

ITSU KNOCKOUT

■ Pret A Manger founder Julian Metcalfe is aiming to conquer another area of the food retail market with his latest venture Itsu, the takeaway sushi chain. **Laura Chesters** reports

JULIAN METCALFE, THE MAN WHO MADE A FORTUNE out of the Pret A Manger chain of sandwich shops, is out to grab another slice of the food market with a Japanese equivalent.

On the back of the success of three Itsu restaurants in London's Soho, Chelsea and Canary Wharf, Metcalfe is set to establish Itsu fast food shops, the first of which opens in Vogue House on Hanover Square, on 11 April. He believes there could be room for up to 100 shops in London alone.

While Londoners are no strangers to conveyor belts packed with sushi, Metcalfe is certain his concept, which will also offer a takeaway and delivery service, is unique.

'Nowhere else offers ready-packed, Asian food, freshly cooked on the premises – not in Tokyo and not in Hong Kong,' Metcalfe tells *Property Week*. 'This is bloody exciting because it's different from anything else in the world.'

The expansion plan is a simple one: find stylish, busy locations with a large office and tourist population and open an Itsu in the prime spot. Shops will typically be around 1,000 sq ft (93 sq m).

Next on the list for retained agent Thomas Davidson is Piccadilly, followed by areas such as the City, Islington and Chelsea. If all goes to plan, another three shops will open by the end of the year.

Retail director Glenn Edwards says: 'There isn't a limit to how many we could have in central London. We could have one every three streets. This isn't an exclusive niche market. It will be what everyone is eating in the future.'

But before this can happen, the first shop must be a success. 'The million-dollar question is: is this the next big thing or is it just average?' says Metcalfe. 'If it's just average, there won't be any more shops.'

Metcalfe, a former surveyor, founded Pret with another ex-surveyor, Sinclair Beecham, in 1986. Neither had experience in the food industry, starting the business with a loan of

just £17,500. The business grew rapidly, and Pret now has a turnover of more than £150m.

But it has not all been an easy ride. When Pret went to the US, it had to overhaul its management, tweak its menu and close several stores in an effort to break the new market.

Then in 2001, McDonald's controversially bought a 33% stake in Pret. Metcalfe retained a majority stake, and in 2003 he returned to take an active management role. He ousted Andrew Rolfe, then chairman and chief executive, and UK managing director Harvey Smyth, and appointed Clive Schlee as chief operating officer and himself as creative director of the worldwide group.

ITSU DEBUT

Metcalfe opened his first Itsu restaurant, then called t'su, in 1997 in Chelsea with Schlee, who had made his name running restaurants in Asia. As a consequence, the food that will be sold in the new shop has been trialled in their restaurants for eight years, so the team is not starting completely from scratch.

Every detail of the new shops has been worked out, from where the ginger should be kept to the ratio between table and chair height to create greatest comfort. The operation is slick, with kitchens in clear view of customers, and a stylish decor. The name was also changed from t'su, which was too hard to say, to Itsu, meaning 'whenever'.

Vogue House is seen as the perfect location for the first shop. The primarily female fashion journalists who work for various Condé Nast magazines on the floors above represent the very market at which Itsu will be aimed, and the Itsu has been designed with a feminine feel.

Afroditi Krassa, creative director and the



brains behind the store design, says: 'It is a feminine brand but we have tried to create a Japan of the present, not using the traditional decor of Japan of the past.'

From neon pink stools to the kitsch Japanese cartoon characters and the butterfly logo, the Itsu shop represents the Tokyo of today.

However, magazine editors and fashion bunnies aside, will Metcalfe be able to persuade the surveyors of Hanover Square and the rest of London to eat raw fish every day?

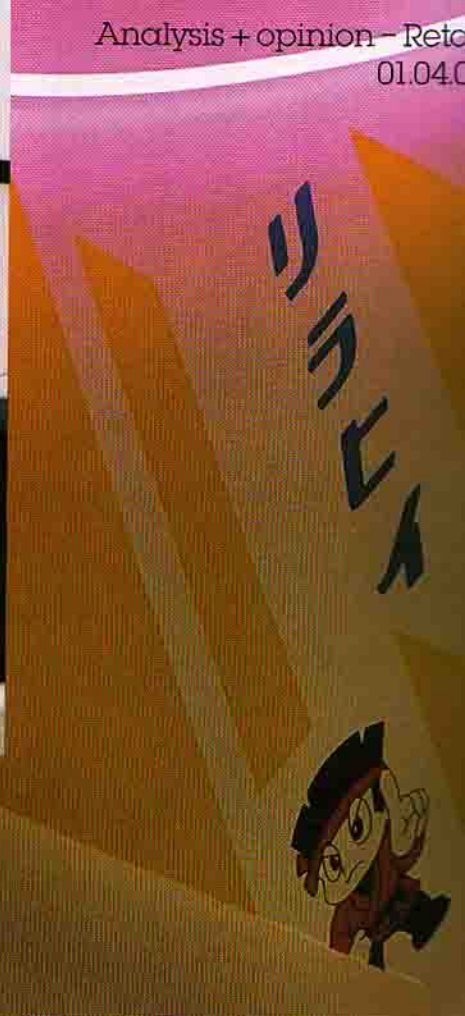
'This isn't about sushi,' says Metcalfe. 'We have spent 15 years making sure this will work. We lightly cook the fish and make everything UK friendly. As soon as somebody



↑ Flying fish: Metcalfe (right) with fellow Pret founder and former surveyor Sinclair Beecham

tries the food they will tell their friends how good it is and spread the word. I have unbelievable faith in this.'

Others are less convinced. Teather & Greenwood analyst Nigel Popham says: 'The whole market is crowded. This kind of thing is for a very niche market and does not have mass appeal. I don't think Metcalfe could get to the scale of Pret with this. He is obviously trying to



find an underexploited market to make a success out of, but I'm not sure how big a success this will be. More and more people are bringing food from home for lunch.'

Price is certainly becoming more of an issue for London's office workers. Market research company Mintel found in its last survey that 17% of consumers spend less than £1 a day on lunch. The average spend according to the Eurest Lunchtime Report is £1.95.

But the Itsu team have considered a range of pocket depths of potential customers. Metcalfe says: 'When our shop opens people will say thank goodness, finally somewhere that offers good, healthy food at reasonable prices. We have lunch rolls for £2.50 and the Miso soup is only £1.95.'

RIVAL CHAINS

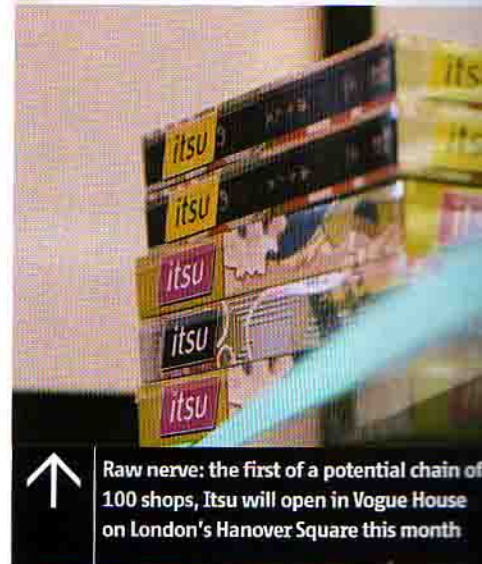
If the chain is a success, as Metcalfe predicts, there is bound to be competition. Copycat businesses will attempt to bite chunks out of Itsu's market, just as a host of rival sandwich bars have opened to compete with Pret.

Metcalfe, however, says: 'We aren't worried about being copied. With Pret we have seen the competition. In Berkeley Square, Eat opened up

but Pret is only 4% down. People may try to copy Itsu but the customers will know what tastes best and come back.'

While the rest of his team eye an ambitious roll-out of stores, Metcalfe plays down the idea. 'I hate the expression "roll out",' he says. 'This is about whether people love it. If they love it there will be more; if they don't there simply won't. Good food tastes fabulous no matter what your background. If you compare good food with bad, everybody can tell. The public will soon realise.'

Metcalfe's unswerving belief that he can change the eating habits of a nation could be laughed off if he was an unknown without the success of Pret behind him, but he has shown once before that he has the ability to change the way we eat. If he can repeat his sandwich conquest we may all soon be eating a sashimi platter at our desks instead of a crayfish and avocado bloomer. ■



Raw nerve: the first of a potential chain of 100 shops, Itsu will open in Vogue House on London's Hanover Square this month