

# LARMEN Dosanko News

SUMMER 1984

## New Restaurant at Albany Mall

Dosanko's first store in a suburban shopping mall will open at the Crossgates Mall in Albany, New York in August. The 1,400 square foot store in the New York State capital is the 12th franchise in the DFI chain and brings the total number of stores in the U.S. to 16. It is the third store outside the New York metropolitan area.

The 48 seat store is being developed by the Pyramid Crossgates Company for Dan Enterprise, a partnership of three franchisees: Mr. Kianoush Rasekhi, Mr. Aldo Nervegna and



Mr. Daniel Kwok Young Ma. The agreement, which was signed at the end of March, marks the first time an unsolicited franchise was granted. Of the 11 previous franchises granted to date, two went to former DFI employees, while nine were granted to franchisees who were already operating other Dosanko stores.

In December 1983, the Pyramid Crossgates Company approached DFI with a request to open a company-owned unit in their mall. When the request was turned down by DFI, the developer, Mr. Tyde Richards, who eagerly wanted the store in his shopping complex, found several possible franchise applicants and negotiated the deal. Although DFI receives an average of 12 franchise inquiries a month, this agreement marks the first time a franchise was granted to someone who did not have a prior relationship with DFI.

Two of the Albany franchisees already have extensive restaurant experience. Mr. Rasekhi is already a franchise partner in two Burger King operations while Mr. Ma owns several Chinese restaurants. Both men have restaurants in the shopping mall in Nanuet, New York. Mr. Ma will manage the Albany store.

As part of the agreement, Dan Enterprises will be given exclusive territorial rights within a five mile radius of the shopping mall, in return for which, they will open another Dosanko store in the area within two years.

The Crossgates shopping mall located at the intersection of Interstates 87 and 90 opened on March 4, 1984. When completed in 1986, the 1.3 million square foot, two-level complex with 175 stores and 14 restaurants will be the largest shopping complex in upstate New York. Market studies conducted by the developers say the population of the trading area of the mall is 850,000 and project retail sales for the first year are estimated at over \$125 million.

## DFI Headquarters Moves to Manhattan

DFI are planning to move into their new U.S. corporate headquarters later this summer. The new offices will be located in Manhattan on 47th Street between 9th and 10th Avenues. The newly renovated building which was negotiated for Dosanko by the Lerner Organization will have a total space of 5,000 square feet and will include an experimental kitchen where DFI chefs will be able to develop new menus. The present office in Long Island City will be kept on and expanded to improve the processing of DFI food products.

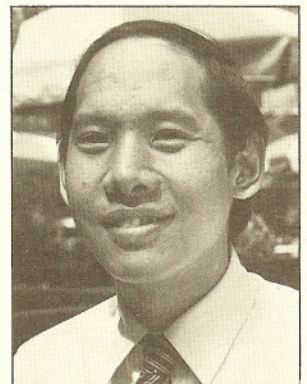
## Japanese Training Program for U.S. Employees

Once a year, DFI plans to send a senior employee to Japan for two weeks to gain some first hand experience of the Japanese way of life and business practices. The program will start in May with Accounting Manager **Dan Fuentes**, the first non-Japanese manager to work at DFI headquarters. The Philippine born Fuentes, who is 44 years old and married with three children, joined DFI in January 1981 from the Macmillan Publishing Co. where he was a financial analyst. He is a graduate of De LaSalle College in Manila. While in Japan, Fuentes will spend a week at corporate headquarters in Tokyo where he will meet with senior management as well as the shareholders of the company. He hopes to gain an insight into Japanese customs and culture during the second week of his visit when he tours the ancient cities of Kyoto and Nara.

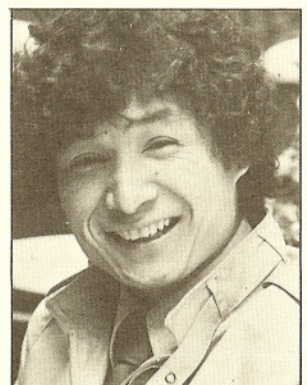


## New Players on Management Team

DFI's new Operations Supervisor is **Tim Woo**. Woo, aged 37, has been with the company since 1979. For the past three years he has worked his way up the corporate ladder as unit manager of the Rockefeller Center store. A native of San Francisco, Woo is only the second non-Japanese to hold a managerial position at DFI headquarters. Before joining Dosanko, Woo spent two years studying at the Institute of Dietetics in New York, and worked for Restaurant Associates as manager of several of their Zum Zum stores.

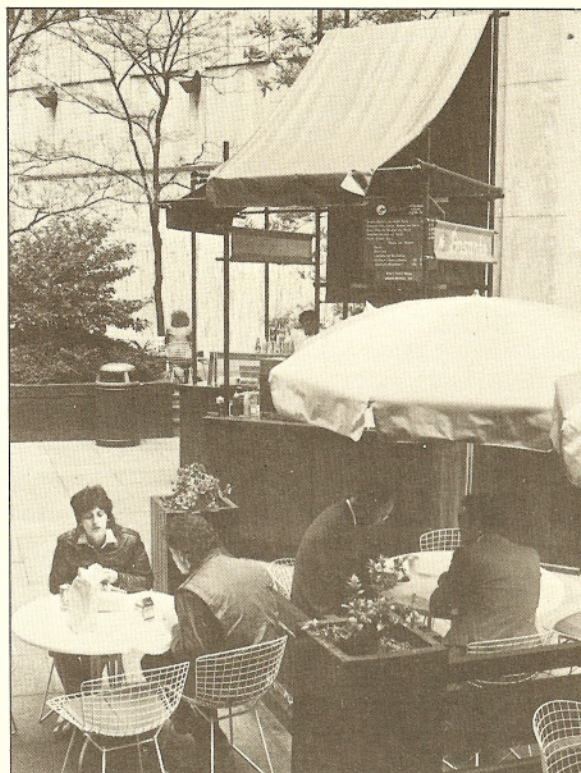


**Sam Kohase** who joined DFI last December is about to complete his management training so that he can become unit manager of Dosanko's first store in Philadelphia in September. Kohase, aged 34, comes from Kobe, Japan and is a graduate with a BA in Electrical Engineering from Mohawk Valley Community College in Utica, New York.



## Summer Sunshine

As they have done for three previous years, the Dosanko store at 123 West 49th Street near Rockefeller Center will have an outdoor kiosk in the mini-park on the west side of the Exxon building. The kiosk will cater to the lunchtime crowd (11am-3pm) from May through September. As harried office workers catch a bit of fresh air and sunshine at the cafe tables by the waterfall, they will be able to enjoy a new cool and refreshing addition to the summer menu: *Hiyashi*, a chilled noodle dish with cucumbers, carrots, eggs, ham, lettuce, bean sprouts, mustard and a special Dosanko sauce. *Chef Salad*, a crisp low calorie salad plate with crab meat, rolled ham, Swiss cheese, chopped eggs, cucumbers, cherry tomatoes, broccoli and a unique Japanese vegetable called mamina. *Fruit Cup*, a refreshing blend of seedless whole lychees, honeydew melon, watermelon, red grapes, slices of apple, orange and grapefruit and chunks of pineapple.



## Notes From The Manual

*Improving efficiency and maintaining a high standard of operation is an on going task which requires constant monitoring. For this reason, we urge our franchisees and all Dosanko employees to regularly read their service manual—especially for the areas concerning dress codes, attitude towards customers, proper food temperature and pest control. The following are a few points to remember:*

**Dress code**—The waitress is often the first restaurant employee the customer sees. Therefore, a clean and neat appearance is essential to project a sanitary image of the restaurant operation. Please try to ensure that your black slacks or black skirt and white blouse are clean and neatly pressed and that your white shoes are polished.

**Attitude towards customers**—A survey by the New York State Restaurant Association was taken to evaluate the reasons why customers do not return to a restaurant: 68% responded that they were influenced most by indifferent attitudes they encountered from the restaurant employees. Arrive at work with a positive attitude. Leave all personal problems at home. Make an effort to be cheerful and happy in your work as this attitude may spread to your other co-workers as well as to your customers.

**Proper food temperature**—Foods to be served hot should not at any time be allowed to drop below an internal temperature of 140F. degrees. Foods to be served cold should be kept at 45F. degrees or less through all stages of storage, processing and serving.

**Pest control**—Flies, vermin and rodents contribute heavily to food contamination. For this reason, no open cracks or crevices should be allowed in any Dosanko kitchen or storeroom surface, either in work tables, shelves, sinks, floors, walls or ceiling. When a problem becomes serious, professional exterminators should be engaged. Unit managers should note that as of January 1984, New York City Board of Health Inspectors are issuing on the spot summons for any violations with a fine for a first time offense ranging from \$300-\$500. Stores have three weeks to correct the violation. If they are caught a second time, the offense is published in the newspaper, and the adverse publicity will not only affect your store, but the chain as a whole. On the third violation the store is closed.

## Answers to the Most Frequently Asked Questions About the Dosanko Franchise Program

- **What is the investment required to open one Dosanko franchise store?**

The initial franchise fee starts at \$20,000. All other investment costs such as security deposits and rent, construction and equipment, inventory and operating capital are borne by the individual franchisee.

- **What is the royalty fee?**

Five percent of gross sales before sales tax, one percent of which is allocated to chain-wide advertising.

- **Does Dosanko have a financing program?**

No. The individual franchisee must arrange his own.

- **When is the initial franchise fee due?**

After the franchise agreement is signed, an initial fee of \$5,000 is due. Of the remaining fees, one-half is due on site approval with the balance due either one month after site approval or the date of the opening of the store.

- **Precisely what do I get in return for the franchise fee?**

You get the Dosanko know-how contained in the training and service manuals. You get the cooking manual which sets forth the secret recipes, ingredients and preparation techniques for the distinctive quality Dosanko noodles and dumplings. Dosanko will assist you in selecting a suitable site for your store and will furnish interior layout plans to be utilized in the construction of your restaurant which are based on experience with 1,100 Dosanko units in Japan. You also get to use the Dosanko name and "Pelican" service mark, which is now widely recognized in the U.S. as a reliable brand.

- **Do I receive training from Dosanko Foods Inc.?**

Yes. Franchisees and one of the franchisee's designated management employees will undergo a two to three week training at a location designated by Dosanko, usually at a Dosanko company-owned restaurant nearest to the site selected by the franchisee.

- **Do I receive guidance on the purchase of food and supplies?**

Yes. Our operations department will research and recommend to you suppliers based on their ability to provide products that equal or exceed our specifications and high quality standards, in sufficient volume, at the lowest competitive prices. In addition, there are some food items which you will have to purchase directly through Dosanko, such as special spices, sauces and seasonings.

- **What form of continuing operational guidance would I receive?**

Operations specialists regularly visit each unit of the Dosanko restaurant family. They are informed, experienced

professionals who will assist you in evaluating your staff performance, guide you on merchandising to increase sales and help you determine where you might decrease operating expenses and improve efficiency. If an unusual problem should develop, these trained experts are available to study it and consult with you to solve it. This program continues for the life of your franchise.

- **What other business aids can Dosanko offer?**

We have designed a variety of control forms which will help you keep track of inventory, food cost analysis, labor costs, health inspection, weekly working schedules, check book control, daily cash reports, accident reports and weekly unit manager's reports.

- **What do I do about advertising?**

Each unit contributes one percent of its gross receipts each month to a national advertising fund which is used for national, regional and local advertising and promotional materials for the Dosanko system. In addition, you should spend a percentage of your gross receipts for your own local advertising and promotion.

- **Is there a minimum requirement for store space?**

No. Store space varies depending on the type of store and the conditions prevailing at that location. No matter how small the space is, if our specialists deem it viable for a Dosanko restaurant, you can open the store. Our existing stores vary from 30 seats to 130 seats capacity.

- **Is it advisable to purchase a Dosanko store and designate a manager to operate the store?**

It is permissible but not advisable. We suggest that you begin by operating one unit yourself to gain first hand experience. It will take you at least six months to acquire the real skill of tasting Dosanko foods—the ability to tell when food is too salty or not salty enough cannot be imparted by the manual, nor can you learn this kind of skill by listening to others.

- **How long does my franchise last?**

The initial term is 10 years and six months from the date the franchise agreement is signed. The agreement can be renewed for two successive terms of five years each.

- **Can I have an area franchise right?**

Normally, each franchisee must start with one unit. If the operation is successful and profitable, the request to expand will be considered.

- **Can I sell my Dosanko franchise?**

Yes. You can do so with the approval of Dosanko headquarters based on the franchise agreement.