

# Making Foodservice the Focus

After taking over a c-store in Minnesota, Tony Donatell transformed it — and the bottom line — with three unique foodservice concepts

By Tammy Mastroberte

**W**hen Tony Donatell took over Oasis Market, a convenience store in Eagan, Minn., back in February 2008, he knew right away that the store was not utilizing the full kitchen it had to its utmost capacity. First, the store was only offering hot deli foods from 11 a.m. to 2 p.m., and instead of made-to-order sandwiches, only prepackaged sandwiches were available. This was one of the first things he instinctively knew he had to change.

“When we first took over, they were maybe selling \$150 to \$200 worth of prepared foods per day,” Donatell recalled. “Today, I would say half our profit comes from our foodservice operations, and just over \$1 million in prepared food goes through the c-store per year.”

Donatell, after graduating college with a business degree, had started working as a store manager for a local convenience store chain. Within a few years, he decided to venture out on his own and take over Oasis Market, which he rebranded as Lone Oak Market. The store is located within a strip mall, which offers more than 100 parking spots, and sells Shell-branded



The Burgers And Bottles concept is designed to be family-oriented.

fuel with five pumps and 10 fueling positions.

He saw opportunity in the 6,000-square-foot location because it had a full kitchen with a hood, walk-in coolers and freezers, and tables for people to sit and eat.

“We fell in love with the space,” he explained. “It just needed a lot of love.”

## CREATING A FOOD BRAND

The previous owners of Oasis Market offered a hot deli program with mashed potatoes, meatloaf, veggies, baked and fried chicken, and also a pizza program, but nothing was made from scratch. Donatell immediately changed the offering and built on what they had, making everything from scratch, including cutting their own French fries.

The menu expanded to include made-to-order subs, barbeque sandwiches, burgers, salads, and eventually homemade breakfast sandwiches and burritos.

Lone Oak Market also added an espresso bar, and began baking fresh cookies onsite every day.



Farmer's Grandson Eatery was Donatell's first foodservice venture.

The cookies are sold in packs of two by the checkout. The foodservice side of the store is now known as Farmer's Grandson Eatery.

"It's a fun customer group that likes a good value, but is not caught up in big-name restaurants. They want a good, hearty meal at a fair price," Donatell said. "We already had the traffic coming in the c-store for energy drinks, cigarettes and gas. Our hope was to sell people food and build from there."

That hope has since been realized. The store has become a food destination, where people come for the food and will get gas and cigarettes because they are there, rather than the other way around, according to Donatell.

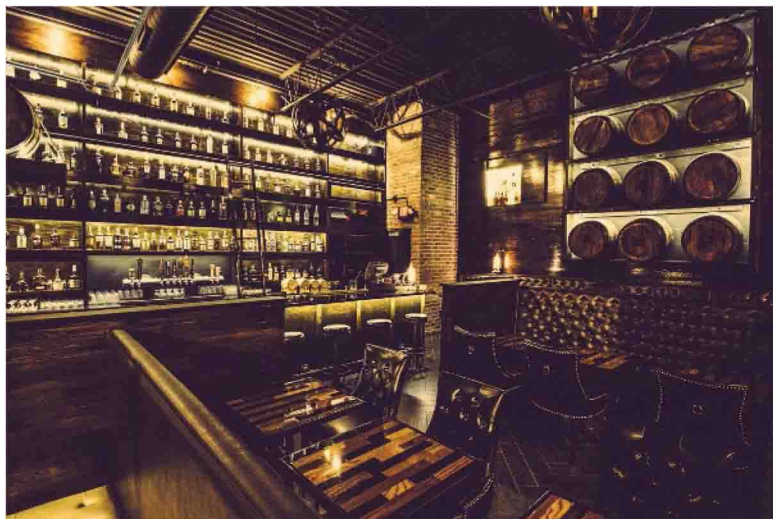
To keep its food program running smoothly, Lone Oak Market relies on its distributor Farner-Bocken Co., which delivers twice a week. Carroll, Iowa-based Farner-Bocken supplies the c-store merchandise as well as many of its food items, including lettuce, tomatoes, chicken, bananas, prime rib and ground beef. Lone Oak Market also uses Reinhart

Foodservice for a number of other food-service-related items.

"We also have drip coffee from a third-party that's branded for the Eatery, and a cappuccino machine for self-service options," Donatell noted. "Then, we have the espresso menu, with milkshakes and smoothies, which can be ordered from the same place customers order their food."

The store does a couple of menu changes throughout the year, and features limited-time offers, such as peppermint mocha coffee in the winter, and fresh fruit smoothies in the spring. Recently, the chef introduced a new item that puts macaroni and cheese on top of a burger. It's selling really well, Donatell shared.

"If limited-time offers do well, we will add them to the next menu change," he said. "We have a local



Donatell's third foodservice venture, Volstead House, is a whiskey bar.

graphic artist that comes in and does the digital menu boards for us, including taking pictures of the food."

Lone Oak Market decided to add online ordering a year and a half ago so that customers could order from Farmer's Grandson Eatery through the business' website. The technology is powered by ChowNow, which provides a tablet to the store where all the online orders are funneled for the staff. Customers can pay through the ChowNow app and just stop in to pick up their food. The store also partners with a local delivery company, Suit and Tie Delivery, which works with 20 to 30 restaurants in town.

The delivery company sends a check to the store at the end of every week or month. It costs Lone Oak Market 20 percent of the gross food purchase to have it delivered this way, but Donatell said it allows them to reach customers who prefer this method without them having to incur the expense of delivery, including drivers and insurance.

Right now, approximately 10 percent of the Eatery's orders are made online, with these orders split 50/50 between customer pickup and the delivery option.

Other technology in place at Lone Oak Market includes the Verifone Topaz point-of-sale (POS) system, and the MICROS POS system for the food side of the business, including kitchen display systems that reside on a separate server.

## EXPANSION OPPORTUNITIES

With the success of Farmer's Grandson Eatery, Donatell jumped at the chance to open another food-service concept when the store next to his in the strip

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— Tony Donatell, Owner



mall became available.

"The e-cigarette shop moved out and the landlord came to us to see if we wanted the space," he explained. "We came up with the Burgers And Bottles concept and opened in 2015. The c-store slows down in the evenings; we are busy for breakfast and lunch. So, instead of losing that customer, we decided to create the concept next door."

Burgers And Bottles utilizes the same kitchen, chefs and management as Farmer's Grandson Eatery, but the restaurant has a different entrance and offers its own menu. This includes flame-grilled burgers, fresh-cut fries, appetizers, beer, wine and cocktails. The No. 1-selling burger is the Wisconsin Cheese Curd Burger, a combination of breaded white cheddar cheese curds, thick-cut bacon, two grilled burger patties, and chipotle ranch sauce.

"It's not your typical fast food. We make it our own," Donatell said.

The concept is a family-oriented restaurant, and although it's only 1,000 square feet, Burgers And Bottles is always busy with a waitlist for tables. And like its next-door neighbor, it also offers online ordering for pickup or delivery.

"It's a unique situation because everyone is a competitor to us — both c-stores and restaurants — but we are unique because we bring everything together. We offer a restaurant inside of a c-store," he said.

After the success of Burgers And Bottles, Donatell didn't stop there. One year later, he took over the two-



Farmer's Grandson Eatery draws inspiration from Donatell's memories of time spent at his great-grandfather's farm.

bay repair shop next door. He had been subleasing the space to them, and when the lease expired, he turned it into another restaurant called Volstead House.

Volstead House is connected to the same kitchen used for both the Eatery and Burgers And Bottles, so it operates with the same kitchen staff. However, Volstead House has one major difference from the other two concepts — it is a whiskey bar.

"We put black curtains up in the back of Burgers And Bottles that lead to Volstead House, and you have to ask the host to go through a red door to get into it. You have to know it's there or see something on Facebook about it," Donatell explained. "It's more of a cocktail-focused bar."

With everything operating around one kitchen, there have been upgrades over the years, such as a bigger hood system and additional equipment. Everything in the kitchen is new from when Donatell first took over because the volume increased so much that everything had to be expanded, he shared.

In addition to the \$1 million of foodservice sales from Farmer's Grandson Eatery, the other properties bring in more than \$1.5 million in food sales, with the majority coming from Burgers And Bottles since Volstead House offers only a few small-plate items.

"We've built it all into nearly a \$3-million kitchen in total foodservice sales," said Donatell. **CSN**



"Not your typical fast food" is what Donatell sets out to provide.