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The Lion's Share

Mark Pi
Founder and President
Mark Pi's International



The Lion's Share

By Gregor Gilliom

Mark Pi came to the United States in 1972 with \$50 in his pocket. Today, he oversees a Chinese food empire that's exploring new culinary territories.

Doesn't it seem like Mark Pi's been rather quiet lately? After all, it's been quite awhile since Columbus has seen him doing his world-record noodle-making stunt on the news. But this lower profile has allowed him to concentrate on strengthening his niche in the restaurant business like never before: He's experimenting with new Chinese restaurant concepts, furiously franchising the one he's already perfected, and forging into new markets. Don't be surprised if a Mark Pi's Express opens on a corner near you, or if you suddenly find his food in, say, an airport in another part of the country.

Sure, he admits, when the situation calls for it, he'll don the kitchen uniform and defend his record for the cameras. ("I'll perform like a trained monkey in a chef's hat," he jokes. "Anything for the business.") But right now, those antics will have to wait. The man is riding a wave of popularity that's seen Asian fast-food units increase nationally at an annual clip of 20 percent, one of the fastest in the industry.

Pi came to the United States

with the modest ambition of making enough money as a chef to send for his wife and new son, but soon adjusted his goal. He wasn't a newcomer to the business; he'd worked in restaurants in Korea, Taiwan and Japan before arriving in Chicago in 1972 with \$50 in his pocket. But none of that experience hinted at what lay ahead. Pi's tenacity, willingness to gamble with new ideas and knack for getting people to talk about him has resulted in a chain of more than 70 franchised Chinese restaurants in the fast-food, carryout, buffet and formal-dining markets and a fast-growing manufacturing and institutional food division. Total system sales in 1992, according to the private company, were more than \$40 million.

"I came to America because my cousin said there were opportunities unlike any known in Taiwan or Korea," says Pi. "My dream was to own a restaurant, but after I came to Chicago and saw (chains) with thousands of restaurants under the same name, I believed there were possibilities to make Chinese dining available

on a big scale, if I could make the cooking process easier from location to location. The company is still only a small percentage of all Chinese restaurants in America, but some day it will be the McDonald's of the business."

A utilitarian conference table in his simple Hilliard office sharply contrasts with the bright red gates and gold lions that adorn the China Gate dining room on the other side of the wall. But the 48-year-old Pi, who often pokes fun of his fractured English, brings the room to life as he recalls the ups and downs of turning a loosely managed family company into a tighter organization that now oversees centralized manufacturing facilities and licensees in five states.

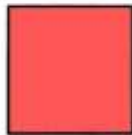
Life on the Move

Pi's knowledge within his industry comes from years of sampling kitchen management and menu styles across Asia and the United States. Born in Korea to Chinese parents uprooted during World War II, Pi was endowed early with a strong

work ethic. Although Pi lost both of his parents when he was young, cooking was the family's trade, and he began peeling garlic and onions in a restaurant in Seoul at age 9. A reliable and innovative worker, he soon worked his way up to **noodle maker**—a boring job he says he made interesting by challenging himself to produce more than the day before.

Pi stayed in Seoul, practicing cooking and karate (he holds a third-degree black belt) until he was 21; then he moved to Osaka, Japan, and later to Taipei, Taiwan, where he served a three-year apprenticeship and achieved his master chef status. He doesn't have a formal diploma from a prestigious culinary institution: "Apprenticeship and hard work makes a better school," he says. "Learning karate taught me discipline and enjoyment in mastering something. I try to approach cooking, and then business, from some of those lessons."

In 1972, Pi's brother-in-law, Frank Roo, convinced Pi to move to Chicago and help with his restaurant. Pi left his life savings



and young son in wife Lily's care, hoping to send for them soon. When he arrived, he found the Mandarin House on Clark Street struggling. Pi encouraged Roo to replace the usual Americanized fare like chop suey and egg foo yong with his own Mandarin recipes. The immigrant also stressed higher quality ingredients.

Within three months, sales had improved, and with \$14,000 borrowed from friends and a local bank, Pi bought the place. He extended the restaurant's hours, improved the service, and, in another three months, tripled its business and paid back his loan in full.

Yet Pi wasn't satisfied. Within 10 months, Mandarin House, which seated 40, was too small, so he moved into a larger establishment further north, near Skokie. Relying largely on word-of-mouth endorsement, the 70-seat spot flourished. He then started a second restaurant, which seated 120, in Springfield, Ill., and says he slept about three hours a night while managing both sites.

But he couldn't stay busy enough to squelch missing his family. He admits he was tempted to move back to be with them, but was driven to stay by a Chinese proverb that remains his primary business tenet. "Master the job and don't come home until the work is done," Pi

says. "A man loses face if he leaves the job unfinished." When the family was reunited in Chicago in 1977, Pi says, "I felt relieved. I had done what I was expected to do."

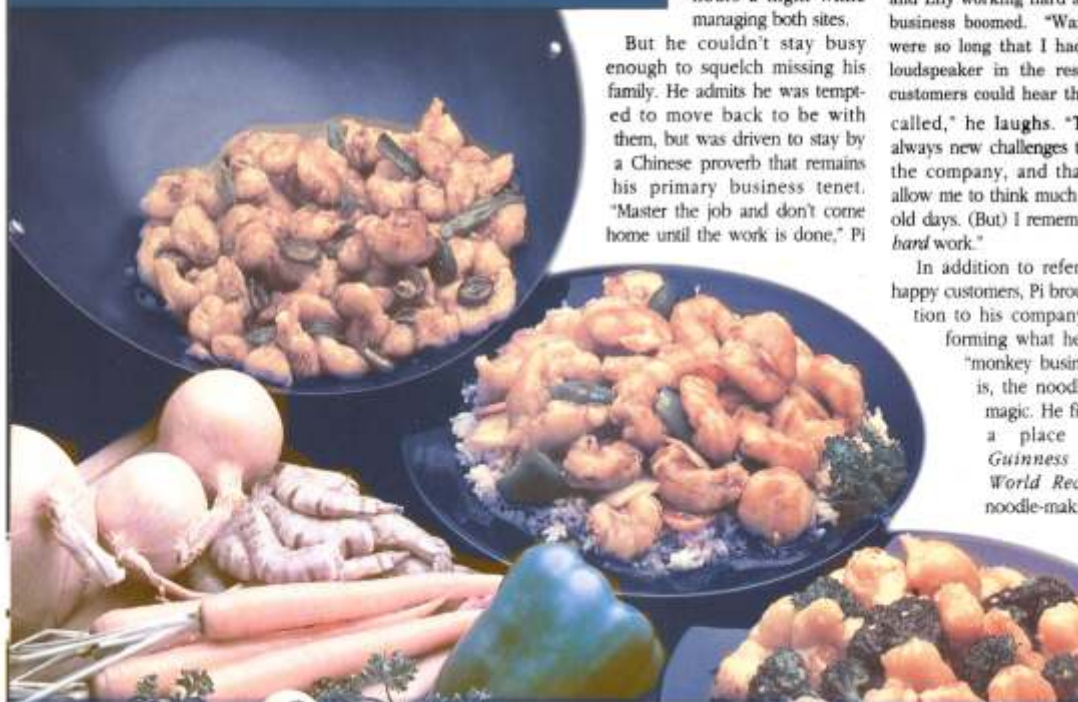
Shortly after they arrived, Pi sold both restaurants and took his family on the road, scouring the United States for the right location to launch a new restaurant chain. They covered 40,000 miles in eight months, Pi says, ate in every Chinese establishment they could find and collected "a trunk full of menus." They wanted a market with affordable real estate and a population open to new food concepts; they finally settled on Toledo as the site of the first China Gate gourmet restaurant in 1978.

An Ohio Dynasty

With very few Chinese restaurants in a 200-mile radius, Pi says, and Lily working hard at his side, business boomed. "Waiting lines were so long that I had to put a loudspeaker in the restrooms so customers could hear their names called," he laughs. "There are always new challenges to running the company, and that doesn't allow me to think much about the old days. (But) I remember it was hard work."

In addition to referrals from happy customers, Pi brought attention to his company by performing what he calls his "monkey business"—that is, the noodle-making magic. He first earned a place in the *Guinness Book of World Records* for noodle-making (more

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liked the old China Gate's extensive menu. The changes just didn't work, and the company had borrowed a lot for remodeling and restructuring. I had to downsize people and get involved in the day-to-day operations again to show customers that the old China Gate was back." He even spent \$10,000 for a new fish pond. It was a costly miscalculation, and 1989 was a rebuilding year—one that's changed the way Pi looks at growth today.

"Even though the company moves more aggressively than ever, I stay much closer to company direction," says Pi. "I am more conservative at watching overhead, cash flow."

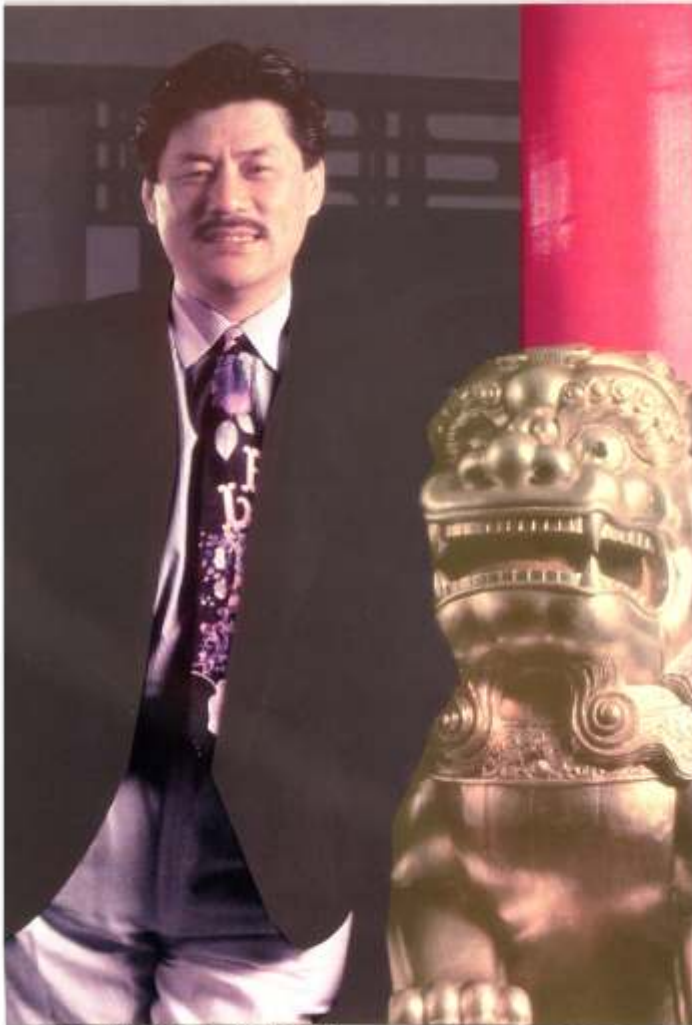
Strength in His Staff

That doesn't mean that he did away with his yuppies altogether. A reorganized management team includes new blood that brings experience within the industry. Newcomer Larry Uhl, Pi's director of marketing, brings more than 10 years' work with Godfather's Pizza and Seattle-based Skipper's seafood restaurants; Bill Dollin, who worked his way up through the Rax system, started with Mark Pi as a consultant and is now vice president of franchise sales. Executive Vice President Keith

Lowery, however, has been with Mark Pi for years and now includes managing Mark Pi Manufacturing among his responsibilities.

Mark Pi has learned to make adjustments. He's made the transition from noodle-maker to master chef to entrepreneur despite being stubborn, as he describes himself. "Tenacious is what he means," says Uhl. "When he gets an idea, he will not forget it until he's tried it." If it doesn't work, however, he's not afraid to say so and move on to another project.

And Pi's entrepreneurial success hasn't gone unnoticed. *Entrepreneur* magazine has recognized his chain as a top franchise opportunity, and he was a finalist for one of *Inc.* magazine's Entrepreneur-of-the-Year awards in June. Most recently, he was named Role Model of the Year at The Ohio State University during the celebration of Asian Week.



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In 1977, Pi and his family covered 40,000 miles in eight months, ate in every Chinese restaurant they could find, and collected "a trunk full of menus."

Outside work, Pi enjoys deep sea fishing and reading mysteries—in English and Chinese. Time with his family is also a priority. Although his daughter, Ko-Rely, and younger son Ko-Nan, are too young to know what they will pursue when they get older, first-born Kogen, now a junior at OSU, is majoring in hotel and restaurant management. "He has always taken an interest in the restaurant business and works more and more with the company," says his dad.

Pi maintains ties with his Far East heritage by making at least one trip back to Korea each year to fast for two weeks. "It's an age-old way to cleanse the body and mind," he says. "It allows you to get rid of the old concerns that limit you and start again with a clean view and a new discipline to get the job in your life accomplished."◊



than 4,000, by hand, in less than a minute) in 1981, and has officially defended the title several times. He's spun the noodles on Japanese national television, taken on a team of Quisenart-wielding chefs (and won) and broke his own record at the Empire State Building last October. He's also whipped up egg rolls smaller than an inch and as big as 9 pounds. Whether in front of the crowds, or mingling with patrons in his dining rooms, he's a showman.

Behind the scenes, Pi steadily added restaurants in other cities, often entering locations where other restaurants had failed. By 1982, he had opened China Gates in Monroe, Mich., and Findlay, Ohio, and set his sights on what would become his new and current headquarters. "The Hilliard site was available in '82," says Pi, "and the whole Columbus area didn't have a Chinese restaurant serving gourmet Mandarin food. I saw the advantage of being first in town and opened late that year. By 1984, I had opened two more China Gates in Columbus, and *Columbus Monthly* had already voted us 'best' two times. We made it our permanent business home by 1985."

Since then, Pi has experimented with different niches, launching, among other concepts, his first fast-food venture, Mark Pi's Ancient Wok, and Mark Pi's Casual Dining. Although the latter, aimed at winning the TGI Friday's crowd, failed to take off in 1988, the fast-food side, with its simpler menus and lower prices, has quickly outpaced his other restaurants. There are now

45 Mark Pi Express units, 26 full-service China Gates, and four Feast of the Dragons—Pi's new buffet-style venture—scattered throughout Ohio, Indiana, Pennsylvania, Michigan and Virginia. With the exception of the wholly owned Hilliard China Gate, all restaurants are either franchised, licensed or joint ventures. Pi expects units to open in Missouri and Minnesota by the end of this month.

Pi's experiment with the casual dining concept in 1988 proved to be the toughest time for the young company. "I took a step back from the business and hired some others to bring China Gate more into the future," he says. His new flock of managers—yuppies, as he calls them—concluded that diners were intimidated by China Gate's tuxedoed waiters and white tablecloths. They redesigned the Hilliard dining room, removed the trademark fish pond and simplified the once-stately hard-

cover menus. Pi's customers were shocked.

"They didn't like the new direction at all," says Pi. "They

Cooking Up Efficiency

"Food manufacturing is the secret weapon of our business," says Mark Pi of the centralized kitchen system that serves many of his restaurants and burgeoning institutional food sales. "Cooking authentic Chinese from scratch is time-consuming and an art for real chefs that is limited by the number of Chinese chefs in any city."

Pi began his career as a chef specializing in dishes of northern and central-western China, and he continues to oversee the recipes for his gourmet, fast-food and buffet restaurants. And to make it easier for his owners and managers, restaurants are supplied largely by a central company-owned commissary that provides better quality control. A 22,000-square-foot facility houses 60 employees who prepare and pack meat products, sauces and egg rolls.

"We do it for consistent flavor from one Mark Pi's to another," says Pi. "No other Chinese chain does or is able to do this, because no other chain has my recipes. At our Expresses, we can train a new cook quickly because the ingredients leave no guess work. A little more salt? No. A little more garlic? No. At China Gate, where cooking is more involved, the cook still has a variety of base sauces and meats from our commissary to make for a shorter learning curve."

Success with the commissary is opening new markets for the company. Gordon Foods and Sysco, major wholesale food distributors to the restaurant industry, are having Mark Pi products put under their own labels; Hallmark, a contract international food service that focuses on college campus dorms and cafeterias, is also incorporating Mark Pi products. Add to that Pi's negotiations with Marriott, a major supplier to hotels, airports and airlines, and you begin to see the vast potential for Mark Pi International's supply side. In addition, ARA Services-owned Supreme Court, which focuses on superstores like K-Mart and Wal-Mart, will soon include Mark Pi as Oriental supplier to its ethnic food courts, which include Godfather's Pizza and Chi-Chi's. And to reach diners and consumers simultaneously, Pi recently announced construction of Mark Pi's Express units *inside* two local Big Bear stores. The smaller, 12- to 15-seat units will carry a line of refrigerated Mark Pi products, in addition to the Express menu items. ♦