

## BUSINESS



Olga's Vice President Mike Kosloski and corporate executive chef Quinn Adkins are in Olga's first Market Fresh Grill at Great Lakes Crossing in Auburn Hills, where the menu is new, lighter and more nutritious -- but still has the standbys.

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**Restaurant tries healthier twist**

# Olga's freshens up as chain turns 40

**Tim Devaney / The Detroit News**

In 1970, Olga Loizon opened a restaurant in Birmingham that won a faithful customer base with its unique recipe of grilled bread wraps. The Greek-inspired creations were kept simple. Offerings like a hot dog wrap and salad eventually made the menu -- when Loizon, who ran a practically one-cook shop, was in the mood to make them.

After incorporating in the mid-1970s and going through growing pains in the 1990s, Olga's Kitchen is changing with the times as it celebrates its 40th anniversary. And it has a decidedly more deliberate approach.

The nearly \$50 million-a-year enterprise is trying to enter new markets with an updated menu and a healthier twist on the original concept. It is testing the new approach in Metro Detroit and hopes to spread it throughout the Midwest.

Olga's has 34 locations, all but three in Michigan. But the fast-casual restaurant plans to expand throughout the Midwest with 100 new franchises in five years.



Olga's Vice President Mike Kosloski shows some of the new menu offerings, which include a pan-Asian salad with lightly breaded shrimp.

It wants to start the process next year with restaurants in Chicago, Cleveland and Indianapolis -- and later expand to Pittsburgh, St. Louis, Minneapolis, Milwaukee, Cincinnati and Columbus, Ohio. The chain also wants to open two or three more company-run restaurants in Michigan.

"We're awfully proud of the fact that we have a brand that's endured for 40 years and is thriving today," Olga's Kitchen CEO Matt Carpenter said.

"We think our brand is relevant here, and we think it's important to stay focused here in the Midwest."

In 2002, Olga's Kitchen attracted 3.4 million customers, and the company is on pace to serve 4.2 million this year, he said.

"It's always a good sign when a restaurant comes out and " said Andy Deloney of says, 'You know what, there's a demand for our concept,' the Michigan Restaurant Association, which represents more than 4,500 eateries statewide.

Olga's attempt to expand in the 1980s didn't succeed in the long run. New franchises were connected to shopping malls, which began declining a decade later, Carpenter said. The chain's 52 restaurants -- including a franchise as far away as California -- declined to 26 by 2005.

But this time, Olga's plans to expand by building inside strip centers that are filled with big retail chains that could help attract customers.

The chain has come a long way since Loizon started 40 years ago by offering just "The Original" Olga sandwich -- broiled and seasoned lamb and beef covered with onions, tomatoes and a yogurt sauce on a bread wrap. The creation was unique in an era when sandwich meat customarily came on traditional bread or a bun.

Olga's claim to fame is this secret recipe for a grilled bread wrap that covers about 15 sandwiches. Another popular choice is spinach and cheese pie. "Olga Snackers" -- sliced pieces of grilled bread that are fried, seasoned and served with Swiss almond cheese -- complement the restaurants' soups.

While the business has grown, Carpenter said he realized Olga's needed to revitalize its brand before it steps into new markets. So the chain is trying to change its image and reach a younger generation of customers.

In July, Olga's opened its first Market Fresh Grill at Great Lakes Crossing in Auburn Hills. This restaurant is a "more desirable model to grow," said Olga's Kitchen spokesman Chad Oliver.

It serves more nutritious food in smaller portions that customers can share so they can sample different items. Offerings include a pan-Asian salad with lightly breaded shrimp and the Fresh Veggie Olga Sandwich.

Customers can watch their food being cooked at the new restaurant, which the company is running as a test site. Depending on the results, the Market Fresh Grill approach could play a big role in the company's expansion.

Olga's new approach is necessary to compete in an ever-changing industry, experts say.

"Their concept, which was once unique, was old," said Ken Dalto, a Farmington Hills retail consultant who used to frequent the restaurant but hasn't in about five years. "And they got into a situation where they needed to reposition themselves and remarket themselves.

"There are few restaurant concepts that never change," he added.

The company said Olga's food remains popular, but just needs additions to reach a broader audience.

"It's not about change," Carpenter said. "It's about evolving the brand to make it more contemporary and relevant."

Olga's representatives still cherish their longtime diners, crediting the chain's success to families who have stuck with the restaurant for generations.

"We have kids and kids of kids that are now our customers," Carpenter said. "Those people that grew up and had fond memories of us now trust us with their children. I can't think of a better testament for a consumer to remember a place they ate at as a small kid and say, 'This is where I want to " take my family.'

Marcia Kosar has been an Olga customer for decades, even though she lives in Colorado, where there is no Olga's.

"When I come back to Detroit, everybody has to meet me at Olga's," Kosar said.

She always orders a ham and cheese sandwich, which the restaurant makes special for her since it's no longer on the menu.

It takes a smart company to recognize when change is necessary, said Deloney, of the Michigan Restaurant Association. While many restaurants are struggling to stay in business, he said, Olga's has weathered the storm quite well.

[tdevaney@detnews.com](mailto:tdevaney@detnews.com) (313) 222-2300