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## **New Gold Star CEO Mike Rohrkemper has taste for growth, change**

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Mark Bowen | Courier

Mike Rohrkemper, who became Gold Star's CEO on May 1, said he wants to expand the business in Greater Cincinnati, as well as boost individual store performance.

Let the price of cheddar do what it must, but it will not keep Mike Rohrkemper down.

The newly appointed CEO of [Gold Star Chili Inc.](#) is well aware of the market conditions that threaten his industry: the 8 percent increase in food costs, the \$4.10-per-gallon price of gas, and the fact that consumers are eating out less.

But Gold Star occupies an enviable position in the industry food chain. Less expensive than the typical fast-casual and family restaurants, it is the kind of restaurant to which many consumers are trading down. When Gold Star recently increased prices by 3 percent, Rohrkemper did not see the negative response he had braced for, considering he competes with Skyline and other chili chains.

"It's important to chart our own course, independent of our competitors," he said. "Our competitors should not be ignored, but rather examined for opportunities for a winning market position."

That position involves a focus on Gold Star's core restaurant business, which includes 100 restaurants, while exploring real estate ventures, manufacturing opportunities and expanding into grocery stores outside of Cincinnati.

***Challenging time***

It is a cautious plan for Rohrkemper, a CPA who, for nearly 20 years, was a consultant for Gold Star, and who became CEO on May 1. Despite the price-point advantages, he is aware of industry challenges and waning consumer confidence. Add to that the raised minimum wage and pending legislation for mandatory paid sick leave, and the industry is taking it on several sides, said Mark Glasper, director of communications at the [Ohio Restaurant Association](#).

"Ohio is feeling the pinch economically," he said. "We lost a lot of jobs here, and I'm not just talking about the food industry."

Still, the overall driver at Gold Star will remain restaurants, Rohrkemper said. This is why Gold Star is investing to build brand awareness, having recently hired a marketing director, and spending a lot of time with the company's roughly 50 franchisees.

The goal is to expand deeper into Greater Cincinnati while also improving per-store performance, an operation akin to enhancing gas mileage while also driving more miles. Gold Star's "Get Lost in the Taste" campaign has helped. Average restaurant sales rose to \$660,000 in 2007, from \$650,000 in 2006, according to [Technomic Inc.](#), a food industry research firm in Chicago. Gold Star posted revenue of \$71.1 million, from \$70 million in 2006.

Still, Rohrkemper wants to diversify the portfolio, to build on businesses not as vulnerable to food-service headwinds. Among them is real estate. It owns a number of its franchised locations and in the past three years has invested in three strip centers, in Blanchester, Middletown and New Richmond. They are anchored by a Gold Star and include two to three other spaces that it leases out.

Closer to home, Gold Star is looking at ways to make more from its commissaries business, which is at 50 percent capacity. Lastly, Rohrkemper is examining grocery sales, an area his predecessor, John Sullivan, introduced. It is a small part of the business, somewhat limited by market boundaries since people outside Greater Cincinnati do not share its affinity for its chili. But Rohrkemper said there are related packaged products, such as Gold Star's Chili Bites or Chili Dips, that could have legs outside this market.

### ***Boiling down complex situations***

All moves speak to what one associate describes as a "steady thinker."

"That's the thing he's always been best at," said Greg Ossege, who with Rohrkemper founded the accounting firm [Rohrkemper & Ossege](#) (now [Rohrkemper Ossege & Combs](#)). "(It's) boiling down complex situations into: What do we do now, and what should we do first? What does this all mean? He's always been really, really good at that."

To Rohrkemper, it all means staying true to what Gold Star stands for and not being defined by what its competitors do. Regardless of the cost of cheese.

And for that, he needs an open mind.

"We don't want to say that anything is a bad idea," he said.

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