steakhouses.

[20]Here, you'll see a list of our locations. We are soon to be twenty-eight restaurants nationwide, and we couldn't have done it if we didn't have a great beef product. The Steakhouse is really the one that we're known for, and recently, three years ago, we only used to serve certain cuts of certified angus beef at the Steakhouse, and now what we've done is we've augmented that throughout the entire chain. So, you can go into a Steakhouse and have a great steak. You can also go and have the same quality steak at our Shula's2 concept, which is our lesser priced concept.

[21]And it's upscale, fine, white tablecloth dining. We are themed, obviously, after Coach Shula and the 1972 season, and when you go there, you'll see pictures of the 1972 season across all the walls, and also we've got, as I've mentioned before, we've got a great club; the 48 oz. Club, and there are over thirty thousand members there, and our average check for dinner food only is about fifty-seven dollars on the Steakhouse.

[22]Here's a picture of one of our steakhouses. This is Orlando in Florida.

[23]And then, we have Shula's on the Beach, which is a very similar experience to the Steakhouse except you are close to the water, and it's themed after Coach Shula and the family and some of the accomplishments of the family, and again, you are able to have a great steak there as well. It's the same quality beef from one steakhouse to the other, and the average check for dinner is about the same; fifty-two dollars.

[24]And here is a picture of one in Key West.

[25]And then, Shula's 347 is our newest concept. It's similar to a Huston's. It's more relaxed and a little bit sexier and filled with enthusiasm. There is a lot of energy coming out of the bar, and we have an average check here of about thirty-two dollars, and 347 – can anybody tell me why? Yes. Very good. Three hundred and forty-seven wins. That's what Coach Shula retired with.

[26]And that's a picture of one in L.A.

[27]And then, Shula's2 is the upscale sports restaurant, and there, we've got about a seventy/thirty percentage food to beverage ratio, and it's famous obviously again

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for the same quality beef that we serve at the Steakhouse, except we have smaller portions to keep our average check down, and for food only, you are looking at twenty-two dollars.

[28]And here's a picture of one in Richmond, Virginia, and you've got flat-screened TVs everywhere to go in and have a great game-watching party or just go in and have a nice business lunch as well.

[29]And that concludes my presentation. Thank you again for all of your time.