

A Bozeman employee whips out one of MacKenzie River's signature pies recently. | Photo by Shelly Saunders

seeking a **Piece of the Pie**

Pesto lodgepoles collide
with lobster ravioli in Montana
restaurant merger

BY BUTCH LARCOMBE

In Montana, mergers rarely make headlines. After all, typical business transactions might involve the sale of a piece of pasture or cropland to a neighbor.

A tasty deal that brings a pizza known as the "Bell Ranch," complete with fajita chicken, black beans, jack cheese and smoky barbecue sauce, together with Saffron Lobster Ravioli, which features ravioli filled with lobster mousse surrounded by saffron cream sauce, is unusual in Big Sky Country.

But this spring, this mouth-watering merger did merit bold type in Montana newspapers and on the Internet. Bozeman-based MacKenzie River Pizza ▶



MacKenzie River Pizza has been purchased by the Glacier Restaurant Group, a company that includes three Whitefish restaurants. | Photo at left by Jennifer Waites. Photo above by Shelly Saunders.

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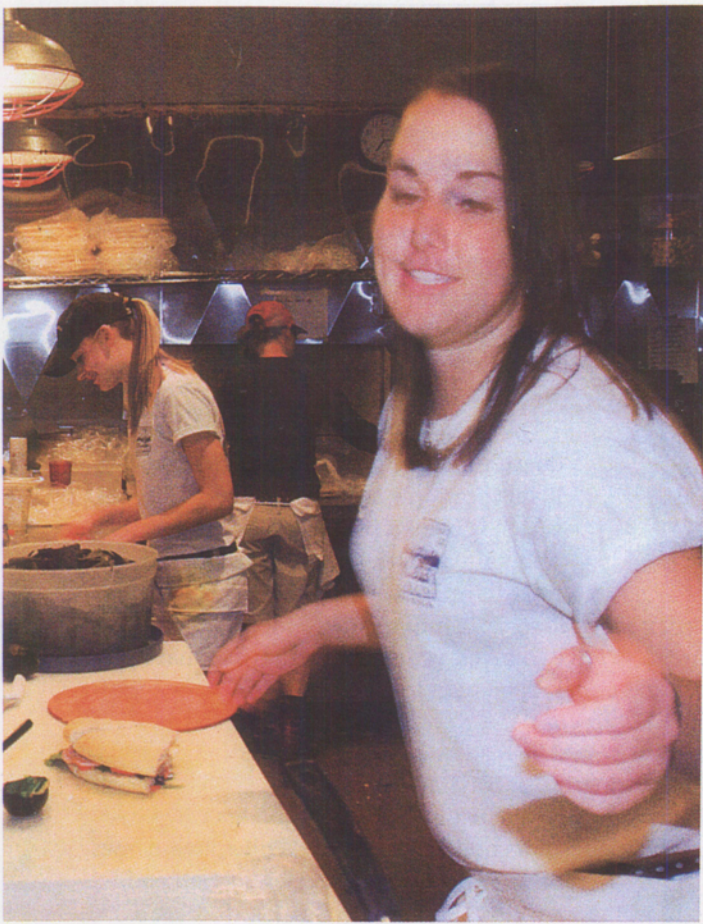
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Co. agreed to be purchased by the Glacier Restaurant Group, a new entity that includes three Whitefish restaurants—Ciao Mambo, Craggy Range Bar and Grill, and Cornerhouse Grille. The plan? To build the restaurant group by adding new locations, both company owned and franchises, with the MacKenzie River, Ciao Mambo and Craggy Range names over the door.

Ciao Mambo, the source of the Saffron Lobster Ravioli, will expand from its original location in Whitefish to Missoula, where the country Italian restaurant will open this summer. MacKenzie River, which got its start in Bozeman in 1993 and has since landed in a dozen other Montana cities, is headed out of state. Coeur d'Alene, Idaho, is the next likely stop.

"With 12 restaurants in Montana, it's an established brand," says Bill Foley, the CEO of Glacier Restaurant Group. "When people visit MacKenzie River, it's an experience they take back with them. It's a Rocky Mountain brand. It was a perfect fit."

Foley, who owned the Craggy Range Bar and Grill, and the Cornerhouse, is hardly new to the restaurant world. Along with a stake in the two Whitefish eateries, Foley, for more than a decade, served as chairman of CKE Restaurants, which oversees several thousand Carl's Jr.

and Hardee's restaurants across the country.

And he's made other big investments in Montana enterprises. The chairman and CEO of Fidelity National Financial, a large title-insurance concern, Foley is currently the largest shareholder in Winter Sports Inc., the company that owns the Big Mountain resort in Whitefish. He is also a key player in the Rock Creek Cattle Co., an 80,000-acre ranch, golf, fishing and real estate ▶

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Foley enjoyed Ciao Mambo and became acquainted with owner Doug McNicoll. Steve Shuel, the president of MacKenzie River, met McNicoll in similar fashion. Shuel and Foley were introduced and apparently shared recipes for growth. "We first met in January," recalls Foley. "We closed the deal in March."

For Shuel, the change of ownership was largely serendipitous, although he had been pondering the future course of MacKenzie River for about a year. "We weren't for sale," the Bozeman resident says. "It truly was somewhat of a chance meeting and one thing led to another. It was fate as far as I'm concerned."

Shuel joined up with MacKenzie River after leaving the advertising agency business in Indianapolis in the early 1990s. The first "gourmet" pizza restaurant was on Bozeman's Main Street and a second location in Missoula came quickly. But profitability was elusive in the early days. It took a third location in Great Falls, a dining frontier of sorts, to help the business turn a financial corner.

MacKenzie River signs have since sprouted across Montana as the company has grown to more than 600 employees and annual sales approaching \$18 million. Its newest Montana location is in Butte, a market it avoided for a number of years because of concerns about the city's economic stability. Butte was the last untapped Montana market, in the eyes of MacKenzie River officials.

Through the growth, MacKenzie River has managed to maintain a reputation for good service and tasty pizza, sandwiches and pasta dishes. While a western fly-fishing decorating theme runs throughout MacKenzie River locations, the restaurants have largely been able to retain a distinctive, non-chain ambiance.



Many things about MacKenzie River Pizza Co. will stay the same, including the decor and the famous salad dressing, says Steve Shuel, the company president. | Photo by Jennifer Waites

"We think we have developed a rather unique culture and maintaining that was critical to me," says Shuel, who remains as president of MacKenzie River and will oversee its operations. Retaining the distinctive MacKenzie River flavor was part of the pre-deal talk with Foley and others. There appears to be agreement that building too many restaurants too fast could prove ruinous.

The new Glacier Restaurant Group doesn't include the original MacKenzie River location on Bozeman's Main Street, which is owned by a couple of Shuel's original partners. Glacier does own the restaurant concept, name and 12 other

Montana locations, which form the foundation for growth. "In five to seven years, we could triple that number," says Shuel. "The next logical step for us is out of state but our goal isn't to conquer the world, so to speak. I think it would be really neat to be in Idaho, Oregon and Washington, at least initially."

Foley says MacKenzie River offers a "good family dining experience at a good price point." While pizza names like the "Branding Iron, Rustler, Madison or Flathead," might not work well in Portland or Seattle, they are a great fit for smaller, resort locales in the Northwest and Rocky Mountain region, he figures.

While change may be inevitable in the restaurant business, Shuel says there's no altering the restaurant chain's homegrown, small-town Montana heritage. "MacKenzie River Pizza," he says, "is still a Bozeman-based company owned by a Montana-based company."

Questions from customers in the wake of this Montana-style merger have focused largely on food, not finance. A common query, according to Shuel: "You aren't going to change your salad dressing, are you?" **M**

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