

The Idea Man

Sami Ladeki indulges his entrepreneurial impulses with both fine-dining and casual concepts.

BY MARGARET LITTMAN

here are names for people like Sami Ladeki. "Serial entrepreneur" is one of them. Serial entrepreneurs are the men and women who refer to themselves as the "idea people." They like coming up with new business concepts and making those dreams reality. When it comes to the day-to-day operations of the business, they're happy to leave that to someone else.

"I like coming up with ideas, sleeping on it, changing it, massaging it," Ladeki says. "I'm not good with facts and figures. Somebody else can track that." Of his urge to continually start fresh he explains: "It's like I want to have another baby, so I have to go get pregnant again."

But contrary to most serial entrepreneurs, Ladeki has not moved on to another company each time he is ready to have another baby. Instead, he gives birth under the umbrella of the La Jolla, Calif.-based Ladeki Restaurant Group he founded. Since 1989, the \$38 million company has launched a successful pizza chain, a casual noodle bar, plus three upscale concepts in California, Arizona and Nevada, and another that has now closed, allowing the group to become established and respected in its markets, while still permitting Ladeki, the chief executive officer, to indulge his entrepreneurial impulses.

The result of this safety net is profitable, innovative restaurants. "Of course I want to make money, but that's not really why I open a restaurant. I open it

Since 1989, Sami Ladeki has launched a successful pizza chain, a casual noodle bar, plus three upscale concepts including two Prime 10 Steakhouses.



SNAPSHOT

COMPANY

Ladeki Restaurant Group

HEADQUARTERS

La Jolla, Calif.

UNITS

13 Sammy's
Woodfired Pizza,
2 Roppongi,
1 Noodle Bar,
2 Prime 10
Steakhouse,
1 Fresh Seafood
Restaurant & Bar

2004 SYSTEMWIDE SALES

\$38 million

2005 SYSTEMWIDE SALES

\$45 million
(company estimate)

AVERAGE UNIT VOLUME

Sammy's Woodfired
Pizza, \$2.4 million;
specialty restaurants,
\$2.9 million

AVERAGE CHECK

Sammy's Woodfired
Pizza, \$13; upscale
restaurants, \$35

EXPANSION PLANS

2 or 3 restaurants
annually

The Ladeki Restaurant Group allocates 20 percent of equity in each restaurant to senior management.

because I love it, and I want to think about it, work on the menu, picking out this cup, getting out that spot. That's when I really feel accomplished," says Ladeki, who has worked as a food and beverage manager for the Royal Sonesta Hotel in New Orleans, Caesars Palace in Las Vegas and the Princess Hotel in Bermuda.

Perhaps that's why Ladeki Restaurant Group's progression isn't a classic, linear business-school model. It was a trip to Japan that shifted the way Ladeki thought about his company. When two Sammy's Woodfired Pizza franchises opened in Japan in the mid-1990s, Ladeki found himself exploring Tokyo while in town to help the franchisee. He loved the food and the Roppongi neighborhood, which he often describes as the Tokyo equivalent of Chicago's Rush Street. "Plus, I really like the word, 'Roppongi.' It is fun to say," he adds.

Asian Import

Ladeki's entrepreneurial mind whirred, and he developed what was radical at the time: a non-Spanish menu featuring tapas. Roppongi's menu had an entire page devoted to "all-American interpretations" of Asian tapas and small plates, with a significant number of finger-food options.

"He has an uncanny ability to note when trends are coming and hit them just right," says Pamela Wischkaemper, a San Diego-based restaurant consultant. "I am very much in awe of his ability to put a restaurant together."

Ladeki admits that he had "an inside scary feeling" when he opened the first Roppongi, after having succeeded with a casual pizza restaurant, one which did \$2.5 million of business its first year. "For a while I was worried, in my mind thinking, 'Are we going to fail?'" he recalls.

Roppongi opened in 1998 in La Jolla, an affluent town near San Diego, where Ladeki Restaurant Group is headquartered. While Roppongi wasn't marketed with any name that would associate it with Sammy's Woodfired Pizza, there was significant crossover of customers. Roppongi brought in \$3.2 million in its first year.

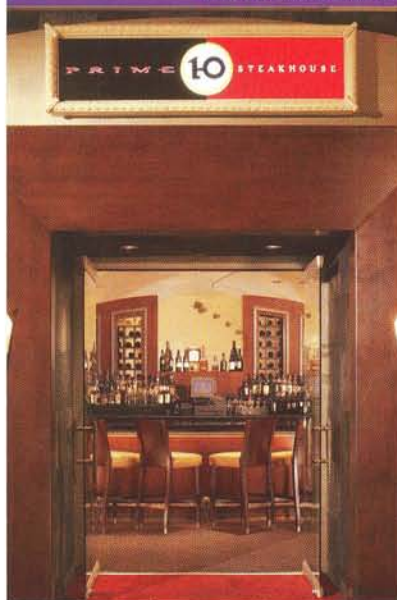
"This is a small community, and I'm a big fish in a small pond," Ladeki explains. "What do people talk about? Movies, boys, girls and 'Did you see this new restaurant?'"

The next success came in the form of Prime 10 Steakhouse in December 2000, which did \$2.1 million in its first year, followed shortly by another Prime 10 in Rancho Mirage, Calif., near Palm Springs, in

April 2001, thanks to interest from the Agua Caliente band of the Cahuilla Indians. When the tribe started looking for restaurants for its Rancho Mirage and Palm Springs casinos, it wanted some local cache.

"One of the reasons we liked the idea of working with Ladeki was that they had a good following in San Diego, which is sort of our sister city, and

MENU SAMPLER: PRIME 10 STEAKHOUSE



APPETIZER

Petrossian Caviar:
1 ounce with toast and
potato cakes, \$78.00

SIDE DISHES

Green-peppercorn brandy, \$3.25
Red-wine demi-glace, \$3.25
Horseradish cream, \$1.95

STEAKS

New York Steak, \$29.95;
Double Cut, \$35.95
Rib-Eye Steak,
Center Cut, \$33.95

MULTICONCEPT OPERATOR



MENU SAMPLER: FRESH SEAFOOD RESTAURANT & BAR

SMALL PLATES

Steamed Mussels in saffron-chorizo broth or white-wine garlic sauce, \$9.95

Fresh's Mac and Cheese with three cheeses and truffle essence, \$7.95

LARGE PLATE

Shellfish Stuffed Rainbow Trout with lemon-thyme emulsion, \$22.95

in Vegas, and there is a connection with gaming there," explains Ken Kettler, general manager for Agua Caliente Casino, where two of the four on-site restaurants are Ladeki concepts.

"They offer a great wine list and great service, and that's the expectation of higher-end table players," explains Kettler, who is impressed not only with the service Ladeki Restaurant Group gives its diners but also its customers like Agua Caliente. "When [Ladeki] does an opening, he throws every resource into it, brings his corporate team here. He has been to all the openings."

Shifting Gears

By 2003 the tribe had contracted with Ladeki to open a second Roppongi in its Palm Springs Spa Resort Casino, with an adjacent casual Noodle Bar. The Asian tapas were something different for casino guests, particularly in a steak-and-potatoes town like Palm Springs.

"We only had one steak on the menu there, but it was ordered every other order," Ladeki remembers of the restaurant's early days. When it was clear that customers at the Spa Resort Casino wanted

more steaks, it would have been easy for the company to convert Roppongi into a Prime 10 Steakhouse. But Ladeki knew tribe management didn't want to have just another steakhouse.

"I said, 'Let's go buy a broiler,' and we added five or six steaks to the menu," he says. The result is still a decidedly Asian, upscale feel, where you can't hear the slot machines that are just yards away from the dining room. But the early-bird special at this casino restaurant is two-for-one Asian tapas, not a buffet.

Consultant Wischkaemper applauds Ladeki's flexibility in Palm Springs. "If Sami has one problem, it is that he tends to latch on to something that is working and not let go. In some of his restaurants, the menu hasn't been changed in more than a year. I don't think that works in fine dining," she says. "At Denny's you want the same food wherever you walk in off the road. But you don't want fine dining to get stale."

Ladeki credits the success of tweaking Roppongi to "chemistry" with his Cahuilla clients. They articulated what they wanted—both to make their customers happy and not to offer a cookie-cutter concept—and Ladeki wasn't so wedded to his concept that he wasn't willing to change.

Despite that good chemistry, most of the time Ladeki prefers to work without partners. Unlike other multiconcept operators, he has no outside investors. "The bank is my best partner; they do not tell you what to do," he quips. He allocates 20 percent of equity in each restaurant to senior management.

In addition to turning



MENU SAMPLER: ROPPONGI

TAPAS

Pan-Seared Foie Gras with Japanese pear and orange-tamarind sauce, \$24.95

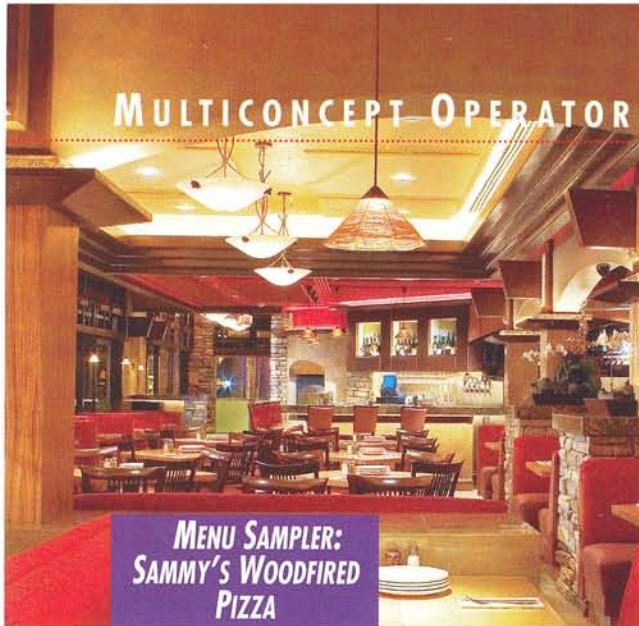
Crispy Buttermilk Onion Rings with wasabi-garlic aioli, \$8.95

SUSHI AND SASHIMI

Roppongi Roll with salmon, mango, avocado and red ginger, \$8.75

SPECIALTY

Hibachi Grilled Seabass with roasted vegetables and papaya ponzu, \$24.95



**MENU SAMPLER:
SAMMY'S WOODFIRED
PIZZA**

WOOD-FIRED PIZZA

LaDou's Barbecue Chicken: barbecue chicken breast, cilantro, Gouda and red onion, \$9.95

ENTREE

Idaho Rainbow Trout with ginger-sesame vinaigrette, \$13.95

DESSERT

Messy Sundae with chocolate and caramel sauce, \$6.95

Replacing its garden-style decor, Sammy's is more modern with stone and dark woods.

away from the complications of outside investors, Ladeki has eschewed franchising. The franchise agreements for Sammy's in Japan were ultimately

not successful, because the franchise owner wanted to make many changes to the menu, and Ladeki didn't want to handle the oversight.

"Our concept [Sammy's Woodfired Pizza] is easy, but we need to make sure it is executed right," Ladeki says.

Not that everything has been easy. "I'm not Jesus Christ Superstar walking on water. You get beat up, you didn't do this right. Then, you move on," he says.

One of those instances was Tamarindo, a nuevo-Latino concept he closed after two years. Although the restaurant's sales were \$1.8 million, he says, loyal customers of Roppongi and Prime 10 didn't like the paper napkins and low prices, and Hispanics in Southern California didn't like the twists on their native cuisine.

"It is tiring trying to nurse someone who is diseased," he says. "I finally said, 'Why am I putting all this energy trying to promote this?'"

In the former Tamarindo location in La Jolla, Ladeki opened Fresh Seafood Restaurant & Bar in 2002. "I thought everything had been done," he says. "But then I realized that while San Diego is on the water, we didn't have any seafood concepts here. It's not like Boston or San Francisco. There's no fishing here, but people still come and expect fresh seafood." The company recently tweaked the original menu to add more small plates, a change that has increased sales and the number of covers. Meanwhile, the restaurant has been included on several "best" lists, including in *San Diego Magazine* and *Bon Appetit*.

As in his other concepts, Ladeki hired experienced chefs and managers to take the reins when the restaurant was up and running. At Fresh it was Matthew Zappoli, a

seafood chef from Aureole at Mandalay Bay in Las Vegas. Back when Sammy's Woodfired Pizza was getting started, he brought in Ed LaDue, a Spago alumnus, to consult on pizzas.

Back to the Beginning

With Ladeki Restaurant Group's reputation solidified with its upscale concepts, Ladeki plans to open two or three restaurants annually in California, Arizona and Nevada.

Now Ladeki is turning his efforts back to his flagship Sammy's Woodfired Pizza. "It is a 15-year-old concept, and people say concepts last 10 years," he says. "So, it was time to change everything and give it another life."

That new life means revamping the menu, taking off eight of the 12 existing tapas to make room for 30 new items, such as sauteed dishes, dips and "stuff you eat with your fingers. That's cute for the kids," Ladeki explains.

New uniforms, an overhauled kitchen and a new look for the restaurant, at an estimated cost of \$400,000 per location, will help the concept last another 15 years, he says, even if wood-fired pizza isn't the novelty it was in 1989, when the health inspector didn't know what the wood-fired oven was. Earlier this year a new Sammy's Woodfired Pizza opened in the Agua Caliente Casino. In the next several years, Ladeki hopes to open three or four more Sammy's in San Diego and four or five in Las Vegas.

According to Ladeki, Sammy's can generate approximately \$500,000 in annual profits and can cost as little as \$600,000 to \$700,000 to open if he leases the real estate. Ladeki owns the real estate for just one of his locations, in Las Vegas, and doesn't understand why restaurateurs choose to put their money into land rather than their kitchens.

"That's a different business. That's real estate and construction. Leave it. Other companies can do that," he says. Spoken like a true serial entrepreneur. **CL**