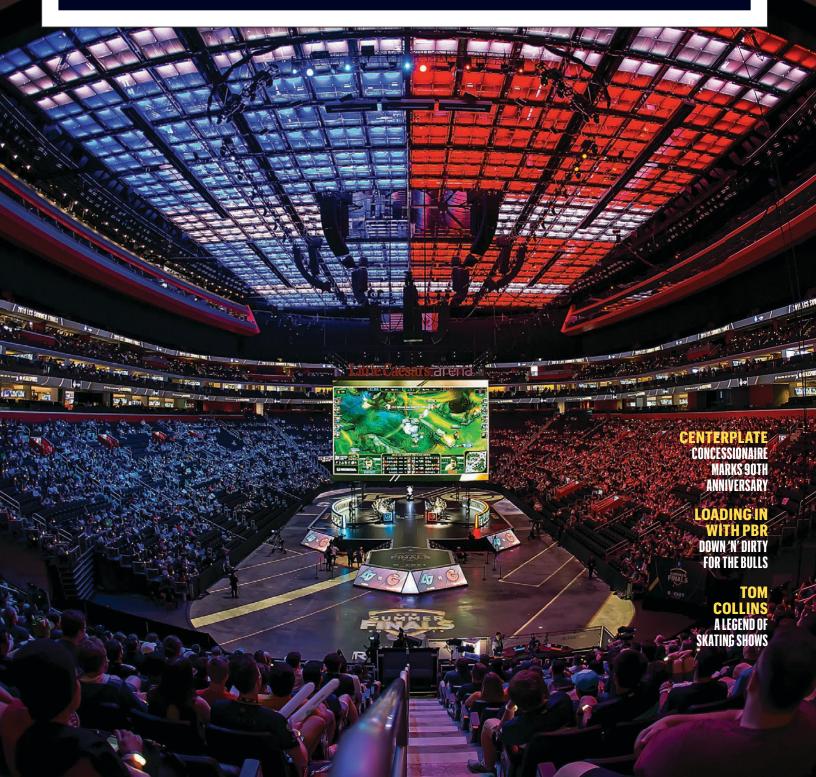
THE \$1 BILLION ESPORTS BONANZA

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Centerplate heads toward centennial by keep







BY BRAD WEISSBERG

From left: T-Mobile Park's chapulines, pork belly banh mi sliders, Las Vegas **Convention Cen**ter's Meat Locker pizza, Vancouver **Convention Cen**tre's Bliss Cake.

oing concessions fresh for clients, fans



1929, NATHANIEL Leverone started a vending service in Chicago and called it the Automatic Canteen Company of America. Leverone got the idea to start the company when he got a handful of bad peanuts from a vending machine and he thought he could do better.

He founded the company on the idea that customers deserved a square deal: fairly priced high-quality food and beverage, served with professionalism and a smile.

Leverone's first real get turned out to be the historic World's Fair in Chicago in 1933. He sold chocolate milk and concessions, and he even installed a few pop-up restaurants. The vending business eventually split off and the rest of the company was split into two: Volume Services, which provided food and drink at sporting events, and Service America Corp., which focused on convention centers.

Those companies announced in 1998 that they would reintegrate, and in 2005 the company began operating under the Centerplate name.

"We were a pretty small team back then," said Diana Evans, senior vice president of marketing and communications, who started at Centerplate in 2008 as marketing director when the company had only 50 clients. "It's a very different company now."

At that time, despite growth and activity, Centerplate was one of the smallest national providers in the market.

"We quickly became a specialist and focused on providing chef-driven, quality F&B using local ingredients. Our motto was 'Food first.' That's how we differentiated ourselves.

"Everything from the hot dogs to the soda were quality products," she said. "We called on our chicken supplier to get us the best chicken for our chicken tenders. We started hand breading products and making things from scratch."

"We were competing against really big companies who were driving efficiencies and low-cost products because they could buy in bulk," Evans recalled. "We couldn't compete on price. We were never going to be the low-cost provider. So, we had to leverage our size to be the best on local. We were the first company to do hyper-local. That's how we stood out."

The company gained traction during 2006-07 when it hired its first master chef and started the chef-driven craze that's standard

today in most modern venues.

Centerplate now has more than 150 clients in North America and has tripled its business since 2007. It's based in Greenville, S.C., with an adjunct office in Stamford, Conn., and has 40,000 to 45,000 employees, including seasonal staff.

"Our convention center business has expanded dramatically," Evans said. "We have cultural attractions and performing arts venues, and, really, we're anywhere that people gather. It's a really fun and interesting growth period."

Centerplate, part of France's Sodexo since 2017, has also expanded outside the U.S. It provided F&B at a good number of U.K. venues, which have now fallen under the Sodexo umbrella, and still operates concessions at Wanda Metropolitano Stadium in Madrid.

Convincing venue owners that high-quality food is what fans want isn't always easy.

"Often the owner's perspective is why should I care, it's only a hot dog," Evans said. "We gently explain that F&B has many touchpoints with the fans and is a huge part of the fan experience. Our best partners are those who want to connect with fans on a personal level and want them to have a quality experience at the venue."

Of the "value pricing" model that's being adopted by some organizations, Evans said, "It's not a concern."

Centerplate has value pricing at Vaught-Hemingway Stadium, home to University of Mississippi football, "and now that we are part of Sodexo, we have the buying power of a small nation," Evans said.

"We're still in the mind-set that we are going to tailor the experience to our clients' brands," she said. "If it's the mission of the client that the price point stays low, we'll support it.

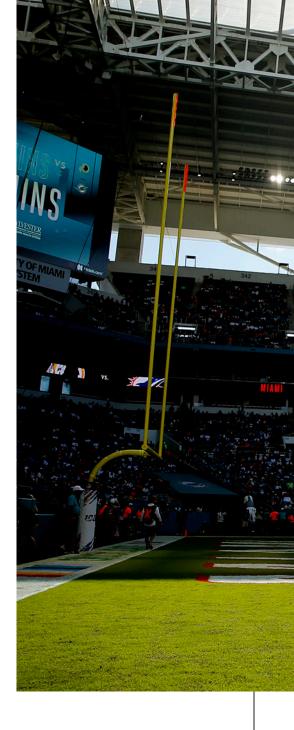
"But we will tell someone that it's hard to build a premium experience entertainment brand and then do bargain basement values. If you are trying to say you are a world class entertainment venue, with luxury sponsors, you can't focus just on price."

'AN ENTIRE NEW WORLD'

SODEXO'S ACQUISITION OF Centerplate in December 2017 has "been amazing," Evans said. "We have literally an entire world now. Sodexo has a venture capital arm that invests in new, start-up technology. They have a purchases division to get best prices. Sodexo has a culinary school in Paris. Suddenly we are part of a global company with the ability to move around and get training. None of this would have been open to us if we hadn't joined such a large well-capitalized, well-developed company."

Sodexo, a public company, reported \$23.75 billion in revenue in 2018 but did not break out Centerplate's earnings. The majority stakeholder is the Bellon family, who started the firm. The founders are still very much involved in the company, and Nathalie Bellon-Szabo is the head of Sodexo's sports and leisure division.

"The transition was smooth," Evans said.
"One of the things they did early on, which was very clever, was to recognize that we had a management team that complemented their



"Our motto was 'Food first.' That's how we differentiated ourselves."

— DIANA EVANS



The NFL's Miami **Dolphins are** a longtime Centerplate client. Below: The chefs at Miami's Hard Rock Stadium get ready for the Orange Bowl.

portfolio really well. So, rather than shaking things up, they wanted us to focus on the

things up, they wanted us to focus on the business with our team in place."

Steve Pangburn, chief operating officer and interim CEO since May when Chris Verros left, said the acquisition was about growth.

"It's worked out great," Pangburn said.
"Sodexo has strong balance sheet and strong backing. We have purchasing power."

Pangburn has been with Sodexo for 15 years and has seen many changes in the hospitality.

and has seen many changes in the hospitality business.

"It's been a global shift toward the specialized and high-end solutions," he said. "In the U.S., it's about learning about who our fans are and what they want to buy at our partner venues. We really tailor the experience to what the end consumer wants in their local





environment to create a unique experience."

What fans want in 2019 is locally sourced, healthy and part of an experience they will remember, he said.

Pangburn stressed that it's not a cookie cutter approach. "Fans should know the venue they are in. Philadelphia is different than San Diego. We want to tap into the uniqueness of each venue, city and region."

That's accomplished by having local chefs and partnering with local restaurants and vendors.

"We want local flavors," Pangburn said. "In Colorado we have a culinary council made up of local chefs. In Los Angeles we partner with the Lucques Group, which is run by James Beard Award-winning chef Suzanne Goin and restaurateur Caroline Styne. We really changed the experience at the Hollywood Bowl. And you can only get that food at the Hollywood Bowl."

"People deserve to eat well," he said. "The culinary aspect has become such an important part of the venues. It doesn't surprise me at all that people want quality. People want to know who has cooked their food."

Pangburn agrees that fan-facing pricing has its place at the table. "We have to offer both," he said. "We have to do both things well."

"In the end, the clients set the expectations, and we want happy people leaving so they come back. I want future partners to say, 'I want them' and our current partners to say, 'I'm glad I have them."

Helping make that happen are constant innovations.

"We have a \$70 million fund for new technology and new services," Pangburn said. "We're interested in everything from in-seat ordering to robotics."



Centerplate's long list of convention center clients includes the Vancouver Convention Centre in British Columbia. Above: The center's executive pastry chef, Maurizio Persichino, shows guests the art of cooking.

WHO MADE THE FOOD?

IN 2013, CENTERPLATE expanded the high-value chef model, hiring local chefs and bringing in local restaurants in every market.

"We moved from having one high-caliber corporate chef to a top-down approach and started hiring top chefs at every venue," Evans said. "Having a global standard didn't serve the needs of the individual communities. No two experience should look, feel or taste the same. We want to be incubators for local small business with products that are unique."

"Seattle is a great example," she said.
"We have a partnership with James Beard
Award-winning chef Ethan Stowell. It started
seven years ago, and that relationship has
blossomed."

Malcolm Rogel is the vice president of tickets and events sales for Major League Baseball's Seattle Mariners, who have played at T-Mobile Park since 1999. They signed their latest twoyear extension with Centerplate earlier this year.

"Centerplate has been our partner since we opened the venue," Rogel said. "It's a true partnership. They are always at the table with us when we make decisions about the food and beverage experience."

"They bring to us a consistent approach and partnership," he said. "We know what to expect and the level of excellence they provide. We're constantly going to other buildings just to check them out, and that helps us understand that we've made the right decision."

Rogel credits Centerplate with energizing per caps, especially on the drinks side.

"They provide the consumer with exactly what they want," he said.

In the 20-year relationship, what sticks out

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most in Rogel's mind is the day Centerplate said it wanted to serve edible grasshoppers.

"There were a lot of odd looks on the faces of the people in the room. They didn't know you could eat them," Rogel recalled. "There was a lot of hesitation. But we weren't forcing anyone to eat anything."

The toasted grasshoppers, or chapulines, were a big hit.

"No one anticipated the phenomenon it has become," Rogel said." That kind of out-of-the-box thinking is what our marketplace expects. Centerplate completely and totally delivered that."

Rogel also is enamored with Centerplate's garlic fries. "It's became one of our best sellers and our signature item."

Guest surveys on T-Mobile Park's F&B are through the roof. "We got 9.1 out of 10 on recent guest surveys regarding food," Rogel said. "We're in a really good spot. Centerplate knows their fans."

TELL THEM WHAT THEY WANT

UNDERSTANDING THE GUEST experience is Eric Wooden's job. As senior vice president of the Hospitality Solutions Group, Wooden leads Centerplate's facility design and equipment procurement team. He started as a part-timer in 1989. The resident "master

builder," Wooden conceptualizes and brings visions to life. He oversees all the venue enhancements in the company's portfolio.

"It's not about popcorn and nachos anymore," Wooden said. "F&B is now a huge driver across the board."

Wooden has seen the introduction of sushi, Thai food, Indian food and many more international flavors, but he said that what is really working today is food that is local, fresh and authentic.

Wooden also acknowledged that celebrated chefs are vital to F&B today and he used Centerplate's work at the Las Vegas Convention Center as an example of how bringing in top talent is a game changer.

"The food experience at the convention center was old and tired," Wooden said. "It was not delivering on what Las Vegas should be offering."

After a \$20 million renovation and new partnerships with local chefs and restaurants, Centerplate has increased business by 40%.

Food courts with high-quality offerings are the key. "The food is so good now that we hear about people stopping on their way from the airport just to grab something on their way to their hotels," he said.

Also high on the list of Centerplate accomplishments is Hard Rock Stadium, where the NFL's Miami Dolphins play.

"They wanted to attract millennials, so we

designed an environment with lots of shared spaces in the venue. They are destination areas with great food concepts that serve restaurant-quality food," Wooden said.

Wooden is also delighted with how F&B is expanding internationally in Madrid.

"We're trying to introduce the North American food experience to Europe," he said. "They are used to bringing a sandwich in their pockets for their concessions. We're often asked, 'How do they know what they want?' and the answer, not to be arrogant, is 'You tell them what they want.' We've introduced fresh, prepared food and they are loving it."

Pangburn said the biggest difference between North American venues and their European counterparts is that "we sell a lot more beer in the U.S. North American sports are longer and have more breaks. A football game can last four hours. In stadiums in Europe they spend a lot less time eating. We're trying to change that."

The one thing that Wooden never saw coming? Bottled water. "It goes against everything my father taught me," he said. He remembers working in a venue and "they wanted me to clear off space for Evian water. I thought they were nuts."

Success brings problems of its own: "Now we have to worry about how to take care of the bottles," he said.

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Guests Annually







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Phone Frenzy

MOBILE PHONES ARE everywhere, and every venue in the world is trying to figure out how to incorporate them into its in-venue fan experience.

Not so fast, said Diana Evans, senior vice president of marketing and communications for Centerplate.

"Sure, the phone frenzy has taken hold of the fans, but it's vital to understand the full customer journey," she said. "The mobile trend is not universal. You need to understand the needs of the clients in a particular place and understand that sometimes it's a case of 'didn't want or ask for.'

"How many apps do you have on your phone and how many apps do you actually use?" she often ponders. "Sure, everyone is glued to them. But the industry has been struggling with how to support the main event and how to integrate ordering and delivery into a device that at this point, while everywhere, is only in the 1% to 3% range of usage of a venue app.

"What's the real point of spending a lot of time and money to create an app that people may use one time or, hopefully in the case of return guests, a few times a year?"

Centerplate has adopted different approaches.

"Kiosks are going really well for us," Evans said. "They've been in the marketplace for so long (that) people are comfortable with them."

Centerplate is also high on QR codes. "In-seat mobile ordering using the QR code is proving a success," she said, citing testing that's being done at BC Place in Vancouver.

"Creating stadium-sized in-seat mobile ordering on a frictionless scale has long served as a goal for us," she said.

The concept is simple: Customers scan a QR code located on the seatback in front of them, the menu is launched and the customer pays. Centerplate runners deliver the order.

The QR test is being done on 1,500 club seats. "We're seeing a 26% adoption rate," Evans said.

"When people see it, there is definitely a wow factor," said Paul McArdle, Centerplate's general manager at BC Place. "Fans see the people next to them using it, and it spreads throughout the crowd quickly. We see people sit down and open their phone right away and order food. By the time they get settled, the food comes."— Brad Weissberg



The Centerplate crew in Miami helped roll out new dining experiences as part of the Miami Open's move to Hard Rock Stadium this year, the first major tennis tournament held at an NFL stadium.

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Alex Reyes, director of culinary innovation, who has been with Centerplate for 12 years, said that focusing on innovation, productivity and talent always pays off.

"We differentiate ourselves by recruiting the best talent in the industry and providing support to them," he said. "We use analytics, so we know what the guests want, and we employ new technology wherever it makes sense."

Reyes used mobile ordering and tablet ordering as an example.

"Like everyone else, we are deep in trying to figure out how to get the food to the fans as quickly as possible," he said. "But we don't want to do mobile ordering just to jump on the bandwagon; we want to do it because it makes the experience better."

DIETARY NEEDS EVOLVING

REYES IS ALSO aware that what guests want to eat continues to change.

"There are many different food groups now," he said. "Sometimes it's just a lifestyle. Sometimes it's medical, like people who need anti-inflammatory food. Whatever it is, we want to have something for that guest."

Katherine McCartney, who is the director of operations for TED Conferences, relies on Centerplate to keep up with the latest in food trends.

"We have to cater to more and more food allergies, food preferences, religious preferences and now plant-based diets," McCartney said. "We're now playing to 10 or 11 different types of preferences, and it's good to have a partner who understands this."

McCartney has been working with Centerplate for 30 years. She contracted Centerplate for TED's inaugural event



at the Vancouver Convention Centre in 2014. Normally, a TED conference requires 1,800 meals, served three times a day over three days.

"Food is a really important part of the TED experience," she said. "TED is at the center of being innovative, and food is a large element. What and how we serve everything is important. Our attendees want satisfying food offerings; they have high standards. We depend on the Centerplate team to make sure the portion size is right and that the food is delivered in a way that makes it easy for our guests to consume it."

Carmen Callo has been Centerplate's national corporate executive chef since 2017.

"A lot of what we do is client education," Callo said. "There's so many special meals that venues need to be aware of in 2019. There's a movement toward plant-forward menus and Impossible meats. There's vegan, gluten free and keto. There is a desire from the guests for more authentic foods. We're deploying a lot of special meal food programs in our convention center business."

To meet the need, Centerplate has had to increase food offerings and grow the chef teams

and networks.

Callo is in charge of the three senior chefs spread across the company, who each have four regional chefs under them.

"We want to tap into local resources," he said. "We want our chefs to add in regional influences and types of cuisines and take ownership of their menus. We give them a lot of space to create and innovate — and, of course, we want to know what they are doing."

Callo is particularly happy that he can send his chefs to the Sodexo culinary school, Culinary Institute Lenôtre in Paris. He's also a fan of Lobster Inc., a company that provides online training.

"We want to improve recruitment and retention, and we're using all the tools we have to achieve that goal," he said.

Planning for events well in advance is also an important part of making sure the company is ready to execute.

"We look at big events, like Comic-Con in San Diego or Cisco Live in Las Vegas or the Super Bowl, 12 to 15 months in advance," he said. "We're already discussing the next Super Bowl, which will be at Hard Rock Stadium in Miami. We've already tackled the suite menus and have made plans for 30 of our top chefs to be on-site to help the local team."

QUALITY FOOD, QUALITY TEAM

CLIFFORD "RIP" RIPPETOE, president and CEO of the San Diego Convention Center, said that what really makes Centerplate stand out is its unwavering support for its local leadership.

"It's incredibly important to have consistent, quality leadership that allows us to excel," Rippetoe said. "Our executive chef, Daryl O'Donnell, has been here for 20 years. We all wear the same SDCC uniform here, we're one big team. And it's a team so good that I would place them against any venue in the country."

Rogel said the same of Seattle's Centerplate management. "The team that runs the local office here in Seattle is fantastic," he said. "They know our fans."

McCartney has high praise for the Centerplate team in Vancouver and its ability to collaborate.

"They bring international cuisine to our conference and still manage to stay fresh and local and they care about sustainability," she said.

"They are the perfect partner. I've worked with other in-house teams, and Centerplate really shines and makes it easy for us."

Rippetoe is also a big fan of the food.

"The quality of the food is higher here than in most venues," he said. "We do higher-than-normal catering, which means a lot of plated meals. The ability to consistently deliver a great product is important to us. We compete with local hotels and ballrooms and keep that business because Centerplate is delivering great food.

"F&B is our biggest bottom-line contributor," he said. "Our reputation is on the line

tion center market, where everyone has been trying to reduce the footprint for the past decade. Sports and entertainment venues have been a little slower in responding but catching on now. Partly because of infrastructure. Not every city has the resources to deal with the waste. As that's evolved, it's easier for stadiums to find the partners they need."

Evans said that smarter portion sizes and not using excess packaging were important steps in creating less waste.

"We are making the most of the opportunities we have to recycle," she said. "And working systematically on reducing plastics."

'INNOVATE WHERE WE CAN'

WITH THE RULES for hospitality changing rapidly, especially in the technology arena, Centerplate has plans in place to stay ahead of the curve.

"We've got in-seat ordering and QR code ordering, the Clear biometrics system and a robot pizza maker in T-Mobile Park (see related stories); these are all great innovations," Wooden said.

"We were looking for a cannonball, that one big investment," Evans said. "But what we really need is to be firing bullets. We've stopped looking for the big one, and we look to



Volunteer power: Staff from BC Place in Vancouver, British Columbia, takes part at a barbecue fundraiser benefiting the local Ronald McDonald House.

every day, and I am confident Centerplate will provide what the guests want."

Sustainability is important to the SDCC and Centerplate.

"We compost everything," Rippetoe said. "We have no garbage disposals. All of our containers and utensils are compostable."

All the unused edible food is donated to a San Diego rescue mission, and unprepared foods go to the food bank. Last year Centerplate donated 80 tons of food, which made about 127,000 meals.

Centerplate also introduced the "150 mile club" for produce and protein at SDCC. "We work with local farms and vendors," Rippetoe said. "That helps local small businesses and keeps carbon off the roadways. Centerplate is a huge part of the effort to divert waste from landfills, and we couldn't do it without Centerplate's commitment."

Pangburn said Centerplate is focusing on waste reduction.

"How do we produce this great food and waste a lot less of it is something we take quite seriously at Centerplate," he said.

With that in mind, Sodexo created the WasteWatch powered by Leanpath program. It prevents, on average, 50% of food from being wasted.

"Sustainability is huge," Evans said. "It's been that way for a long time in the conven-

"It's not about popcorn and nachos anymore. F&B is now a huge driver across the board." – ERIC WOODEN

Sodexo's commitment to sustainability has greatly affected day-to-day operations at Centerplate. "The biggest difference that Sodexo made on us is in environmental responsibility and ethical governance," Evans said. "We are all getting trained constantly now in sustainability. Sodexo is a global leader in this area This goes to our hiring practices as well. The company lives and breathes this."

To this end, "A Better Tomorrow" is a Centerplate program that is a promise to the employees that the company looks at gender equality, diversity inclusion and ethical sourcing in the supply chain.

"It's the most valuable program that Sodexo supports," Evans said.

innovate where we can, slow and on target." Pangburn sees growth ahead.

"It's been an amazing year; we are a very active 90-year-old," he said. "We are currently doing the Rugby World Cup in Tokyo in November, the college football championship in New Orleans in January, the Super Bowl in Miami in February, the Miami Open in March, Comic-Con in San Diego in July."

"We see a lot of growth in the convention center markets and we are not afraid to have partners," Pangburn said. "The future holds great opportunity in bringing Sodexo's additional services to our clients, whether it's energy management (or) cleaning services. There's lots of potential and possibilities."

Wooden thinks Centerplate is stronger than ever. "We're a leader in hospitality design and building and we're ready for the future," he said.

Evans sees a bigger Centerplate emerging. "This company is developing into an environment that is ready for increased services," she said. "Centerplate is expanding beyond food and beverage. Now we can help with facility management and consulting. We're in benefits and rewards administration. We can do value-based models for clients that want affordability, and that's exciting. We're also stepping out of the traditional convention markets.

"Our biggest challenge is what do we bite off first?"

□

COURTESY CENTERPLATE

T-MOBILE PARK TRIES ROBOT-PREPARED PIZZA

CENTERPLATE INTRO- DUCED the world's first robot pizza maker at Seattle's T-Mobile Park on Sept. 10.

The machine was developed and created by Picnic, a robotics-as-a-service and artificial intelligence food assembly company that started in 2016. The pilot program wrapped up after the Seattle Mariners' last home game of the season Sept. 29.

Centerplate's robot maker is 6 feet wide, 3 feet deep and 5.5 feet tall, and it is broken up into segments. The entry point is where the dough is placed on a conveyor belt. A camera locates the dough and signals the machine. The second phase adds sauce and cheese, and the last phase is for toppings.

The platform can produce high-volume, customizable pizzas, made with any kind of ingredients, consistently and sequentially, at a rate of up to 180 18-inch pizzas, or 300 12-inch pizzas, per hour.

After the pizza is made, it still needs to go into a conventional pizza oven. The dough preparation, sauce-making and baking is still left to a live person.

"It's like a robot conveyer belt that has a passion for pizza," said Steve Dominguez, Centerplate's vice president of Seattle and general manager of the ballpark for the hospitality company. "We made a connection with Picnic right away and it was a collaborative effort from the start."

Dominguez said he got to specify what type of pizza they wanted to create and the ingredients, and he even had a hand in how the user interface worked.

"They had a prototype

but had not used it in a real environment," he said. "They wanted a real-world experience and we were happy to be the first facility to introduce the product to the venue industry."

The machine is located in a kitchen, not in the public view, and the goal is not so much the "wow" factor of a robot pizza-making machine but instead the consistency that can be achieved using the measured system.

"People have often complained that their pizzas were it really easy for the fans to place their order and go sit down," he said. "With the speed of the pizzas, taking multiple orders at the start of a game will be seamless and easy for the guest."

No financial deal was struck for the test, Picnic provided the machine at no cost.

Clayton Wood, CEO of Picnic, said the beta test at T-Mobile Park was a great learning experience. "Pizza is very popular, but it's a real problem to get it made consistently," he said. "Another big issue is a schedand will use that to make an even better machine," Wood said.

One innovation to come is a window that allows the guest to experience the steps along the way, which will mean a more public spot in venues for the machines. "When we put this in front of people, we think seeing the process will be a real draw," he said.

Wood does not see the business model of not charging upfront for the machine changing when Picnic rolls out the product. He

Centerplate
executive
chef
Taylor Park
stands in
front of the
robot
pizzamaking
system in
the kitchen
at Seattle's
T-Mobile
Park.



oversauced or overcheesed,"
Dominguez said. "This technology takes away the human
error and makes sure that every pizza is the same. Survey
after survey has shown that
fans want consistency."

T-Mobile Park wound up making over 300 pizzas during the beta test. A pizza slice costs \$8.

What Dominguez is really excited about is the possibility that a fan can order their pizza while waiting to enter the venue.

"When we develop mobile ordering, this will make uling problem at a venue where everyone wants their pizza at the same time."

Woods believes his technology solves the problems. "The robot makes every pizza consistently the same. It can be flooded with orders at the same time. At 300 pizzas an hour, it's far and away shorter than anything can be done by hand and operators can cruise through a rush period."

This is the third iteration of the pizza robot. A fourth is coming. "We took what we learned in the test

would not reveal the cost of building one of the machines. "We will get a monthly fee, based on volume," he said. "It's designed this way because many operators don't have a big capital budget. They get the machine, installation, training, and software and hardware upgrades all for a percentage."

Centerplate came on board earlier this year. "It's been a great partnership. They are focused on their customer and taking advantage of new technology," Wood said. — Brad Weissberg