

Ken Otto, President of the Family & Premium Dining Division and the Chief Development Officer of CARA Operations Limited, is a food service veteran. Over the years, he's taken on a variety of roles within the 133-year-old company that includes brands like Swiss Chalet, Harvey's, Milestones, Montana's, Kelsey's, East Side Mario's, Casey's, New York Fries, Prime Pubs, Bier Markt, and the Landing Group of restaurants.

riginally Otto was looking to study business at university, but when he discovered the Hotel and Hospitality program at the University of Guelph, his interest was sparked. "Running a restaurant is one of the most complex and challenging businesses you can get yourself into. Every day is a bit different, and there are so many things all happening at the same time, which makes the business really interesting," says Otto. "You're always guaranteed work."

After beginning his career as a consultant, Otto joined

Cara Flight Kitchen-Airline Services. It was a moment at this job that cemented his love of the food industry. "I was working on a presentation with one of our chefs. Looking at the creativity that went into our food – it struck me. Every day the creativity never ends; every day I get to see new food I've never seen before."

From there, Otto gained experience in the industry, working for well-known brands like Boston Pizza, growing his knowledge of food service and franchising, and then returning to CARA to work in different capacities, including as COO of the Air Terminal Restaurants.



#### **Building business through strong relationships**

What Otto loves the most about his current role is "sharing a vision and a passion for the potential of our businesses." Along with that passion, Otto harbours a huge sense of responsibility. In franchising, "the challenge is that the decisions we make directly impact someone's family. I have a responsibility for people's livelihood," says Otto. This is something he takes very seriously, he says, and above all, "I love doing my job. It's a great challenge."

One lesson Otto has learned on his journey is the importance of communication. Since CARA is such a large company, and Otto has a relatively small number of direct reports, "It's important to remember to look beyond the people who work directly for you and find creative ways to share the story and vision with all of the brands," he says.

As for communication with the franchisees. Otto enjoys the openness of the franchisor-franchisee relationship. "Usually in a corporate environment, if you're the boss, people will agree with you, but when dealing with franchisees, they simply tell you the truth. They're invested, and they have very high expectations for what they get from paying a royalty fee and an advertising fee - as they should," he explains.

Looking toward the future, Otto sees big things for the company. "At CARA, we've made some interesting and successful acquisitions like New York

# "We understand that each brand needs to have its own culture and DNA."

Fries, The Landing Group, and the pending acquisition of St-Hubert. Between our current brands and our new brands, there's tremendous opportunity for growth across Canada."

One asset of working at CARA is the potential for growth that comes from having multiple brands. "There's a sense of collaboration when you run a multi-banner



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company that really drives people to learn more and be more creative and, frankly, compete more," he explains.

Otto says CARA brands learn from each other, taking new information and applying it across different businesses. "It's almost like a PhD in restaurants every day," he notes. However, he makes it clear that CARA doesn't have a cookie-cutter approach when it comes to the different brands. "We understand that each brand needs to have its own culture and DNA. We designed the company to give the people the freedom they need to make their own path."

At CARA Operations, the focus is on how to get each of the brands to make a profit. "We are persistent in driving sales and taking out cost. Even if it's the best idea in the world, if it doesn't make money for the franchisees, then it won't be successful," says Otto. "Because of our size, we have the ability to attract the best people in marketing, operations, and design – this means we have some great people running some great companies. And that's going to keep our company alive and running for years to come."

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His advice to prospective franchisees starts off with a simple concept: choose something you love to do. "First and foremost," Otto declares, "You have to think 'Where am I going to spend 12 hours a day, seven days a week for the first several years?" While a good franchisor will provide the franchisee with tools and training, the success of the business depends on the work the franchisee



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CARA Additionally, franchisees must have a deep curiosity about the business, Otto asserts. For example, if the restaurant were Harvey's, the franchisee would have to be interested in understanding why Harvey's has been successful, and what makes a quick service burger restaurant succeed where another would fail. Otto says you can't just be interested in one aspect of the business; you have to be curious about the whole thing, "from the service to the food to the people and the design."

Beyond curiosity, a CARA franchisee needs



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outstanding financial skills, including business planning, budgeting, accounting, and cash flow management. The franchisee must also be a highly skilled communicator. "You need to take the vision and the culture of the franchise and apply that to your people," Otto explains.

"The franchisor can't do that for you: you are the one running your business day in and day out." The franchisees have to inspire the people around them to grow sales and to make a profit. According to Otto, a successful franchise is partly the result of the successful model from the franchisor, and partly the work of the franchisee – both are necessary for the franchise's success.

The most important characteristic of a great CARA franchisee is selfreliance, says Otto. "They have a relationship with the franchisor and they rely on the franchisor to make good decisions with the brand and to give them the tools and training they require, but they wake up in the morning knowing that if they don't make it happen, it won't happen," he explains.

While franchisees are expected to follow the franchisor's detailed instructions and system, "They just have an entrepreneurial gene. Most of our franchisees have had to be entrepreneurial before, so they understand the saying 'If it is to be, it's up to me.' They are highly disciplined and follow the model, but they put their own stamp on what all the systems and procedures are."

"This business will throw lots of things at you, despite your best planning and multi-tasking efforts and tenacity," Otto notes. But, "Franchising has a way of bringing out the best in people. Franchisees bring energy, discipline, and creativity to the business every day." **\*** 

