

FASTEST GROWING BUSINESS PUBLICATION IN MINNESOTA*



CustomHBC Corp ▶
Promotion minded



Haskell's ▶
Entrepreneurial sommelier

MINNESOTA BUSINESS

DECEMBER 2008

LEADERSHIP • OPPORTUNITY • GROWTH

SAN FRANCISCO TREAT
GET AWAY TO THE CITY BY THE BAY

Water, Fire & Ice:
Polar Ultra Lounge

COOL CONCEPTS

STEVEN SCHUSSLER'S
THEMED RESTAURANTS
ARE HOT, EVEN IN
A COLD ECONOMY

STAY THE COURSE
WEALTH MANAGERS
MANAGE FEARS

**HEALTHCARE
DECISION MAKERS**
POWER SHIFTS TO
EMPLOYEES



CONTENTS

MinnesotaBusiness Magazine Volume 18 No 8 December 2008

LEADERSHIP | OPPORTUNITY | GROWTH

COVER STORY 36

What a concept!

Steven Schussler, CEO of Schussler Creative, wants you to have some fun with your food at his themed restaurants. Find out about T-Rex, what he's serving next and why he doesn't think his style of culinary entertainment will ever become extinct.

LEADING EDGE

10 | BUSINESS

BRIEFS Tips and trends for busy executives.

20 | IPTRACKER

Business innovators and their inventions.

22 | 10 QUESTIONS WITH...BRUCE

MOOTY is a business lawyer and partner at the 140-year-old Minneapolis firm of Gray Plant Mooty. He is also currently carrying on another family tradition serving as president of the Minnesota Alumni Association.

IN EVERY ISSUE

8 | LETTER FROM THE EDITOR

50 | COMMENTARY

How and why recession can be good for your business.



LEADING EDGE

16 Upstarts

Profiles of Marcelita's Cookies and Kvale Good Natured Games.

*Based on BPA publisher's statements from June 2006-June 2007.

“Have I got the story of all stories for you!”

If you spend any amount of time, okay, about 30 seconds, with Steven Schussler, CEO of Schussler Creative, you will hear that refrain early and often. There are tall-but-true tales for example about how he came up with the idea for cool (constant 24 degrees) concepts like the Polar Ultra Lounge, where we are pictured wearing our parkas, or man parkas, and discussing the martinis and sushi and hot chocolate specialty drinks that will be served in the everything-is-made-of-ice setting.

That is followed up by details about how he got a bunch of dinosaurs into an Indianapolis hotel lobby and the ballroom of an Orlando timeshare property, or the hundreds of thousands of dollars and years he spent building a tropical rain forest in his home in Golden Valley, an endeavor that attracted the interest of investors as well as that of police who thought he was growing something else.

We have another slightly less tall story to tell you as well and it has to do with the stewardship of this magazine. Craig Bednar, president of Tiger Oak Publications, which also publishes *Minnesota Bride*, *Twin Cities Metro*, *Minnesota Meetings + Events* and a couple of dozen other publications is the new owner. There have already been several thoughtful discussions among all of us at the “new” company about how we can expand and improve the way we cover Minnesota-based companies. One thing will remain constant though, and that’s our commitment to making the magazine the very best it can be each and every month. Thank you for your loyal support this past year, and best wishes to you and yours this holiday season from the design, sales and editorial staff.



David Gee and Steve Schussler “chill out” in the Polar Ultra Lounge.

A handwritten signature in black ink, reading "D. Gee".

David Gee
EDITOR

► COVER STORY: schussler creative



WHAT A

BY DAVID GEE PHOTOS BY TATE CARLSON

STEVEN SCHUSSLER, CEO OF SCHUSSLER CREATIVE, COMES UP WITH MORE IDEAS OFF THE TOP OF HIS HEAD THAN MOST OF US HAVE IN A LIFETIME. READ ABOUT THE LATEST RESTAURANT CONCEPTS HE'S COOKED UP AND WHY HIS THEMED EATERIES REMAIN HOT EVEN IN A COLD ECONOMY.

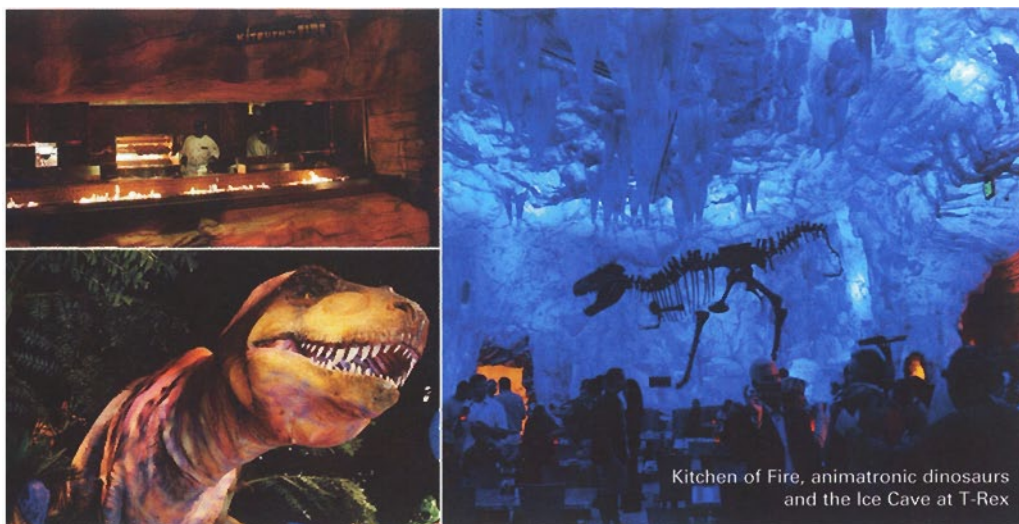
"Heeeyyyy Daaavid!!!" I was strolling across a parking lot just outside Downtown Disney's Pleasure Island in Orlando when I heard my name as only the New York-born, barrel-chested Steven Schussler could say it, or yell it in this case, even before I could make him out against the backdrop of 28-foot tall dinosaurs outside his newest creation.

I had come down to Disney in Orlando to check out T-Rex, one of the most expensive restaurant and retail venue attractions ever built in this country, to see what

millions of bucks buys you and hundreds of craftsmen can build you. The answer is a lot. The concept is themed around water, fire and ice, which work together with 23 animatronic dinosaurs and other prehistoric creatures, each with their own sound track and custom sound effects, along with a light show, periodic meteor showers, fire effects and an ice cave that constantly changes color.

"Part of the thrill I get from being an entrepreneur is the education I receive along the way," says Schussler, as he

shows off the area outside the restaurant where young patrons and their parents can do their own archaeological dig. "I didn't know anything about dinosaurs for example until I spent countless hours researching them. The learning process doesn't stop there though. We're still experimenting with dinosaurs and we have two locations already open. How long will the skins last? What is the impact of UV rays on the dinosaur's skin? What kind of upkeep will be required on the mechanical aspects? It's really never-ending."



Kitchen of Fire, animatronic dinosaurs and the Ice Cave at T-Rex

"I am so blessed! I have to pinch myself when I go of to work every day that I have this incredible opportunity to see our creations come to life all over the world."

—Steve Schussler, CEO, Schussler Creative

Neither are the seemingly stream-of-consciousness ideas that flow out of Schussler's brain and mouth simultaneously and continuously. Case in point, as we were traveling the short distance from T-Rex over to Yak & Yeri, a Himalayan-themed Asian restaurant concept Schussler created at Disney's Animal Kingdom with Landry's Restaurants, his T-Rex partner, he is fielding phone call after phone call.

One call is from Paul Teutel, Sr., the patriarch of the Orange County Chopper family business that has catapulted to fame and fortune via the immensely popular *Discovery Channel* TV show. It details how they build bikes in an amazingly dysfunctional but

highly entertaining work environment. Teutel is confirming his appearance at Schussler Creative's facility on Highway 7 in St. Louis Park that is serving as an incubator and prototype for Orange County Choppers America's RoadHouse; a new concept featuring bikes, burgers and barbeque.

With a national TV audience watching, Schussler and Teutel would later unveil a one-of-a-kind motorcycle inspired by the '57 Chevy Schussler owned—and still does—in his youth.

Then in quick succession there is another call from a casino operator asking for Schussler to come to Las Vegas to discuss a new concept, then another one from Dubai

where Schussler hopes to debut the Zi Imperial Kitchen concept featuring 200-year-old Chinese antiquities that currently sit in the prototype at his Golden Valley headquarters. This is truly Steve Schussler's world and I was lucky to get to live in it for a while, although he says he is the one who's lucky.

"I am so blessed!" he shouts at the top of his lungs. "I have to pinch myself when I go off to work every day that I have this incredible opportunity to see our creations come to life all over the world. I am really fortunate."

This is the point in the story where we back up and say how this amazing entrepreneur was hard-wired for this life almost from the crib, and how his hardscrabble existence growing up made him vow to never want for anything ever again, and then we detail one entrepreneurial endeavor after the other.

Well, it's sort of like that, but not really.

"Of course I had a paper route at the age of eight and later also worked at a pizzeria, as a bricklayer and as a cabana boy running card tables at a beach club in Long Island," Schussler explains. "These guys would go through 20 decks of cards in a day and I soon realized I could make even more money if I got the cards wholesale. So I bought the cards for \$2 and sold them for \$6 and it really helped me develop an appetite for achievement. Of course I needed the money as well since my parents divorced and my brothers and I wanted things my mother couldn't possibly afford. We had to do it for ourselves and actually it felt pretty good."

Schussler also felt as if he wanted to achieve some success in the corporate world before striking out on his own. So he famously entered the world of selling radio and television commercial time after dressing up in a *Superman* outfit and shipping himself in a packing crate to the office of a prospective boss.

SCHUSSLER CREATIVE

con-
cepts

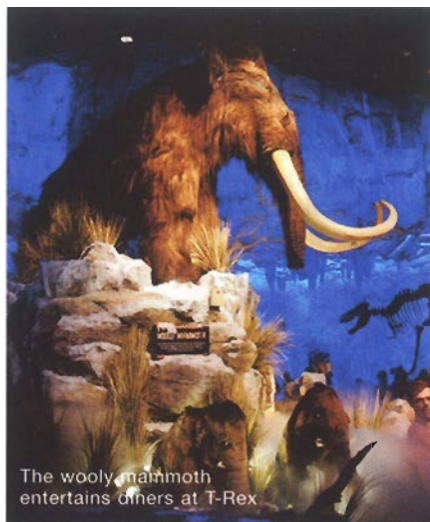
BETTY &
JOE'S
BAKER AND
COFFEE
MAKER

HOT DOG
HALL OF
FAME

ORANGE
COUNTY
CHOPPER'S
AMERICA'S
ROADHOUSE

PIZZA
MARKET
ITALIAN
KITCHEN WINE
& GROCERIA

ZI IMPERIAL
KITCHEN



The woolly mammoth entertains diners at T-Rex.

"Like a true entrepreneur, in those jobs I was always thinking I had a better way or a more creative way of doing things," Schussler recounts. "That drove me. And then you get to the point where you realize you're working 16 hour days and achieving success and making a lot of money for someone else and that you could do better if you were on your own."

To begin with he tried to do both at the same time. When he opened his first Jukebox Saturday Night club on Wells Street in downtown Chicago his job in television was supporting the entrepreneurship. It wouldn't be that way for long though as Schussler explains.

"We got everything installed and set up and we were preparing to open and the phone rang. I was so proud to answer it for the first time at my very own place! I was thinking to myself, our yellow pages ads weren't even out yet, and we weren't listed in any directories, but word must be getting around that we were opening. Wow. I was so excited. Of course it happened to be my TV sales manager and

since I had called in sick that day he fired me for not telling him I was opening up a store and had started another career at the same time I was working for him."

So from that point on, beginning at the tender age of 21, he wouldn't ever again have a "regular" job to support his entrepreneurial endeavors. I did ask if there was any particular catalyst that put working for someone else in the rear view mirror for good.

"I saw that a lot of the people I worked with weren't particularly happy and yet they didn't do anything about it. I thought that was hypocritical and I was determined not to turn out like them. They would complain every day that their sales commissions were being cut, or the people they were dealing with or working for weren't ethical and they just felt victimized all the time. I said to myself I'm going to take the risk and dream the dream and go out on my own."

There were some painful periods of course, as Schussler says he learned the hard way sometimes you have to shrink to grow or just do something new altogether.

"Jukebox Saturday Night had a strong, seven-year run, and then I recognized that the popularity of '50's and '60's nostalgia was starting to wane. By that time I had developed the Rainforest Café concept and the plan was to turn all of the Jukebox locations and real estate into Rainforest locations. But my own ego got in the way of moving quickly enough and I let Jukebox fall into some financial disarray in the process. You know, publicity and a strong media image is a double-edged sword. It's great when business is good and you build yourself up but you set yourself up for a fall if things go bad. The *StarTribune* and other media outlets made a big thing of the money I owed in back taxes for Jukebox, and my financial duress became very public.

biz briefing

SCHUSSLER CREATIVE, INC.

Headquarters: Golden Valley

Inception: 2000

Team Members: 11

Description: Creates theatrical environments for attractions, restaurants, and retail stores worldwide

Website: www.schusslercreative.com

leadership & governance

MANAGEMENT TEAM

Steven Schussler

Chairman Of The Board

Helmut R. Lange

Senior Vice President Of Retail

Jeff Bornmann

Senior Vice President Of

Business Development

leader profile

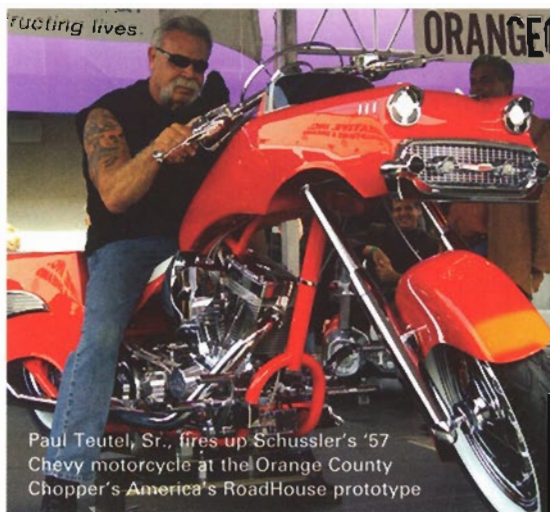
STEVEN SCHUSSLER

Title: Founder, CEO

Hometown: Rockaway

Beach, New York

First job: Selling newspapers



Paul Teutel, Sr., fires up Schussler's '57 Chevy motorcycle at the Orange County Chopper's America's RoadHouse prototype

WATER, FIRE
& ICE
POLAR ULTRA
LOUNGE

MUSICAL
GARDEN - A
LIVING WORK
OF ART, FOOD
AND MUSIC

SORCERER'S
KITCHEN
SCHOOL OF
WIZARDRY,
FOOD &
MAGIC

AEROBLEU
THE SPIRIT
OF COOL

WINTER
WONDERLAND
THE MAGIC
OF WINTER

T-REX
A PREHISTORIC
FAMILY
ADVENTURE

YAK & YETI
FAMILY-FRIENDLY
ASIAN
INSPIRED
RESTAURANT

► COVER STORY

T-Rex™

1st 100% First time a large, themed restaurant start-up ever received a 100 percent anchor tenant allowance.

1st DINO EDUCATION First time a restaurant opened with a theme of dinosaurs as an interactive educational attraction (Kansas City T-Rex Location).

1st BUILD-A-BEAR DEAL First time any restaurant company made a deal with the Build-a-Bear company (a public company with over 200 stores internationally). Schussler Creative is credited with the creation of Build-a-Dino™, which now represents 40 percent of all retail sales at T-Rex.

Rainforest Cafe

1st SINGLE LOCATION OPENING First restaurant concept to go public with only a single location open.

1st CONCEPT AT EVERY DISNEY First restaurant concept to be featured at every Disney theme park in the world. It is also the first restaurant concept allowed by Disney to open within five miles of its first restaurant location (Downtown Disney and Disney's Animal Kingdom in Orlando, Florida).

1st LIVE TROPICAL BIRDS First restaurant concept in the world to have live tropical birds adjacent to food, and to be "approved" by the federal government.

1st \$10 MILLION GROSS First themed Restaurant chain concept in the world to average over \$10 million dollars in gross revenue per store.

That publicity made the task of raising money for Rainforest literally impossible."

In a moment of self-effacing candor, Schussler admits there were some nights he practically cried as he looked in the mirror while asking himself if he was as crazy as people thought. Then he would respond with a resounding "Yes!" and then immediately start laughing. There were also some times he says when he would go through the paper looking at employment ads and wondering whether he could—or should—work for someone else again, but that feeling also didn't last long.

"I realized I was an entrepreneur, I'd cheer myself up and then ultimately get reenergized by that process. When the gas or electricity in your home gets turned off for the fifth or sixth time, and people scream at you because you owe them

to present it in a three-dimensional way that would be as close as possible to what the actual restaurant might be like, I put every ounce of my body, soul and bank account into this idea. And when I would take people through and show this place off they would get all excited and wide-eyed and then say, 'great idea, call us when you're open.' Investors wouldn't give me the time of day. And every time that happened it gave me more motivation."

As has been well chronicled, Lyle Berman and "Famous Dave" Anderson and others did eventually invest in Schussler and his Rainforest concept and 45 properties in three continents were built over a period of seven years.

"It was an amazing run. I designed every one of them, helped participate in the building of

"When the gas or electricity in your home gets turned off for the fifth or sixth time, and people scream at you because you owe them money, that's a hard thing to live with unless you're really committed."

—Steve Schussler, CEO, Schussler Creative

money, that's a hard thing to live with unless you're really committed. And at times I should have probably been committed. But I've found over the years that when you share that enthusiasm with others amazing things can happen. I believe enthusiasm and passion are two of the engines of success. And both of those are contagious."

Schussler says try telling people for example, that you are building a tropical rain forest in your home, complete with 40 tropical birds, 200-year-old tortoises, a baby baboon in diapers, a dozen or so 300-gallon fish tanks, 35-foot waterfalls and your own 'retail store,' and then watch their reaction.

"Most entrepreneurs don't have working, full-size prototypes as they're simply too expensive," says Schussler rather pointedly. "Instead, they use illustrations and diagrams and architect's renderings. But I thought my idea and concept for Rainforest was so off the charts that I had

every one of them, went to the grand openings of every one of them and they were all nearly 20,000 square feet. We went public with only one store open and had lots of firsts." (See sidebar)

Sold for \$85 million in November of 2000 to Landry's Restaurants, Schussler said at one point he had seller's remorse.

"Our stock peaked at \$45/share and then it went all the way down to \$3.50/share, and I thought it was tremendously undervalued. That's all because of same stores sales figures. Some of our stores weren't increasing their year over year sales numbers because they were at capacity! Wall Street should have looked at us differently and they didn't. I was so upset I formed a group that included shopping center developers Herb and Mel Simon, Planer Hollywood owner Robert Earl and Florida mimeshare billionaire David Siegel to buy back shares of Rainforest Café. We didn't move fast enough however and the company was

SCHUSSLER CREATIVE

industry
firsts™



Chillin' for the holidays in the Polar Ultra Lounge

Kept at a constant 24 degrees, this is one cool concept where even the furniture and "glassware" is actually made of ice. Customers will be issued a parka, gloves and hat when they enter to imbibe cool cocktails and hot chocolate specialty drinks.

eventually sold to Landry's. From that point on I realized I had much more to give and decided to form Schussler Creative, Inc."

Schussler and his team took the next three years putting together an amazing array of attractions—including restaurant and retail concept prototypes—in a pair of 5,000-square-foot Golden Valley industrial office park warehouses, spending three to five million dollars a year on R & D in the process. Though he has a small but energetic group of talented employees, it would seem as if Schussler Creative might run into the same problem Rainforest did. How do you grow year over year with only one Steve Schussler overseeing everything?

"By only taking AAA projects with the best partners in the most premium locations. You can't afford failure because that can bring all the other projects down. One of the things we are looking at doing however is monetizing things that currently don't produce revenue," Schussler continues more specifically. "For example, we're thinking about

selling business plans, books, speeches and other things online to take advantage of all the publicity we get. You have to weigh new opportunities against time and resources, because you need to expand and conserve at the same time."

To say that Schussler is writing the book on entrepreneurship wouldn't be too much of a stretch, although it's probably hyperbole to say it will be *the* book. At any rate, he has a deal with Sterling Publishing for an entrepreneur's book full of funny stories intertwined with educational lessons and best practices. He says it should be done in February or March.

"That will be exciting because it can function as a collateral or leave-behind piece as I go out and give speeches at colleges and universities and to business leaders. That will be my next career. If I ever feel like I am done creating, which in some respects I hope is never, I want to impart my experience and perspectives and passion and enthusiasm to emerging entrepreneurs."

And if he could leave the entrepreneur in all of us one last parting piece of advice, what would it be?

"Always remember how unique you are in this world. It's impossible to find anyone else just like you. Your life, the lessons learned along the way and the sum total of your experiences are what mold you and form you. That can't be replicated. So embrace that uniqueness and never give up, never take no or say no, always pursue your dreams and always give back to others and the community." **MB**

Schussler Creative, Inc.

1st \$100 MILLION GAMBLE

First time a major restaurant company (Landry's) agrees to spend \$100 million dollars on two unproven and unopened themed restaurant concepts (T-Rex and Yak & Yeti).

1st DUO OF UNPROVEN CONCEPTS DISNEY AUTHORIZED

First time in Disney history they authorized two completely new unproven and unopened restaurant concepts to be developed and featured in two areas in Orlando less than five miles apart from each other (T-Rex and Yak & Yeti).

1st QUICK SERVICE

AWARDED First time Disney awarded a quick service food contract to an operating participant (Yak & Yeti) inside one of their theme parks. This Asian fusion restaurant in Disney's Animal Kingdom features 350 quick service seats and 250 table service seats inside.

1st SECURED FUNDING

First time in the restaurant industry a creative development company secured funding for 10 new, unproven and unopened attractions, restaurants and retail stores (RED Development).

1st TRIO IN DISNEY

First time in the restaurant industry that a creative development company produced a trio of properties at Disney Theme Parks, having created, developed and constructed Rainforest Café, Yak & Yeti and T-Rex.