

Vision brings taste of Asia to masses

Edo Japan moves beyond food courts to streetside outlets

BY CHRIS NELSON, FOR THE CALGARY HERALD OCTOBER 9, 2011

It feels good to build a \$100-million-a-year business.

Much better, however, to help wash away a stain on Canadian history.

Tom Donaldson would likely agree with the business-building part, although he's more modest about his role in history. Nevertheless, he is an unassuming hero of a story that began at Pearl Harbor and ended at an Edo restaurant near you.

The Edo story began as a business in 1979 in Calgary with a food court store at Southcentre mall.

But its real beginnings occurred during the Second World War when people of Japanese descent who were living and working in British Columbia were either interned in or removed from that province.

Among those told to leave was the Ikuta family, relocated to Raymond, Alta., far from the Pacific and any possible threat they and anyone else of Japanese origin might pose to Canadian shipping or the war effort.

Susuma Ikuta was just a teenager, but he decided to follow his father's footsteps in the Buddhist religion.

Partly through his efforts, southern Alberta later became one of the focal points for that religion throughout North America. Almost 45 years later, in 1998, he would become the first Canadian-raised Bishop of the Buddhist Churches of Canada.

Ikuta also decided that people needed to eat good, fresh food.

After opening the first Edo outlet - a name taken from the original name of Tokyo - Ikuta spread the brand across North America. It worked - too well.

"By 1999 there were 102 restaurants in three countries, and we were really, really struggling," said Tom Donaldson, the current president and CEO.

"Mr. and Mrs. Ikuta were trying to take on the world, literally. He had gone from mall to mall asking, 'Can I set up shop here?' He did that in Baltimore, in Florida, in Hawaii, New Mexico and so on.

"They were all over the place, so far beyond how to understand it, never mind manage it," added Donaldson.

The Ikutas needed someone to manage the business, and Donaldson, fresh from success at the Moxie's restaurant chain and eager for a new challenge, needed a home. It was a potent mix.

"Mr. Ikuta's goal was to take Japanese Teppan-style cooking to the masses through the food courts - with a flat grill in front of the customers so they could come up and order and see the food being cooked in front of them before their eyes." Soon Donaldson had reorganized the business and concentrated on Western Canada.

"The food is good. That has always been there for us. What I did was to optimize things - the presentation, locations, the marketing. We haven't changed the food, not fundamentally.

"We have made things a lot more approachable. You had people who said, 'I don't eat that stuff,' so we tried to lower those barriers.

"When I arrived I really didn't know anything about Edo, but my wife did. I never had any Japanese food in my life. I don't think I'd had a mushroom before that," added Donaldson.

Today there are 101 Edo outlets - all of them franchise operations other than the original Southcentre store and the flagship Chinook Mall location.

There are 25 Edo locations in Calgary alone, bringing in \$20 million each year in sales.

Within five years he expects the company, which plans to open between five to eight outlets every year, to reach \$100 million in annual sales.

Donaldson has positioned new Edo outlets in streetfront locations, away from the food courts. It was a risk but has proven a shrewd move.

"We found at the street locations that people liked the food enough to eat it for dinner. Most of the food court business is single servings at lunch time. Now we were looking at people bringing their family in the evening.

The expansion will continue in the form of street locations. "That's where most of our consumers live, after all," Donaldson added.

Born in Seattle and raised in Calgary, Donaldson began work with Texaco and then worked for Macs stores - finding good real estate for future development. From there, he went on to help with franchising at Pizza Hut before settling at Moxie's where he became president until the company was sold in 1998.

"I was left looking for something to do."

Edo was the perfect match. "My vision was to take Edo into the mainstream, to compete against sub sandwiches and hamburgers - a huge section of the market."

He's still close friends with the original owner, now aged 85, and who recently retired in favour of his son as bishop of the Buddhist Churches in Canada.

"They were looking for someone who could move the company on without them. When I arrived they threw me the keys.

"I believe those keys (were) handed into the right hands. That trust factor is a huge part of the transition we've made," said Donaldson, a father of three.

Trust is a potent emotion. Much has changed since those dark days of the 1940s. And not just in eating habits.

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