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KING OF CLAMS

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Ivar's down-to-earth CEO Bob Donegan can often be found helping out behind the counter at one of the company's many food booths.



REMAINING CLAM »

Ivar's CEO **BOB DONEGAN** finds inspiration from the quirky spirit of founder Ivar Haglund as he modernizes a local classic.

By Todd Matthews
Photos by Christopher Cumming

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LAM CHOWDER FOR BREAKFAST, ANYONE?

Seafood might not tempt your palate at 9 a.m., but it probably suited the man who created this particular recipe: Ivar Haglund, the late, droopy-eyed and whiskered Seattle icon and seafood restaurateur who urged locals to “Keep Clam.”

This Monday morning, chowder was certainly on the menu at the company’s Mukilteo production plant. A group of executives gathered to taste the lat-

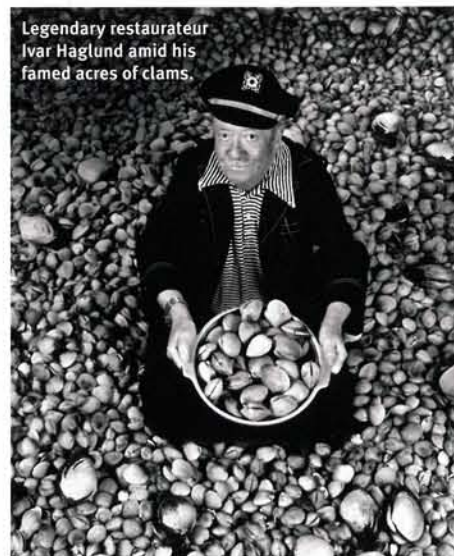
est all-natural version of its signature product. Yes, even the venerable Ivar’s is making small concessions to the new, healthier approach to eating.

“The challenge here is trying to improve a recipe that’s 70 years old,” explains Harry Roberts, general manager of the company’s chowder, soups and sauces, as he dips a plastic spoon into a small paper cup of classic white chowder. As executives scoop, slurp and offer their critiques, Ivar’s president and CEO Bob Donegan quietly looks on.

Donegan has a nerdy, boyish appearance—wire-rimmed glasses, tousled brown hair and a high voice that bursts with enthusiasm. He is probably the most unassuming chief executive you will ever meet. Laid back and approachable, Donegan, who lives in Richmond Beach with his wife, Lisa, and two teenage daughters, can often be found working behind a register or in a kitchen at one of the Ivar’s seafood bars at Safeco Field or Qwest Field.

It’s hard for Donegan to introduce an employee (whether a department director or restaurant cashier) without reciting some encyclopedic nugget of information about that person: tenure with the company, family members or outside interests.

After the Monday-morning chowder meeting, Donegan climbs into his old Volvo and heads south on I-5, toward the company’s corporate headquarters on Pier 54 in downtown Seattle. En route, Donegan is asked how he can expand and improve a company like Ivar’s, where Haglund’s eccentric aura still hovers over the operation and continues to represent the company so completely. “In some ways, it’s bad because the impression that lots of people have is that Ivar’s is about greasy fried food, which is what they knew growing up,” explains Donegan. “The good thing is that everybody who grew up locally knows the company. Ivar did such



Legendary restaurateur Ivar Haglund amid his famed acres of clams.

quirky stuff that anyone who has been here a while has seen the dancing clams, heard about his capers, stunts and antics. There’s great community goodwill for us because of that.”

THE HAGLUND HERITAGE

IF YOU THINK Haglund’s “cult of clam” is dead, you’re wrong.

It’s hard to tell Seattle’s story without mentioning Haglund, the native West Seattle resident, born to Swedish/Norwegian parents. He began to make his mark at the age of 33 when he opened the city’s first aquarium at Pier 54 in 1938. Hungry visitors gave Haglund the idea of opening a fish-and-chips stand next door.

The move launched Haglund’s seafood empire, generating a marketing blitz that was as much about selling seafood as it was about coating the city in a batter of Haglund’s unique personality—and bad puns. Besides the dancing clams frolicking on West Seattle beaches, there were salmon relays, octopus wrestling matches and a proposal in 1960 to create a postage stamp to honor the clam, proceeds of which would go toward a “guided mussel” program. And, of course, there was Haglund himself, who was known as the company’s “flounder.”

Dave Fechter, director of operations for Ivar’s seafood bars, has been with the company for 27 years and worked with Ivar for five years before Haglund passed away. “When we had manager meetings, Ivar would come walking up the stairs and saunter in,” Fechter recalls. “Of course, that was the end of our meeting. He would take over and tell fish stories for the next hour, which we enjoyed, but we never got anything done.”

MANAGEMENT SHAKEUP

WHEN Haglund died in January 1985, at the age of 80, he had no heirs.

In a nod toward both sides of the Husky-Cougar rivalry, he willed half of his estate to the University of Washington Business School (from which Haglund graduated in 1933), and the other half to the Hotel and Restaurant Management School at Washington State University. A provision of the will allowed the company’s five then-senior lieutenants to buy the business from the universities, which the group accomplished by year’s end. Eventually, three investors sold their assets and two new investors bought in. Today, the company is owned by two of the original investors, Frank Madigan and Jim Seaver. They have been joined by attorney Mark Demaray and Donegan, who arrived at Ivar’s through a very circuitous route.

Born in Pennsylvania, Donegan was raised in Milwaukee and graduated from the University of Wisconsin. He attended graduate school at Yale and moved to Seattle in 1984 with his wife. For nine years, he worked as a consultant to startup businesses, helping them with fundraising, hiring and developing business plans. In 1993, he joined Zev Siegl, Gordon Bowker and Jerry Baldwin—all original founders of Starbucks—to help



Donegan is known for continuing Ivar Haglund’s unique management style, including sponsoring the company’s annual “Fourth of Jul-Ivar’s” fireworks show.

start Quartermaine Coffee Roasters in Washington, D.C. Donegan relocated there with his family, where they lived until 1997. When Quartermaine merged with Berkeley, Calif.-based Peet’s Coffee, the Donegan clan returned to Seattle. In 1997, Donegan, familiar with the company’s Seattle history and intrigued by its quirky corporate culture, joined Ivar’s as the new CFO. One year later, he invested money into the business and became one of the four owners.

THE NEW IVAR’S

TRYING TO shake the image of Ivar’s being a fish-and-chip stand and to expand the company’s brand, Donegan and his partners repositioned the company in two key areas: chowder production and operations at sports venues. After decades of fielding requests from restaurants and grocery stores that wanted to sell Ivar’s clam chowder, the company opened a chowder plant in the South Lake Union area in the late-1970s. Subsequent development of this neighborhood in the 1990s put pressure on the company to consider relocating.

As fate would have it, says Donegan, the Ivar’s Mukilteo Landing

restaurant was destroyed in a storm in 2003, and the city of Mukilteo went out of its way to expedite permitting and facilitate reopening. That positive experience, coupled with the high cost of land on the Seattle waterfront, factored into the company’s decision to build a 16,000-square-foot, \$3.5 million chowder facility in 2005.

The Mukilteo plant now produces soups and sauces for sale in stores (Costco, Albertson’s, Safeway, Sam’s Club and QFC), corporate cafeterias (Microsoft and Boeing) and the Washington State Ferries. This year, chowder sales are expected to generate \$8 million in revenue, and produce enough of the famed soup to fill 14 Boeing 777 airplanes.

Its most aggressive and visible inroad, though, has been in local sports stadiums. Ivar’s and Kidd Valley (the hamburger franchise purchased by Ivar’s in 1989) occupy six stalls at Safeco Field, five at Husky Stadium, one at Everett Events Center and eight at Qwest Field. This year, those operations are expected to bring in \$7 million in revenue.

“We look at that as a marketing opportunity for people to sample our food in the stadiums and then find the similar places locally,” Donegan says. “Our market research indicates about 40 percent of the

“If you asked lots of companies what’s the most important thing they have, many will tell you [it’s] their customers. That’s not the case for us. The most important thing we have is our employees. We make it easy for our employees not to leave.”

