

February 2002

Cahners

Chain Leader

INSIGHT FOR RESTAURANT EXECUTIVES

Vol. 7, No. 2/\$12.50

www.ChainLeader.com



Rib Tickling
Damon's campaign touts
new name, menu, decor.
Page 28

**Small Box,
Big Design**
Captain D's scales back
for expansion.
Page 32

STAR SEARCH
Alice Elliot puts industry
leaders in their place.
Page 46

A woman with dark hair, wearing a red jacket with black embroidery, stands in a wine cellar. She is positioned on the right side of the frame, looking towards the camera. The cellar is filled with wine bottles on shelves and a basket of colorful peppers (yellow, red, and green) in the foreground. The lighting is warm and focused on the woman and the produce.

STAR *search*

Headhunter Alice Elliot is keeping tabs on the industry, hiring trends and maybe even you.

BY DAVID FARKAS

CAREER TRACK

- 1978 Earns B.A. in history at the University of Colorado, Boulder
- 1981 Receives Certified Personnel Consultant certification from National Association of Personnel Consultants; co-founds Linker Personnel in New York
- 1984 Finds Elliot Associates in Tarrytown, N.Y., an executive search firm
- 1985 Holds first Elliot Leadership Conference, a one-day affair focusing on industry issues
- 1990 Creates Elliot Hospitality Motivator-of-the-Year Award to recognize pioneering human resource professionals
- 1996 Co-founds, with Kathleen Wood, Elliot Solutions, a human resources consultancy
- 1997 Creates Elliot Mentor Award to honor lifetime industry achievements
- 2001 Creates Elliot Executive Source; expands executive-search business to foodservice manufacturing and distribution

One of the industry's best-known headhunters, Alice Elliot, founder and president of Elliot Associates, takes inspiration from her late father, who owned an employment agency. "He always spoke about helping to change people's lives."

Photography by Mark Lawrence

Human capital is not the easiest thing to find," declares Alice Elliot, looking up from a plate of pillowy ravioli in her favorite Manhattan eatery, Trattoria dell' Arte. "Some companies have not invested as much as they should have in the talent of tomorrow."

So the native New Yorker has taken it upon herself to find and then convince executives to leave one company for another. By most accounts, she's done it superbly. Buca CEO Joe Micatrotto, P.F. Chang's CEO Rick Federico and Krispy Kreme CFO John Tate owe their jobs, in part, to her.

"Alice is incredibly sensitive to finding the right fit for clients and candidates," says restaurant investor Jim Parish of Parish Partners, who has known Elliot for 11 years. As a result, he adds, "it's hard to be in this business without running across her name."

Another reason for her reputation is the invitation-only affair she's been hosting every April since 1985, the year after she founded her executive-search firm, Elliot Associates. Today, the Elliot Leadership Conference is an important rendezvous for foodservice movers and shakers.

There's also her dedication to the industry itself. She is a sponsor of the Council of Hotel and Restaurant Trainers and a founding sponsor of the MultiCultural Foodservice and Hospitality Alliance. Additionally, last year she won the Women's Foodservice Forum's prestigious Trailblazer Award, honoring her commitment to advancing the careers of women and minorities.

Chain Leader recently grilled the high-energy headhunter—wife and mother of two boys—at Trattoria dell' Arte. Among the subjects tackled were the talent pool ("never an overabundance"), minority hiring ("much better"), perquisites ("com-

panies are much more sensitive") and up-and-coming executives ("it's our responsibility to keep abreast of them").

What's the talent pool look like today in foodservice?

There is not an overabundance of great talent. Part of that is lack of investment in training for the future. It's a challenge for the industry.

As a result, is it always the usual suspects getting top jobs? Where do the new faces come from?

Some clients want a "player," someone with an appreciable track record. This creates a comfort zone, since the client has seen the person speak and read about them. Other companies are not as interested in someone they perceive as attending every industry event. They want an executive who works behind the scenes to generate results.

We also consider it our responsibility to keep abreast of who we think is the up-and-coming talent. Sometimes these people don't realize they are the up-and-comers, which is fine because we are looking for people who are not looking for us. We look to forge relationships with people who have no idea we are watching them.

What do you look for in a newcomer?

We look at their results first. We speak to people working under them in a very general way, without them knowing why we're asking. You can't escape your reputation for the kind of leader you are. These people also

“You can’t escape your reputation for the kind of leader you are.”

have the magic, that little something that puts them a step ahead toward being identified.

You’ve gone outside, for example, to find talented executives, Krispy Kreme CFO John Tate from Williams-Sonoma among them. How did that come about?

He was a wonderful guy on the phone, but he had no desire to meet with anyone from our company. We heard he’d be coming through Newark airport, and I called him and said, “Let’s meet just for fun.” I knew the minute I met him our lives would be entwined.

I don’t belong to [airline] clubs, by the way. I believe in unorchestrated settings. I love to take people out to eat, but I’m comfortable with a hot dog or a five-star meal. I just want to get to the essence of what makes someone tick.

What was Krispy Kreme looking for?

They were looking at upscale retailers or companies that were very well branded having to do with America. After all, that is the foundation of everything they are. They are a piece of America. They wanted someone who understood the importance of culture, of staying true to it. The technical aspects were one thing, but [CEO] Scott Livengood wanted someone who would embrace the values and spirit, someone capable of protecting the brand.

Do retail executives make good foodservice executives?

A lot depends on the nuances of the position. If it’s real estate, it really doesn’t matter. But if you are talking about going into a complicated company where it’s important to understand the nuances of service and product, that’s trickier.



What do your clients generally want to know? They might say, “Look, this is what we’re thinking of doing. Can you give us some sense of direction? What do you think given that we’re this culture and company. What are your feelings about recent search efforts in this arena? How have salaries changed?”

Well, how has compensation changed?

Companies have become much more sensitive and creative when it comes to people’s needs. We’ve seen that in relocation, because not everyone has the ability to pick up and leave.

For example?

We had one situation where the company annually paid a portion of a college education for the kid of the incoming CEO. That’s pretty cool. We’ve had a company put up a half-million dollars on a relocation, and if the CEO stayed for four years the real estate loan would be forgiven. And we’ve seen where a company also moved an elderly parent.

Some companies, particularly smaller ones, have given the incoming CEO the option of choosing heavier cash or equity compensation.

Which option has been more popular lately?

Things have shifted since Sept. 11. There seems to be a little more concern on the part of the family and spouse to maintain current cash—whereas before people were more willing to take risks. What we are hearing is that they don’t want to take as big of a risk right now.

Of course, some people get to a point in their careers when they have made a little money and feel that they can take a bigger risk and will go with an emerging company offering equity. Ten years ago executives didn’t speak as much about creating wealth and securing their future. Today, it’s a very big thing.





“Someone who never allows another person to shine cannot be a good leader.”

What’s your role in negotiating compensation packages?

We are very involved, acting as an intermediary. It’s our responsibility to coach the client as they map out what they think they can and cannot do. Let’s say a candidate is coming from a major corporation to a smaller company, perhaps desiring more visibility. It’s our responsibility not only to offset but to make sure we are sensitive to the candidate’s nonnegotiables.

Apart from compensation, how do companies and candidates determine their roles and level of responsibility?

If a candidate says, “I’m interested in being involved in a lot of different decisions,” some companies will say, “You know what? We’re going to have you sit on the board’s executive committee.” Others may say, “We don’t have an official board seat, but we’d like you to attend some of the board meetings and report your activities to the board to give you exposure.” Some companies tell new people in real estate or construction they want them to sit in on the design meetings. People want that today, to know they are truly part of the team at all levels.

Someone right now is joining a \$1.5 billion company, and the CEO is going to remain somewhat involved. But he is saying he wants the new executive involved in the franchise council, representing the company at industry meetings and replacing him on the board. In this case, the CEO is working hard to make this person feel like he’s very involved with the team.

Ever any tension between candidates and your clients?

There isn’t much simply because if the fit isn’t right culturally, then you don’t recommend a person for the job. While we’re hired by the client, we think we have as much responsibility to represent the best interest of the executive.

But there are situations where the new COO says, “I want marketing reporting in to me.” And if the CEO has a marketing background, they might say, “It’s going to remain with me.” That’s something that

absolutely has to be discussed prior to hiring.

You’ve been retained by venture capitalists. What’s been their influence on the hiring process?

In some instances, they have a different viewpoint because they deal with lots of industries. They want executives that can transcend the industry, someone who’s a broad-based and well-rounded businessperson who could be just as successful elsewhere.

What’s the outlook for foodservice executives who have international experience?

It’s terrific. International experience only serves to enhance their ability, particularly if they are bilingual.

That reminds me, how come there are so few minority people at the top of the ladder in foodservice?

We are in a better place than we’ve ever been before but certainly not where we should be. When I started out [in 1985] there were very few women. Now there are many.

Has your business placed very many blacks or Hispanics?

Oh, yeah. Just so you know, we are founding sponsors of the MultiCultural Foodservice and Hospitality Alliance. I was brought up to believe that all men are created equal. That’s the essence of what I believe in. By the way, we recently brought Sarah Schwartz, an African-American, to Krispy Kreme, where she’s senior vice president of store development. Curiously, real estate is an area with almost no women, period. It’s groups like [Elliot Associates] that provide a gentle reminder that there is a whole playing field out there.

When you meet a candidate for the first time, what questions do you ask?

I’m prone to focusing on dreams and aspirations and history. Less on technical. I’m much more interested in the song of life. **CL**