

IMAGE[®]

RETAIL STORE

MARCH 1995

All Or Nothing At The
Rainforest Cafe

Bloomingdale's/Miami
After Disaster

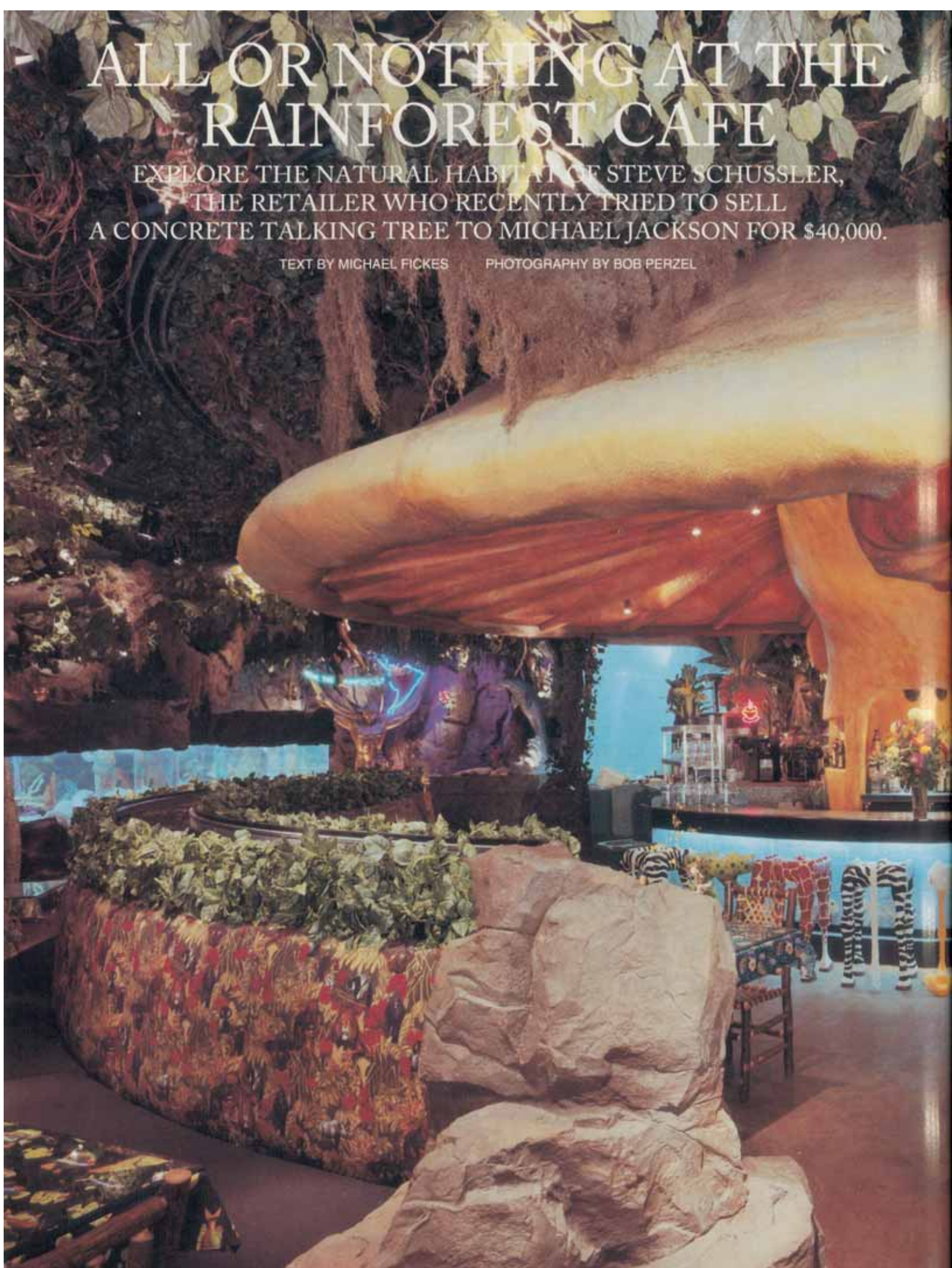
Shiseido Cosmetics

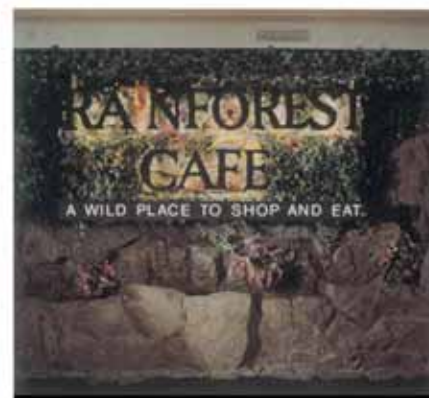
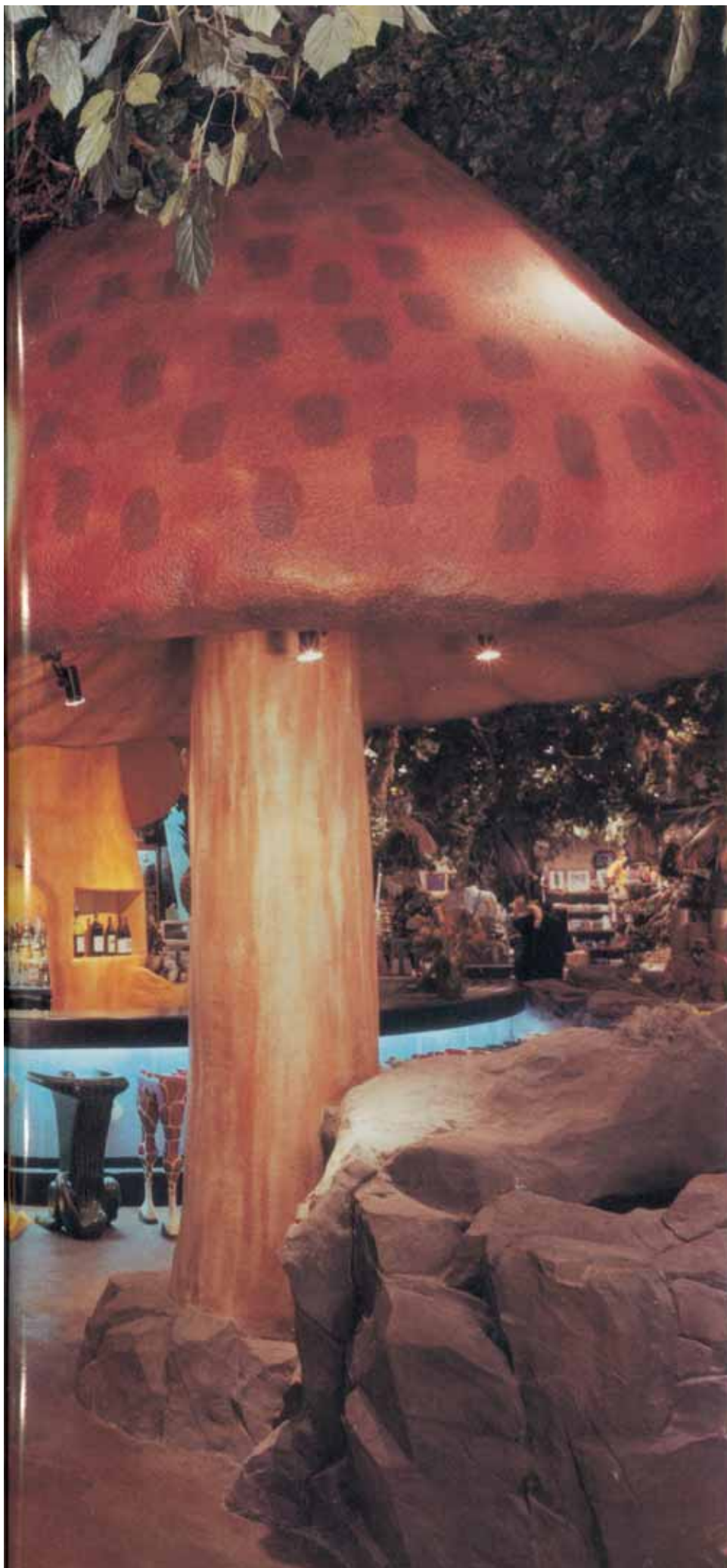
ALL OR NOTHING AT THE RAINFOREST CAFE

EXPLORE THE NATURAL HABITAT OF STEVE SCHUSSLER,
THE RETAILER WHO RECENTLY TRIED TO SELL
A CONCRETE TALKING TREE TO MICHAEL JACKSON FOR \$40,000.

TEXT BY MICHAEL FICKES

PHOTOGRAPHY BY BOB PERZEL





THESE DAYS, STEVE Schussler looks like a genius. What else would you call a retailer who opened a single store in Minneapolis called the Rainforest Cafe last October and began immediately to log sales at an annualized rate of \$7.8 million? He is now working on an initial public offering designed to raise capital for 50 more stores.

At the very least, Schussler is a prototypical big-idea retailer who believes in himself and his ideas, believes so completely that he's willing to do whatever is necessary to bring his ideas to light. In the case of Rainforest Cafe, a lot of strange things were necessary.

To begin in the here and now, the Rainforest Cafe is a 13,800-square-foot combination retail store and restaurant on the ground floor of Mall of America next to Bloomingdale's. The 185-seat restaurant takes up 60 percent of the space, while 40 percent offers retail products. Both store and restaurant carry a rainforest theme.

Rainforest Cafe's 2,000 mostly private-label SKUs burst off the shelves through animated interactive displays designed to inform and entertain.

Adult and children's clothing includes embroidered and screen-printed t-shirts, sweats and caps.

Candy and toy store-style displays offer rainforest rocks for children, as well as a selection of games, plush animals and animated toys.

A home accessories area features off-

The Rainforest Cafe in Bloomington, Minn.'s Mall of America is a remarkably detailed recreation of the sights, sounds, smells, tastes and feel of a rainforest — with perhaps some exaggerations. A magnificent giant mushroom, 38 feet in diameter, hovers above the Magic Mushroom Juice Bar. Bar stools are shaped like the bottom halves of zebras, ducks, giraffes and other animals.



A concrete fixture called the elephant wall (above) features elephant trunks with scaly elephant-like skin. Rock formations, gnarly tree roots and foliage spill across the floor. The trees, plus the stone-work and many of the fixtures (shown right), add up to 7,500 square feet of sculptured concrete.

beat decor such as animal-shaped rugs, magnets, tableware, gardening accessories and handmade wood products.

Customers can buy a macaw here or a toucan or a cockatoo — unlike most restaurants or theme retail stores, this one is a pet store, too. Rainforest Cafe sells at least one tropical bird a week, at prices ranging from \$1,500 to \$2,500.

Across from the retail area a magnificent giant mushroom, 38 feet in diameter, hovers above the Magic Mushroom Juice Bar. Delicacies include fresh-squeezed citrus juices, vegetable juices, organic coffee, and organic pastries and rolls. Zany, colorful barstools shaped like the bottom halves of zebras, ducks, giraffes, and other animals circle the juice bar.

In the adjoining restaurant, flying, sculptured dolphins arc toward a 14-foot-tall waterfall that reaches up beyond the 12-foot-high jungle canopy that serves as a ceiling throughout the restaurant and store. There are banyon

Steve Schussler doesn't seem to care about the possibility of being ruined. Instead, he cares about rainforests and tropical birds and their environments.

trees, banana trees and coconut trees with tropical flowers like those that grow out of the treetops in a rainforest. Interconnected palm leaves help fill in the overhead areas. At one point, the canopy opens up, revealing a fiber optic night sky that reproduces the constellations as they appear above the equator.

Schussler's perhaps unrealistic goal for the Rainforest Cafe is to appeal to anyone and everyone in the world. "Rainforest Cafe offers family entertainment, food, and products for kids, parents, and grandparents, from three to 103," he says, as he launches a typically Schusslerian sales pitch.

Schussler has been developing the idea for the Rainforest Cafe since the early 1980s. Between then and now, he's had other business ventures, including Juke Box Saturday Night, a themed night club in Minneapolis that rose to prominence in the late 1980s before falling victim to the recession and closing in 1991.

For many small-business people, a failed business is the end, a blow to finances and ego that is simply too much to overcome. That's it. Wrap it up. Time to go find a job.

But Schussler lives in an all-or-nothing world. Juke Box Saturday Night came to nothing. But there were more ideas where that one came from. Ideas like Rainforest Cafe.

Give Schussler an idea he likes, and he'll start selling it. He'll invest himself body and soul in the undertaking, refusing to care about the opinions of the thousand-and-one people who think he's crazy or stupid.

If an idea he believes in isn't working, he doesn't blame the idea; he blames the person selling it — himself. And redoubles his efforts.

"You have to believe in your product," he says. "You have to know your product. You have to know it so well that you can answer questions with a deep belief in your answers. You have to use your products, wear your products, show your belief in your products."

Many large and small retailers talk that way. But how many live out on the edge of disaster where that kind of talk really means something, where every

decision is all or nothing?

That kind of commitment can lead to ruin. Steve Schussler doesn't seem to care about the possibility of being ruined. Instead, he cares about rainforests and tropical birds and their environments. He cares enough about these things to make a business out of them.

"Rainforest Cafe started with my love for animals," Schussler says. "I was looking for an environment for my tropical birds, something that would make them comfortable."

In 1987, to make his birds comfortable, he decided to turn his three-bedroom home in suburban Minneapolis into a 3,000-square-foot rainforest. He altered the HVAC system to create the muggy, sweaty atmosphere of a rainforest. He created thick displays of foliage and rock outcroppings in many of the rooms. He installed huge aquariums with tropical fish.

The birds loved it. The neighbors got nervous.

Schussler experimented. "I would come home and sit down and think about the environment in the house. If I thought the cascading waterfall wasn't quite right, I turned the water flow up or down," he says.

Many of the displays, such as the waterfalls, were on timers. In fact, he went through 75 timers until he found the ones that turned the jungle off and on in a way that made him and all of the birds happy.

"When I realized that the rainforest made me comfortable too," he says, "I began to wonder if I could market the idea, whether I could mix the comfortable feelings with retail merchandising and a restaurant, with new and never-done-before foods, and combine it all into a concept that could be sold around the country."

That's Steve Schussler, careening in his imagination from his living room to a national retail and restaurant chain.

Kind of crazy, huh?

While the rest of us, being sane, would have put the idea aside, Schussler began inviting a series of investors over for a look-see; among them were Curt Carlson of Carlson Companies and Jürgen Bartel of TGIF.

THE RAINFOREST



"Rainforest Cafe started with my love for animals. I was looking for an environment for my tropical birds, something that would make them comfortable."



Flying, sculptured dolphins (above) arc toward a 14-foot-tall waterfall that reaches up beyond the 12-foot-high jungle canopy that serves as a ceiling throughout the restaurant and store. The long storefront (right) runs more than 140 feet, all of it open. As you face the opening, you can see into the restaurant on the left and into the retail section on the right.

Most of Schussler's sales pitches failed. "They told me to call them when I was open and running," Schussler says.

In other words, they thought Schussler was nuts.

Schussler decided it wasn't the idea, but the presentation, that wasn't closing the sale. He hadn't worked the idea through in enough detail. So he bought merchandise and fixtures and added a store to the jungle inside his house. He also added more details to the jungle. Fog everywhere. Mists in every room. A waterfall here and there. He also began experimenting with dishes for the proposed restaurant.

About three years ago, Lyle Berman, chairman of the board of Grand Casinos Inc., one of the largest gaming companies in the United States, showed up at Schussler's place to look at the rainforest-in-a-house concept.

After the meeting, a Berman associate reportedly remarked, "Either this guy is insane or he's a genius." Berman replied, "A little of both."

Berman thought that Schussler might have something: a brand new idea for a

retail business, a combination theme restaurant and theme store tailored to upscale tourist markets where people went for entertainment, products and food. Schussler's concept offered all three, inside of a tight thematic and visual concept.

Then again, maybe not. Berman expressed interest, but left without making a commitment. Schussler got him to come back, once, twice, a dozen times.

Soon, Schussler pried a consulting job out of Berman. "I worked as a consultant for him during those years, to earn enough of a living to support the dream," Schussler says.

And Berman continued to visit Schussler's homegrown jungle store, returning 15, 16, 17 times.

"Every chance I got, I tried to sell him on backing the idea," Schussler says. "It was constant. Selling while working for him. It's the most incredible thing I've ever done."

Selling. That's Schussler's genius as well as his loose screw. Schussler eventually spent a half-million dollars transforming his home into a sales presenta-

tion of the Rainforest Cafe. And Berman eventually visited 26 times before agreeing to put up the \$2.5 million Schussler needed to build the first Rainforest Cafe.

The resulting store is a remarkably detailed re-creation of the sights, sounds, smells, tastes and feel of a rainforest. Not a real rainforest, perhaps, but something that captures the spirit and feeling of Schussler's not uninformed idea of a rainforest.

The store design and construction fell into place as if Schussler had been working on the idea for years. Which, of course, he had been doing.

The long storefront runs more than 140 feet, all of it open. As you face the opening, you can see into the restaurant on the left and into the retail section on the right. "That size of an opening creates problems in finding sites," Schussler says. "But we don't want to tease customers. We want to show them everything, the retail section and the restaurant, right away."

Roaring thunderclaps followed by actual rainstorms rumble relentlessly through the store, often making children

RAINFOREST CAFE



cry. At first. As their sobbing runs its course, the kids usually begin to giggle at the idea of a thunderstorm in a mall and they look forward to the next storm's arrival.

The HVAC system pumps the aroma of fresh flowers through the store, providing a sense of the smells of a rainforest. A concrete fixture called the elephant wall features elephant trunks with scaly elephant-like skin. In a pond along the storefront, a mechanical alligator snaps at customers and then wags its tail. A mechanical snake slithers through one of the concrete, hand-sculpted banyan trees. Another banyan tree, named Tracy, speaks to customers. Rock formations, gnarly tree roots and foliage spill across the sales floor and into the restaurant.

Schussler demands authentic detailing throughout the store. The storefront uses a low stone wall to separate the store from the mall. Like many of the fixtures inside the store, the wall is made of concrete, but it looks like stone. "Artificial rocks can look bad if they aren't done right," Schussler says. "In a

FLOORING FIT FOR A RAINFOREST

Lyle Berman of Grand Casinos Inc., the financial powerhouse behind the Rainforest Cafe, reportedly confided to an associate that Steve Schussler was part genius and part insane.

The target of that remark enjoys returning the compliment. "There's a little genius in all of us," says Schussler. "Lyle came up with a very creative and cost-effective idea for the floor of the Rainforest Cafe."

Creating a floor to fit the concept of a rainforest proved to be an important problem in the design of the store. Traditional floorcoverings such as tile, carpet and wood might well have broken the spell of the rainforest illusion sought by Schussler for his store, while raising the cost.

"We wanted to give people the feel of a tropical rainforest," Schussler says. "Lyle came up with an unusual idea. He suggested staining the concrete floors in a way that would make it look like the hard dirt floor of a rainforest. We used muriatic acid to do that. This is an acid with a color tint, and there are four colors available."



The technique called for simply spreading the acid on the floor. In some cases, two or three layers of the different tints were spread, one on top of the other. In most cases, workers spread a single layer. The trick to the technique involved dousing the acid immediately with water.

"The acid brings out the cracks in the concrete," Schussler says. "The imperfections help create the look we wanted. The floor of a tropical rainforest is muddy and different everywhere, and no two sections of our floor are exactly the same."

—Mike Fickes



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tropical rainforest, there's a certain look, usually a dark look. We developed this look with the concrete company we hired to do the custom rock work, as well as the work on the trees."

All of the trees, from the trunks to the

branches, are made of concrete. After sculpting the trees, artists apply paint, using a color process that takes three days — one color for each day.

The store has seven 14-foot-tall concrete banyon trees, each featuring more

than a thousand life-like leaves. The trees plus the stone-work and many of the fixtures add up to 7,500 square feet of sculptured concrete. Whatever unique claims that Schussler makes for the Rainforest Cafe, square foot for square

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foot it is undoubtedly the heaviest store in the world.

The cashwrap is built partly from a 3,000-gallon fresh water aquarium. A 5,500-gallon fresh water aquarium in the shape of an arch leads from the store into the restaurant. Inside the tank, a scuba diver equipped with an underwater microphone talks about the plight of the earth's rainforests. There are three more 450-gallon salt water fish tanks scattered through the restaurant.

The five tanks contain 130 tropical varieties of fresh and salt water fish, including the little-known South American Arawanas, which can jump out of the water and catch a bird. Don't worry, the tanks are covered.

Customers don't see the closed area to the right of the retail floor. It is an 800-square-foot habitat room created to keep the tropical birds happy after hours on display in the store. Inside the room, the birds relax with a sound system that simulates rainforest ambiance. The birds also have their own refrigerator, their own kitchen, their own freezer, their own ventilation system. Schussler employs a curator with a staff of five people, including an aquatics engineer, to look after the birds and the fish.

If it strikes you as odd to have a restaurant and a pet store under the same roof, you're not alone. Early in the process of developing the store, Schussler suspected that the local health department would have a few questions about Rainforest Cafe.

"We called the Bloomington Health Department about seven months before we signed our lease," he says. "We discussed our plans with them in great detail; we told them everything. By getting them involved early, we made them a part of the planning of the project."

In other words, Schussler stormed into the health department and began selling them his idea. Because, of course, without the health department's blessing, there would be no tropical birds in

GREENING UP THE RAINFOREST

Retailers who tap environmental themes generally offer more than lip service to environmental causes. Customers won't return to stores perceived to be run by opportunists.

"It's important to ask if you're doing something worthwhile," says Steve Schussler. "In a store like the Rainforest Cafe, that's the environmental tie-in."

Schussler has set a number of Rainforest Cafe policies designed to support as well as promote the environmental cause of rainforests.

The store sells products made by people indigenous to the rainforests, as well as products manufactured by companies that donate a portion of their profits to the cause.

A portion of restaurant and retail profits goes to the World Wildlife Fund, Conservation International, The Rain-

forest Action Network, and other such groups. Money collected in the ponds and wishing wells in the store also goes to environmental organizations.

Both the store and restaurant exclusively use environmentally friendly cleaning products.

The restaurant will not buy beef raised on deforested land and serves only line-caught fish.

In the restaurant, the tables are constructed from recycled newspapers and a resin derived from soybeans. According to Schussler, this environmentally friendly material was developed for a science project by a 12-year-old girl named Molly who lives in Mankato, Minn. Molly created the material as a science fair project, won a blue ribbon, and went on to perfect the material with a company called Rho Delta.

—Mike Fickes

Rainforest Cafe. And in an all-or-nothing world, no tropical birds would have meant no Rainforest Cafe.

By the time Schussler finished, no one at the health department seems to have even considered stopping the project. Great family concept, they said. We'll do whatever it takes to help you do whatever you want to do with your idea.

Similarly, Schussler complied with their requirements, installing an extended air filtration and purification system, along with a separate ventilating system for the habitat room.

"I'd say there's more air movement in our store than in perhaps any retail store in the world," Schussler says. "I'll bet there's five times as much air movement. No one has ever done what we're doing with live animals...."

Okay, Steve. Okay.

When you visit the Rainforest Cafe, you'll probably flinch a little when all of a sudden it begins to rain right next to where you're eating a bowl of Jungle Chowder or a plate of Mojo Bones. In fact, it rains around the perimeter of the mushroom bar every 20 minutes.

You'll probably jump when Tracy Tree, the large banyon tree presiding over the children's merchandise area, speaks to you, offering first a fact about rainforests and next a quick sales pitch for the store.

Last December, Michael Jackson showed up wearing a ski cap and trailing a couple of bodyguards. While Jackson was looking at postcards, Tracy Tree shouted, "Hey kids, it helps to recycle," which got his attention.

Jackson sent word to Schussler that he would like to talk about buying Tracy. Schussler's salesman's eyes began to glow. Later that same week, Jackson sent a car for Schussler. What a meeting that must have been. Think about it. How would you go about selling a concrete talking banyon tree to Michael Jackson? Just what would you say?

You can be sure Schussler figured something out. And whether he made the sale or not, he'll save the experience and use it to prepare for the next opportunity that comes along. In a world of canned corporate ideas for books, movies, cars, packaged goods, clothing, restaurants and retail stores, the Rainforest Cafe stands out because it comes directly and entirely from inside the imagination of its creator. And there is no other place quite like that. ●

Mike Fickes writes about business from Baltimore.

THE PLAYERS

CLIENT

Rainforest Cafe Inc.
Lyle Berman, Chairman of the Board
Steve Schussler (as a sole proprietor)
Ercu Ucan, Retail Senior Vice President
Kenneth Brimmer, Secretary-Treasurer

Consultants

Conceptual Design: Steve Schussler
(as a sole proprietor)
Interior Design: Steve Schussler
(as a sole proprietor); Shea Architects

Suppliers

Landscaping: Steve Schussler (as a sole proprietor)
Fixtures: Custom Rock
Restaurant Chairs: Ted Weinberg and Associates
Signage: Kaufman Signs
Sound System: Frattalone and Associates