

From Vision to Homecoming

Buffets' Journey to a New Headquarters

Buffets, Inc.



Photo courtesy of BKV Group, Inc.

Buffets Inc.'s "home away from home" in Eagan, MN.

Their Eden Prairie headquarters long outgrown, executives at Buffets, Inc. knew they needed more space. But the options available to them were nearly as varied as the spread at one of their family-oriented restaurants. How would they find the objective information they needed to create a new home base?

Pondering this, Diane Hasbargen, Director of Corporate Services at Buffets, Inc. reminded CEO Roe Hatlen of a magazine article she had read highlighting Keewaydin Real Estate Advisors' handling of another corporate headquarters move. Hatlen encouraged her to call Keewaydin.

True, Keewaydin had helped some of the Twin Cities' most recognizable companies create new headquarters (see page 4). But Buffets' needs went deeper than site selection and buildout.

Buffets, Inc. was actually a new company, formed after the 1996 merger of two restaurant chains: Old Country Buffets and HomeTown Buffets. Buffets, Inc. was

housing their operations in three separate facilities, creating a logistical difficulty for the management of their expanding operations. But before talk of a new building could begin, Buffets executives knew the freshly merged companies needed to move quickly past the get-acquainted period. They needed help to develop a common vision – not just of a new building, but a new entity – and soon.

Not your ordinary trip through the buffet, the Keewaydin team knew. But then, Keewaydin's not your ordinary real estate consulting firm, either. Keewaydin CEO, Peter Kitchak, knew that Buffets needed more, "We didn't offer just real estate development or site search. Buffets needed a serious strategic real estate planning effort to help them discover the best alternative for their company and their culture." Said Hatlen of the decision to hire Keewaydin, "We engaged Keewaydin to bring a degree of skill and authority that we didn't have to guide us through the decision-making process."

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CEO
Buffets, Inc.

Finding Common Ground

Before examining location, architecture, or any of the specific bricks and mortar decisions, Keewaydin retained Suzanne Kochevar at Envisioneering, Inc. to assist in guiding the Buffets management team through a process to create and agree on their goals. This “envisioneering process” helped the new senior management team to confront their concerns and questions, and to formulate their ideas. They were then able to develop a unified vision of what the future of the company and the new facility should be.

Keewaydin conducted sessions with senior management and staff representing various constituencies from both Old Country Buffets and Hometown Buffets, gathering opinions and raising questions on issues such as:

- Effects of the merger on both companies
- The culture of both companies
- The vision of new corporate culture
- Industry trends and how they would shape the company in the future

“I would definitely go through the envisioneering process again; and, I would recommend it to other companies considering a headquarters change,” noted Hasbargen. “It really puts everything out on the table. We were able

“Keewaydin made sure we didn’t make any mistakes. They are experts from the beginning to the end.”

to get past some of the barriers we were struggling with.”

“A conclusion Buffets reached early in the process was that a new facility would be the *whole* company’s facility, merging both cultures into one,” said Kitchak. What emerged from the process was a single leadership team and a new headquarters vision. Thus rallied, the Keewaydin team began work on selecting a new site.

An Objective Analysis

Here, without Keewaydin’s help, things could have gotten tricky. Old Country Buffet had owned a piece of land in Eagan since 1994. Set above the limestone bluffs overlooking the Minnesota River, it was a beautiful location. But was building on the site still the best option? Was the new Buffets team swayed by the fact that this piece of land was already “theirs?”

An exhaustive search of other available buildings and locations led the team to believe that the Eagan site might be the optimum choice. Near the airport and situated in one of the Twin Cities’ fastest-growing suburbs, the site would be an excellent place to create the headquarters of this “new” company. But what impact would it have on employee commutes?

Keewaydin engaged an independent transportation consultant to analyze drive times for employees to all potential sites for the new facility. If commute times were significantly increased by a move, Buffets executives worried, they may lose people. The completed analysis showed that drive times to the Eagan site would only increase an average of two minutes per employee, making this an ideal location for the new building. “We were surprised at the outcome of the study. We never would have guessed that moving fourteen miles away would have such a limited impact,” said Hatlen.

With Keewaydin’s objective analysis, consensus was reached, and the decision was made.

Concern about employees’ well being didn’t stop with transportation issues. Considered a family-friendly company



*Michelle McGuire, Roe Hatlen and Leah Schoeff
at the headquarters dedication ceremony.*



A Sense of Place

How Headquarters Facilities Affect Corporate Culture

What do Medtronic, Target, U.S. Bancorp Piper Jaffray, and Buffets, Inc. have in common? They have all recently moved to new corporate headquarters, and they were assisted by Keewaydin Real Estate Advisors.

No longer a symbol of bureaucracy and corporate stodginess, headquarters facilities are reshaping corporate cultures in America. They are increasingly seen as central to a company's strategy and leadership, as creative think tanks and as common ground for sometimes far-flung business units. It is now clear that a healthy, vibrant headquarters sends a tangible message – to employees and customers – that the company itself expects to be healthy and vibrant for years to come.

It's more important now than ever that a headquarters be a visible reflection of a company's unique needs and values. Beyond the need for more space and its location, a company considering a headquarters change should consider:

- How to insure that corporate real estate is a true asset, not a liability.
- Future growth, including acquisitions and mergers.
- Impact of the move on employees, both present and future.
- Whether to rent or buy, as well as how to deal with existing buildings.
- Possible government incentives.
- Effect of the move on day-to-day operations.

Those who have been through a headquarters relocation know that it's crucial to take good advice, and to seek advisors who consider the business matters involved in creating a new home base.

Says Kathy Ehrmann, Principal and Managing Director of Strategic Real Estate Planning at Keewaydin, "Smart companies realize that headquarters that are strategically located and designed can deliver far more than bricks and mortar. They can have a considerable impact on the more significant business drivers... attracting and retaining labor and creating business synergies to fuel both top and bottom line growth."

Keewaydin helped build the headquarters that some of America's most influential companies call home. They can help your company create a homecoming of its own.

Read more about how Keewaydin helps companies create headquarters facilities that are a reflection of their culture at <http://www.keewaydin.com/keewaydin-002.html>

long before the concept was a business catch phrase, Buffets wanted this intangible to carry over into the atmosphere of their new home base.

Hatlen explained that Keewaydin helped Buffets articulate their goals to the architect and builders. "Keewaydin assembled a first-class team. They made sure we could get the kind of facility we wanted, that would fit our budget and that would enhance our corporate culture," Hatlen said.

Home Away From Home

During the building process Keewaydin handled every aspect of the project. This freed Buffets executives to focus on

growing their business while keeping the process objective and the project on target.

Michelle McGuire, Keewaydin's Senior Project Manager, directed the construction, managed the budget and changes in the work, and supervised the relocation process. "Michelle would go to the contractor and work out all of the details, then bring everything back to me," Diane Hasbargen marveled. "By the time I heard about an issue, everything was smoothed over."

"Keewaydin always stuck to the facts and quickly resolved problems that could delay the project," said Hasbargen. "They kept us on the straight and narrow." This

"In meeting our budget and schedule, Keewaydin didn't sacrifice the quality that we were looking for, the hometown feel we wanted to achieve."

focus enabled Buffets to quickly handle the changes and challenges inevitable in the two-and-a-half year project. They could stay abreast of the project and make critical decisions without getting stuck in the day-to-day details. “Keewaydin made sure we didn’t make any mistakes. They are experts from the beginning to the end,” said Hatlen.

The physical relocation from three facilities into a single headquarters building proved to be a challenge. The entire process needed to be coordinated, from contractors completing work to deliveries of new furniture and equipment. Close communication between all parties was critical. Leah Schoeff, Relocation Manager for Keewaydin, said, “The key to the success of the move was establishing good communication from the beginning. We had an excellent team. Everyone was willing to do whatever was necessary to get the job done.”

The new Buffets, Inc. headquarters first welcomed employees in April, 2000. A true company home in a beautiful setting, high above the Minnesota River, has proved to be an inspiration to all employees.

Hatlen reflected, “In meeting our budget and schedule, Keewaydin didn’t sacrifice the quality that we were looking for, the hometown feel we wanted to achieve. This is our home away from home, and it has helped to successfully integrate the cultures of our two companies.”



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