

From Retro to Metro

Sherleen Mahoney

Sonic re-imagines its future through the new Culinary Innovation Center

For many years, Sonic Drive-In was a regional brand. Those who lived outside of its dozen or so states may not have known about Sonic's unique style of service and its great food, beverages and desserts.

Today, Sonic is a national brand. With 3,500 locations across 44 states—and very soon, in all 50 states—people from coast to coast can pull into a Sonic Drive-In and order classic drive-in foods, such as hamburgers, fries and shakes, delivered by friendly roller-skating carhops.

But what makes Sonic further stand out from its competition is the unique menu items, such as breakfast toaster sandwiches (made with Texas toast), Cheddar Poppers, chili cheese cones, tots and unique drinks that include slushes and limeades. Customers can even combine various drinks and flavors to create more than a million drink combinations, which makes Sonic an unmatched experience for many Americans.

SOMETHING FOR EVERYONE

Sonic serves five parts of the day: breakfast, lunch, afternoon, dinner and evening, known internally as the BLADE approach. This strategy captures a broad demographic by appealing to different customers at different times.

"We invented the happy hour for quick-service restaurants," said Patrick Lenow, Vice President of Public Relations at Sonic. "By offering beverages at half price, we've turned a slower time of day into a busy time."

The happy hour may entice a mom, who just picked up her kids from school, to stop by for some snacks and drinks. Around dinnertime, a dad may stop by to pick up burgers and tots for the family. The evening may attract teenagers, gathering for fun and ice cream. The broad range of customers gives the company many opportunities for growth and innovation.

"Our primary customer isn't your typical customer for a fast-food chain," Lenow said. "We're broader with age ranges, and we're more female friendly. Part of that is because of our different offerings, many of which aren't repeated elsewhere."

Elevating Taste

While a drive-in restaurant is considered retro, Sonic has modernized the concept and has plans to bring it into the future.

One big initiative is to enhance food quality and raise it to the level of fast casual.

To accelerate this, the company will soon open a Culinary Innovation Center, located in the headquarters building in Oklahoma City. Led by Claes Petersson, Vice President of Innovation, Research and Development, and Packaging at Sonic, the team of five chefs is charged with creating exciting new menu items and with raising the bar on each item on Sonic's menu. They will conduct research and taste tests with consumers and craft ways to make each item taste even better.

"For each item, we're asking, 'Is this where this needs to be, or are there tweaks we can make to enhance it?'" Lenow said.

Petersson, who is from Sweden, says he was intrigued by the uniquely American drive-in concept and wants to stay true to its roots.

"We're not interested in playing the \$1 war," he said. "We want to serve the best possible food on planet Earth when it comes to drive-ins."

With experience opening test kitchens all over Europe for Campbell's Soup, Petersson understands that culinary centers are the heart of a restaurant business.

"We have aggressive plans for our food and beverages," Petersson said. "In order for Sonic to be even more innovative, to stay ahead of the competition and meet consumers' evolving tastes, which is more worldly and adventurous, within the next five to 10 years, we need a state-of-the-art Culinary Innovation Center."

And according to Petersson, it had to be inside the corporate building.

"We considered building it offsite, but I want the operations, marketing, procurement teams—everyone—to be in the kitchen at the same time, to work together as a team, exchanging ideas for the future," he said.

Culinary Creativity

The 3,429-square-foot Culinary Innovation Center houses a full Sonic kitchen replica on wheels to facilitate the changing of equipment, a separate innovation test kitchen, a dining and conference room that seats 40, and a bar area that seats six.

The center is also equipped with video cameras, which are similar to those on cooking shows, for remote trainings, meetings, interviews and the filming of demonstrations and training videos.

The primary users of this space include the product innovation team, the training department and the operations services group, who translates the product innovation team's ideas into executable recipes.

"They will help 'operationalize' recipes," Lenow said. "They understand restaurant operations and how the cooks work and think. They know what's realistic for our concept. So, they'll work with the chefs who create great ideas to ensure that our 18,000 cooks can prepare these recipes in 3,500 locations on a daily basis. They'll make sure the recipes are repeatable and scalable and taste just as good in each drive-in as they do in the Culinary Innovation Center."

Prior to creating the Culinary Innovation Center, the headquarters had a small test kitchen with a limited amount of equipment for creating recipes. When the staff needed extra space for cooking and taste tests, it took over the Sonic Drive-In located next door, which is open to the public. This meant that sometimes, culinary operations would prevent the drive-in from serving guests.

"The small test kitchen served its purpose appropriately, but as we have increased our focus on raising the bar on food quality and uniqueness across the board, we need a bigger, more expansive facility," Lenow said. "This will give our product innovators a place to work to allow their creative juices to flow."

The versatility of the space also fosters the testing of new cooking equipment.

"Everything is flexible," Petersson said. "We can change out and try new equipment as needed. Whenever we have a need that fits with the DNA of our food, we'll bring in that piece of equipment."

"We'll bring in the right equipment to prepare the types of food we want to prepare," Lenow added. "For example, if we're developing a new sandwich that we can't make with today's equipment, we'll test a new piece of equipment that will enable us to add a whole new product line. So, what we have in the center can vary month to month."

To allow for the food to be the star, the space has a minimalistic and sleek design.

"There are not too many colors," Petersson said. "We primarily used white, glass and stainless steel. I want the food to speak when we're in this space."

Guided by Petersson's affinity for mid-century modern furniture, particularly the Eames era designs, the dining room features Eames molded plastic chairs and Herman Miller tables, and the barstools are designed by Berlin EOM.

The Culinary Innovation Center is scheduled to open in late July or early August.

"To be this national brand with a presence in all 50 states, this is the right investment at the right time to make sure innovative food that Sonic is known for continues," Lenow said.

INNOVATION ALREADY IN PROGRESS

Many Sonic customers are already familiar with what Petersson and his team have brought to the table and to the car. They are the brains behind the Chili Cheese Pretzel Dog and the Asiago Caesar Chicken Club Sandwich.

The real beef hot dog is made with 100-percent pure beef and topped with warm chili and cheddar cheese, served in a soft, warm pretzel bun.

"We are the hot dogs market leader in America, but we asked how can we renew what we're doing," Petersson said. "That's how we come up with ideas like the pretzel dog. We have drive-ins in the Northeast that sell 350 pretzels dogs per day."

While Sonic is strong with hot dogs, it was light on chicken offerings, so Petersson and his team worked with many different ingredients to create their version of the classic chicken club sandwich.

"I thought the first chicken sandwich we offered when I first came here was boring," he said. "The bun was too grainy, and the chicken didn't taste the way I wanted it to taste."

The Asiago Caesar Chicken Club Sandwich was inspired by a Caesar salad with aioli dressing he ate in New York City in 1994. He envisioned creating a Caesar salad on a bun for Sonic. Then, he added marinated, 100-percent, whole-breast white meat chicken, Asiago cheese, crispy bacon, hand-sliced tomatoes and fresh romaine lettuce, served on a Ciabatta bun made with whole grains.

Petersson's personal recipe for aioli is made with only seven ingredients: egg yolk, Dijon mustard, lemon juice, anchovies, garlic, vinegar and oil. Petersson says he always keeps a bowl of fresh aioli in his refrigerator at home. The version his team created for the drive-in replicates the taste and texture of his homemade recipe on a larger scale.

He also sees even more opportunities with lunch and dinner. And since Sonic doesn't use any equipment overnight, he's intrigued by the possibility of preparing food during the night, when the drive-ins are closed, for the next day.

"My vision for Sonic is developing the best possible product in all the segments," he said. "We serve about 20 million people every week, and we can attract even more; that's why I'm here."

Maintaining a Unique Concept

Sonic's unique style of service means that its facilities management is also unique.

For one, the buildings are smaller than that of typical fast food restaurants. Sonic's buildings measure between 1,400 to 1,500 square feet, which means there's no extra room for redundant pieces of equipment. Therefore, it is critical for the facilities department to maintain the existing equipment.

And with the carhops delivering orders on roller skates or inline skates, it is very important to keep the parking lots and the tile inside the buildings in tip-top shape for their safety.

A typical fast-food restaurant has one to two drive-through menu boards, but each Sonic Drive-In has up to 30 menu boards—one in each stall. Those must be maintained as well.

To manage the facilities, Wayne Brayton, Senior Director of Facilities at Sonic Restaurants, turns to RFMA vendors.

"RFMA has been very good for us," he said. "We're an appropriately lean organization. It's just Barbara Gerlach (the Warranty Manager at Sonic Drive-In) and myself. We rely on RFMA's national vendors to take care of our roofs, HVAC, door and glass needs, concrete, plumbing, electrical and other areas."

Brayton maintains vendor contact lists that are sorted nationally and by market so restaurant operators always have immediate access to contacts. The information is also available on the company's intranet.

When a critical piece of equipment needs to be replaced, the company keeps spare equipment in storage facilities, and the national equipment vendors have equipment warehouses around the country.

"Facilities maintenance is something we take very seriously, and we take a lot of pride in making sure our drive-ins look good and all the equipment is in top operating condition," Brayton said.

A 21-Century Drive-In

Over the next three years, Sonic will be upgrading its drive-ins in a variety of ways.

Each drive-in will receive a total exterior facility upgrade that covers everything a customer sees from the time they pull into the parking lot until they pull out.

Each location will receive a fresh coat of paint on all exterior metal surfaces, new parking lot lighting, repairs to the parking lot, restroom upgrades by changing from reinforced fiberglass plastic flooring to tile, refreshed landscaping and improvements to the dumpster area as needed.

Brayton said the most important part of the upgrade is the lighting overhaul. All the drive-ins are converting from metal halide parking lot lights to LED lighting.

"It's been amazing for our drive-ins," he said. "Not only does LED provide much better lighting, we're using less electricity and seeing energy savings at the drive-in, and we're getting rebates from the utility companies."

Brayton has worked diligently over the last year to refresh the corporate locations. Now, he will support the franchisees, who own 90 percent of the locations, through the same process.

"Our goal is to be more consistent with our image," he said. "Customers expect the same high-quality environment at each location."

Once the exterior refresh is complete, a new Micros RES point-of-sale system will be installed at each drive-in. The fully integrated system is suited for complex environments like Sonic's unique ordering structure.

In a typical quick-service restaurant, there's a drive-through and up to three cashiers inside. At most, up to four orders may be processed at a time. Each Sonic, on the other hand, has up to 30 stalls. Many of the locations have a drive-through, and some new locations have indoor seating with cashiers. This means in one location, up to 12 people may be ordering at the same time, with as many as six employees taking orders.

"We like to say everyone is first in line at Sonic, so we need a system that is methodical and efficient to make sure the right food is getting on the right trays," Lenow said.

The new system is efficient enough to process all the orders and improve throughput, delivering the food faster and fresher.

Another initiative is called Point of Personalized Service (POPS), and it will link Sonic to the 21st Century by engaging with customers like never before.

All 100,000 menu boards across the country will soon include an interactive, 10.5x18.5-inch digital screen. The unit will recognize when a vehicle has pulled into a stall and will display a series of images to promote products and make

suggestions to the customer. Guests will be able to swipe through the screens to find a variety of information.

The digital screens will assist with order verification to improve accuracy. They are also intuitive. For example, five minutes after a guest has received his meal, the digital screen will start displaying images of desserts because it will know he did not order one.

The POPS initiative will also tie in with Sonic's mobile strategy, loyalty tools and social media platforms, specifically with Facebook and Twitter. It may show the top-selling items at a particular drive-in, as well as Facebook posts and tweets about one location. In the future, the system will even be able to automatically recognize loyal guests and welcome them back. (For now, the company is staying mum about how the system will be able to do that.)

The company views the exterior refresh as the foundation to the initiatives. In fact, the exterior refresh is so important that the company will not install the new point-of-sale system or the POPS until the refresh is complete.

"If we're going to make this kind of investment, we want to make sure the curb appeal is as sharp as ever," Lenow said. "The refresh will say to customers who are driving by that there is something new and better at Sonic."

So far, 120 Sonic Drive-Ins in four markets are complete. These include parts of Oklahoma City and Tulsa, Okla., and Palm Beach and Pensacola, Fla. Mass deployment begins soon, and it entails installing the point-of-sale system and the POPS overnight.

The Salt Lake City market; Charleston, S.C. market; and other Midwest cities will be completed by the end of this year.

This is a substantial investment for Sonic, but initial results indicate that guests love the new digital feature and sales are on the rise.

"There's really nothing like Sonic," Lenow said. "Our food is different, our service style is different, and now we're going to use technology in a different way that makes Sonic even more unique from the competition."

All About the Future

To Petersson, Sonic's success comes down to a simple formula.

"My food philosophy is all about taste," he said. "If you buy something you like and you can afford it, you'll be back."

And Petersson hopes that exciting new menu options will keep customers coming back. He says later this year, guests can look forward to an extension of the hot dog line and new chicken products with new sauces. And because Petersson and his team know that customers are more health conscious these days, they are currently testing unique salads and new beverages that are alternatives to carbonated soft drinks.

"It's all about choice," Lenow added. "We have an obligation to provide consumers with the information to make the right choices for themselves. That's why we offer customizable, made-to-order food. We can hold the mayo and use mustard instead, and offer changes based on dietary needs. We want to give our guests choices, and there will be even more choices down the road."

And for desserts, Lenow said Sonic will soon announce something they've never done before with ice cream.

If all of this doesn't get you excited—and hungry—nothing will.

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