

FranchiseBusiness **REVIEW**

Ratings and Reviews of the Best Franchise Opportunities by Franchisees | 2015



TOP FOOD FRANCHISES

Franchisee Satisfaction Study

Joe Walker became a multi-unit Marco's Pizza franchisee after four years of active duty in the U.S. Army.

Average Annual Income of Food Franchisees

PAGE 5



The List: Best of the Best Food Franchises

PAGE 8



Up and Coming Food Franchises

PAGE 12



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"Denny's is an iconic American brand that delivers on the American dream. When I started with Denny's at 16, I was a food server. Today, I'm one of the largest franchisees in the system. If that's not the American Dream, I don't know what is."

Dawn Lafreeda
Denny's Franchisee, Owner/Operator of over 70 restaurants in 6 states

"As a new franchisee, I was drawn to the leadership position Denny's has in family dining. I love the food, the people and the growth potential. No other brand has this much to offer!"

Donnell Thompson
Denny's franchisee, former McDonald's franchisee, 12-year NFL veteran

"As a multi-concept owner with over 200 restaurants, I am very happy with the performance of Denny's since I became a franchisee. Denny's is the perfect complement to my restaurant portfolio."

Anil Yadav
Largest Jack in the Box franchisee in the U.S. and Largest Denny's franchisee in California



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FBR's 2014 Top-Rated Food Franchise Just Got Even Better

Hwy 55

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"The founder is true to his belief in servant leadership and has our utmost respect."

"Hwy 55 leadership works for our success and it becomes everyone's success."

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-2015 FBR Franchisee Feedback



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*QSR Magazine, July 2015

Learn more at DonatosPizzaFranchise.com
Or contact Jim Bender: jtbender@donatos.com or 248.647.1989



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What's Cooking in Food Franchising?

When people are asked to name a franchise, most reply with a food franchise. Perhaps this is because so many of us interact with a food franchise several times a month if not daily whether it be to pick up a coffee, grab a sandwich, sit down to dinner with the family, enjoy some frozen yogurt, or order in a pizza.

Many food franchise owners are among the ranks of the most highly respected and successful operators in the franchise industry and truly enjoy what they do. Food franchising, however, is not for everyone since it typically requires a greater investment, longer hours, and managing a larger and more diverse workforce than other business options. Before you invest thousands or millions of dollars into a food franchise, it's imperative that you understand all the necessary requirements, determine if you have the essential skills and temperament, and know you will receive enough support from the franchisor to be successful. Existing franchisees are one of the best sources of information. The easiest way to get inside their heads is to see if the brand you are interested in shares its full franchisee satisfaction survey results at www.FranchiseBusinessReview.com.

While reading this report, you'll benefit from pearls of wisdom from seasoned franchisees and franchise executives. You'll also get an overview of how much profit you might make and what franchisees think of owning a food franchise in general.

Many food franchise owners are among the ranks of the most highly respected and successful operators in the franchise industry and truly enjoy what they do.



Happy franchising is informed franchising!

Emma Pearson, Editorial Director

FranchiseBusinessREVIEW™

Sharing the franchise experience

Franchise Business Review is the leading national franchise market research firm that performs independent surveys of franchisee satisfaction and franchise buyer experiences. Before you invest in any franchise opportunity, read our reports to get the facts about it from those who know best, its franchisees. We publish five annual research reports: Guide to Today's Top Franchises, Top 50 Multi-Unit Franchises, Low-Cost Franchises, Top Food Franchises and Veterans & Franchising. All are available for free at www.FranchiseBusinessReview.com.

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ABOUT OUR RESEARCH

Participation in Franchise Business Review's franchisee satisfaction research is free for all North American franchise systems with a minimum of 10 franchisees. For this report, we surveyed 5,700 franchise operators who represent 88 leading brands. We asked each franchisee to answer 33 benchmark questions ranking their franchise in the areas of financial opportunity, training and support, leadership, operations and product development, core values (e.g., honesty and integrity of franchisor), general satisfaction, and the franchisee community.

We also asked them to answer an additional 16 questions about their market area, demographics, business lifestyle, overall enjoyment running their franchise, and role in the franchisee community. From this data, we identified our list of top low-cost franchises with the highest franchisee satisfaction. **Surveys to determine the Top Franchises for 2016 are underway.** If you are a franchisor and would like to participate, please call 866-397-6680 or contact info@FranchiseBusinessReview.com.



Above: Carol Tucker and her husband own two Hwy 55 Burgers Shakes & Fries locations in North Carolina; **Middle:** Denny's franchisee, Erick Martinez, owns 25 Denny's restaurants in Ohio, Pennsylvania, New Jersey and Delaware; **Right:** Ted and Sandra Andrews of Kona Ice of NE Cincinnati & Dayton own three Kona Trucks, two Kona Minis, and one Kona Kiosk.

Food Franchises Worth Gobbling Up

A Look at The Top Brands and What it Takes to Be Successful

The most competitive and trend driven sector in franchising is arguably food. Franchisees contend with a variety of fluctuating factors including diet fads, food costs, and minimum wage requirements. However, when the right person meets the right franchise brand, a rewarding, exciting, and profitable relationship can result as illustrated by the fact that 87% of the franchisees we surveyed replied "Agree" or "Strongly Agree" in response to: "I enjoy operating this business".

This report provides you with a detailed look at the food franchise sector. It delves into the different available concepts, what it's like to be a food franchisee, and the top food franchises based on rankings from those who know best—the franchisees who own them.

A FEAST OF FOOD FRANCHISE OPTIONS

Just like types of food, there are a wide variety of food franchise concepts including quick service restaurants (QSR), fast casual, and full-service restaurants, as well as dessert or beverage focused retail stores, vending machines, kiosks, mobile trucks, and delivery-only options. Franchise companies may offer

several models at different investment levels and many combine food types, such as a smoothie shop that also serves wraps, while other concepts morph over time to offer a variety of products. These factors make classifying certain concepts challenging, as the lines between competing brands are getting less defined.

"Five years ago we made a major change to our business model by deciding to focus on food quality and service in order to deliver a \$15 experience for \$7. We started using real forks and china in our locations, providing drink refills, and delivering food to the table. As a result of these changes, **Fazoli's**, which was once considered a quick service franchise, is now a fast-casual franchise and our

Average Initial Investment for Concepts	
Full Service	\$1,125,000
QSR/Fast Casual	\$403,062
Pizza	\$298,500
Other	\$290,312

franchisees' same store sales have been enjoying positive growth," says Carl Howard, CEO of Fazoli's. Average unit volume (AUV) at Fazoli's has increased 25% as a result, growing from \$800,000 to \$1 million since implementing the new changes.

The investment range of food franchises varies even more widely than the different types of concepts. For example, **Culvers'** startup investment ranges from \$1,354,801 to \$3,680,500, while a **Happy and Healthy Products** franchise can be purchased for \$45,000 to \$90,000. The median investment range for the franchises we researched is approximately \$215,000 to \$460,000.

THE MOST PROFITABLE SECTORS

When it comes to which food franchises by sector and geographic region had the highest and lowest income, we found that the average annual income of full service restaurants was highest at \$153,363 and that Yogurt/Ice Cream franchises had the lowest average annual income at \$62,426. Food franchisees in the Western region of the United States have the

highest average income of \$98,867 while those in the Northeast region have the lowest average income of \$80,932. The elevated annual incomes reported by Western Region franchisees appears to be tied to the number of units/locations owned by each operator. Franchisees in the Western region own on average 24% more locations than franchisees from other regions. The breakout of the average number of units/locations owned by region is as follows: Northeast 2.5, Midwest 2.8, Southern 2.8, and Western 3.1.

How profitable you will be, according to **Denny's** franchisee, Erick Martinez, who owns 25 Denny's restaurants in Ohio, Pennsylvania, New Jersey and Delaware, depends on four key elements: (1) the support your franchisor provides, (2) choosing the right location, (3) building a good team that wants to grow with you, and (4) having the necessary energy, discipline and inspiration. Martinez unexpectedly became a Denny's franchisee in December of 2007. "I worked for Denny's corporate from 1993 to 2007 and was a Divisional Vice President when the company decided

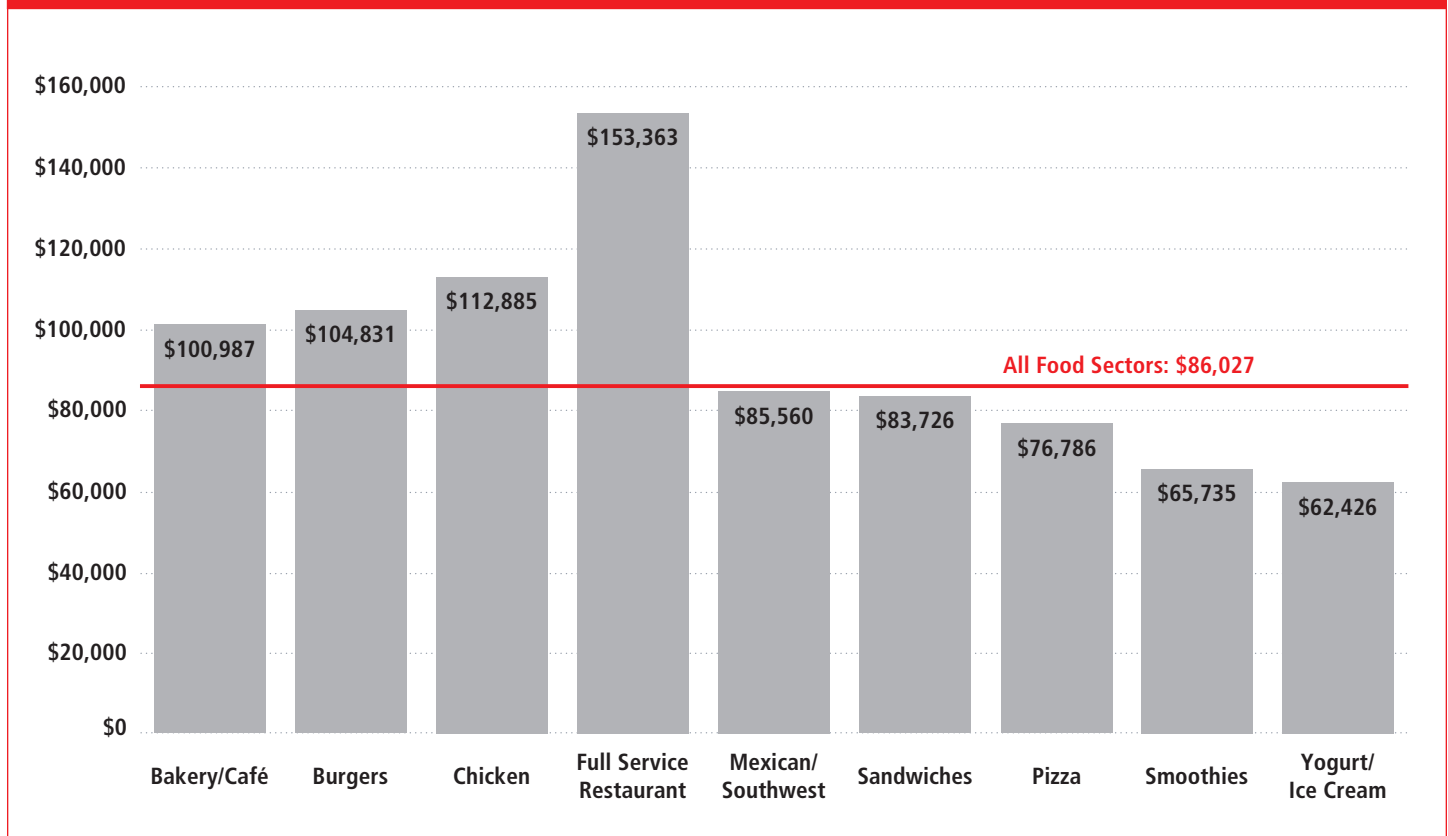
to restructure. I had a unique opportunity to become a Denny's franchisee, so I decided to take a leap of faith and purchased four units." When asked what he thinks all franchisees should know Martinez said, "You should strive to remove all barriers to profitability without sacrificing quality and not spend unnecessarily just because money is coming in. You need to save for future growth and for surprises."

"Owning **Marco's Pizza** franchises has enabled me to grow both assets and income," says franchisee Glenn Ajmo, who was a day trader when he invested in a 50 unit Marco's Pizza deal in Orlando and Tampa in 2007. "Some of my locations were profitable right away, while others took a while to grow."

WHAT'S TRENDING?

One of the clearest trends we noted in our conversations with franchisees and franchisors is the growing number of "fresh casual" dining experiences within the fast casual sector. This newer, elevated fast casual category, which is also referred to as "fast casual plus", "premium fast casual", or "fast fine", entails counter

Average Annual Income of Food Franchisees by Sector



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ordering with added service including delivering food to customers' tables, refilling drinks, and bussing tables. Fresh casual restaurants tend to have interiors that feature higher quality furniture and fixtures than fast casual establishments, which traditionally have minimalist and sleek interiors. The prep and cooking of food, which may be preheated or have been previously frozen, at fast casual establishments tends to be as simplified as possible whereas the food at fresh casual restaurants is often locally sourced, rarely frozen, and requires more involved preparation and cooking. An entertainment factor, even if it's simply the customer being able to personalize their meal and watch their food being prepared, is often involved in fast and fresh casual concepts.

The overall growth of the fast casual sector is primarily due to the fact there is demand for affordable fine dining inspired food that is healthier than fast food, customizable and quickly made. Getting your order at a fast casual restaurant often just takes a few minutes longer than it would take at a fast food establishment.

"Fresh" is certainly a word we heard over and over again during our interviews for this report. **Church's Chicken** cooks fresh, hand battered chicken and biscuits all day. **Hwy 55 Burgers Shakes & Fries** serves fresh, never frozen hand-pattied burgers. **Marco's Pizza** dough and sauces are made in store and only fresh, not pre-cut vegetables are used.

No ice cream and frozen yogurt concepts, much to our surprise, made our list within the Ice Cream/Frozen Treats category. Our theory as to why **Kona Ice** and **Happy & Healthy Products** took this year's top spots is that their start up costs are the lowest on our Top Food Franchises list, which may mean their franchisees are profitable faster.

"Our success is due to a variety of reasons," says Tony Lamb, CEO of Kona Ice. "Perhaps two of the biggest factors are our investment in innovation and the multiple revenue streams we offer our franchisees. Our franchisees have the ability to customize flavors based on what is popular in their marketplace and we regularly roll out new products. Our latest Vita-Blend product is Smart Snack Compliant, which means it can be sold on school property during school hours. We have also created a kiosk and smaller version of our trucks, the Mini, that can be brought into buildings for



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Speaking with franchisees is truly the best way to get a realistic understanding of the business.

special events. In 2016, we're excited to be introducing crushed fruit toppings that will count as a serving of fruit."

Each year we have franchises that fall off of our Top Food Franchises list and new ones whose high franchisee satisfaction land them a spot on it. New to our list this year are Denny's, **Church's Chicken**, **PJ's Coffee**, **Jason's Deli** and **D.P. Dough**.

FOOD FRANCHISE HEALTH INSPECTION

Just as you do when deciding what to order from an extensive menu, take your time thinking about which franchise option will make you happiest by meeting both your business and personal goals. In order to do so, you'll need to find out the following for each franchise concept you are considering: sector growth projections; unit growth data; how much training and marketing support you will receive from the franchise company; how strong and experienced the franchise's management team is; how satisfied current franchisees are; and how much income you might earn. Unit-level economics and potential profitability are two of the most important areas to look at before investing in a franchise, or any business for that matter. You must ensure that once your overhead is paid, you will still make the profit you need to survive. Typical expenses will include: food costs; rent; salaries; health, workman's comp and building insurance; utilities; royalties; and maintenance costs. It's crucial you have enough capital to meet overhead and other financial obligations (e.g. loan payments and personal living expenses) while you get your franchise off the ground.

Once you've settled on a franchise option and the franchisor decides you are a great fit for their brand, you will be provided with a Franchise Disclosure Document (FDD). The FDD features contact information for current and past franchisees; audited financial statements of the franchise company; executive bios; typical start-up and maintenance costs and fees; an overview of what your

responsibilities as a franchisee will be and those of the franchisor; as well as a copy of the actual franchise agreement you will be required to sign if you choose to become a franchisee. Be sure to carefully read it and to reach out to as many franchisee contacts as you can.

Speaking with franchisees is truly the best way to get a realistic understanding of the business. It's important to ask about their experiences and compare their responses to the information provided in the FDD and franchise agreement (e.g. training, support, potential earnings, etc.). If the franchise participates in Franchise Business Review's franchisee satisfaction survey, you can find out what its franchisees think about it by looking at its survey results at www.FranchiseBusinessReview.com. If the franchise you are interested in does not share its franchisee satisfaction data publicly, ask if it has similar data. Of the franchisees surveyed for this report, 76% replied "Good" "Very Good", or "Excellent" in response to: "Overall, how would you rate your satisfaction with this franchise?"

We recommend that you hire an attorney who specializes in franchise law to help you evaluate the franchise package, as well as an accountant to review your financial projections and tax considerations. They will be able to help you understand a variety of things including what can happen if the franchise fails, if you'll be locked into paying the franchise company a set amount of money each month regardless of your success, and much more. An accountant can also help you determine the opportunity costs and whether or not the investment is feasible for you.

The Franchise Buyer's Toolkit, which was created by Franchise Business Review's leadership team, is a wonderful resource for detailed information regarding how best to analyze a franchise opportunity. It will help you estimate long-term franchise profitability, the potential return on your investment, do a deep-dive into the FDD and more.

Continued on page 10.

Key Food Franchisee Satisfaction Survey Findings

"I respect my franchisor"

74%

Agree or Strongly Agree

75% rate their franchisor and the opportunity provided by their franchise system as **Good**, **Very Good**, or **Excellent**

"I enjoy operating this business"

87% Agree or Strongly Agree

72% would "do it again" knowing what they know today.

"I believe my franchisor acts with a high level of honesty and integrity"

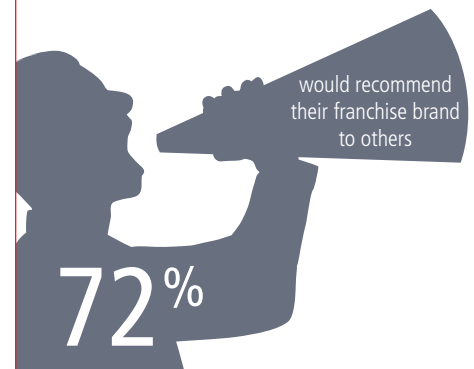
67% Agree or Strongly Agree

"I enjoy being part of this organization"

82% Agree or Strongly Agree

Overall Satisfaction with Franchisee

76% replied **Good**, **Very Good**, or **Excellent**



THE LIST

Best of the Best: Today's Top 40 Food Franchises

"This company has one of the highest core value systems of any company that I have worked with. They are probably the most genuine group of leaders anyone could ask to work with."

— Hwy 55 Burgers Shakes & Fries Franchisee

"Denny's is always there every time I need help or have a question. I always feel free to call."

— Denny's Franchisee

*This brand's Franchisee Satisfaction Report is available at www.FranchiseBusinessReview.com

	Survey Date	Startup Investment	Cash Requirement	Total Units
Culver's — <i>more on p. 16</i> QSR	May 2015	\$1,354,801 – \$3,680,500	\$350,000 – \$600,000	533
Kona Ice — <i>more on p. 10</i> Ice Cream / Yogurt / Frozen Treats	June 2015	\$114,125 – \$129,425	\$20,000 – \$25,000	942
* Ground Round — <i>more on p. 14</i> Casual Dining	May 2015	\$450,000 – \$2,200,000	\$350,000	29
* Checkers & Rally's QSR	May 2015	\$165,000 – \$1,235,000	\$250,000	473
* Hwy 55 Burgers Shakes & Fries — <i>more on p. 1</i> Casual Dining	July 2014	\$184,255 – \$331,955	\$125,000	116
Penn Station QSR	Oct. 2014	\$258,103 – \$519,704	\$175,000	286
LaRosa's Pizzeria Fast Casual	June 2014	\$500,000 – \$850,000	\$150,000 – \$255,000	66
Biggby Coffee Beverages	Sept. 2014	\$160,350 – \$317,100	\$70,000	195
Auntie Anne's Snack / Retail	Sept. 2014	\$196,475 – \$370,100	\$40,000 – \$80,000	1,206
* Firehouse Subs — <i>more on back cover</i> QSR	April 2015	\$131,150 – \$928,405	\$80,000 – \$100,000	907
D.P. Dough QSR	Jan. 2015	\$241,025 – \$427,350	\$100,000	24
Fazoli's Restaurants Fast Casual	Feb. 2015	\$558,000 – \$1,339,000	\$165,500 – \$250,000	217
Tropical Smoothie Cafe — <i>more on p. 6</i> Fast Casual	Oct. 2014	\$165,940 – \$414,685	\$100,000	440
Planet Sub QSR	July 2014	\$182,500 – \$402,000	\$200,000	36
Hungry Howie's Pizza & Subs — <i>more on inside back cover</i> QSR	Nov. 2014	\$228,000 – \$432,500	\$100,000	552
Wingstop QSR	April 2015	\$227,888 – \$650,790	\$200,000	725
Toppers Pizza QSR	July 2015	\$262,663 – \$490,649	\$150,000	71
Denny's Casual Dining	Feb. 2015	\$1,215,485 – \$2,121,065	\$350,000	1,657
* East Coast Wings & Grill — <i>more on p. 15</i> Casual Dining	April 2015	\$658,875 – \$1,133,502	\$250,000+	34
Dick's Wings & Grill Casual Dining	Oct. 2014	\$229,500 – \$772,500	\$100,000	22

	Survey Date	Startup Investment	Cash Requirement	Total Units
* Marco's Pizza — <i>more on p. 16</i> QSR	July 2015	\$218,000 – \$418,500	\$50,000 – \$100,000	671
Taziki's Mediterranean Cafe — <i>more on p. 14</i> Fast Casual	Sept. 2014	\$313,000 – \$809,000	\$500,000	48
Chicken Salad Chick Fast Casual	Aug. 2014	\$336,500 – \$539,200	\$125,000+	39
* Happy and Healthy Products Ice Cream / Yogurt / Frozen Treats	March 2015	\$45,000 – \$90,000	\$45,000 – \$89,045	65
Black Bear Diner Casual Dining	May 2014	\$527,800 – \$1,457,200	\$250,000 – \$1,500,000	70
Donatos Pizza — <i>more on p. 2</i> QSR	July 2015	\$449,000 – \$667,000	\$200,000	100
Church's Chicken QSR	Jan. 2015	\$400,000 – \$1,200,000	\$650,000	1,184
Jason's Deli Fast Casual	April 2015	\$905,891 – \$1,277,868	\$905,891 – \$1,277,868	106
Bruegger's Bagels Fast Casual	Oct. 2014	\$389,600 – \$591,600	\$450,000	104
Billy Sims Barbecue — <i>more on p. 13</i> Fast Casual	Sept. 2014	\$169,000 – \$433,000	\$150,000	49
Captain D's Fast Casual	May 2014	\$771,000 – \$1,003,000	\$350,000	508
Your Pie Fast Casual	Sept. 2014	\$400,000 – \$450,000	\$250,000	23
Twin Peaks Casual Dining	Aug. 2014	\$1,300,000 – \$3,400,000	\$1,300,000 – \$3,400,000	74
Nothing Bundt Cakes Snack / Retail	June 2015	\$390,775 – \$489,975	\$150,000	132
PJ's Coffee Beverages	July 2015	\$171,400 – \$474,500	\$75,000+	66
Zoup! — <i>more on p. 6</i> Fast Casual	Dec. 2014	\$321,400 – \$609,400	\$120,000	84
Au Bon Pain Fast Casual	Oct. 2014	\$460,500 – \$1,500,000	\$460,500 – \$1,500,000	98
Deli Delicious QSR	July 2014	\$150,000 – \$350,000	\$100,000	30
Chopped Leaf Fast Casual	July 2014	\$250,000 – \$385,000	\$100,000 – \$185,000	25
Farmer Boys Fast Casual	July 2015	\$1,028,500 – \$2,168,500	\$1,028,500 – \$2,168,500	80

"We have experienced fantastic growth over the past 3 years. I feel that we will be able to grow and develop market share with the help of the franchisor developing innovative products and maintaining an aggressive social media presence."

— Donato's Pizza Franchisee

"There's no other company out there that I would rather be a part of. The way they care and support there franchisees is unbelievable."

— PJ's Coffee Franchisee



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1# FOOD FRANCHISE IN 2014

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Continued from page 7.

INVESTING IN A FOOD FRANCHISE VS. STARTING FROM SCRATCH

If you are trying to decide whether to invest in a food franchise concept or to launch your own brand, you're not alone.

"We went back and forth for a while trying to decide if we wanted to open our own concept or bring one that was already successful to Des Moines," say sisters and Planet Sub franchisees, Barb Brodie and Robin Myers. "We are very glad we opted to invest in a Planet Sub franchise instead. We do not have to come up with action plans, suppliers, or menus, which is fantastic." Their advice to anyone considering investing in a food franchise is to invest as much cash as you can because the less you need to borrow, the more profitable you will be. They also suggest keeping a sharp eye on the daily operations of your locations in order to control waste and avoid pilfering.

Brodie and Myers clearly appreciate the many benefits a food franchise offers including:

Clear Concept & Brand Recognition

The absence of a clearly defined concept leads to many new-to-market restaurants failing. When you invest in a franchise, you are buying a well-defined, branded and proven concept. If you choose an established brand, you also benefit from customers' recognition of it.

Established franchises have already worked out their issues. Everything from location selection, menu items, food preparation, employee hiring and training, and customer service is based on successful models. It is for this reason that franchisees who adhere to their franchisor's guidelines are far more successful than those who do not. If you don't think you would be able to avoid playing around with the menu offerings and other things the franchisor will require of you, then investing in a franchise is probably not a good idea for you.

Although food franchises have their standard menu items, most invest in product development in order to keep customers engaged and coming back. Franchise companies often involve their franchisees in product development for two reasons: 1) Franchisees can help test the products and provide feedback and 2) if the product does well, obtaining buy in from other franchisees is easier since solid data from testing and sales is available.



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Left: Culver's employees wrap up a productive team meeting.



Right: Black Bear Diner serves up large portions of home-style comfort food.

“Denny’s never rolls out new products without testing them extensively in both its corporate locations and franchisee locations and obtaining buy in from franchisees,” says Denny’s franchisee Martinez.

Support From a Team Who Knows More Than You Do

Training, strategic marketing campaigns and material, sales support, software that helps you run your business, expert guidance, and more are what most franchisors offer to franchisees. You will also be part of a network of franchisees whom you can turn to for advice and share best practices with.

“We send our franchisees weekly communications that provide them with marketing and operations information and host quarterly webcasts that give them a three-month picture of where we are today and where we expect to be,” says Jim Hyatt, CEO of Church’s Chicken. “In addition, we have implemented a visitation protocol that requires coaches to visit our franchisees’ restaurants multiple times per year to evaluate opportunities and help train them on what improvements are necessary to take advantage of these opportunities.” Church’s Chicken also has a dedicated franchisee organization, Church’s Independent Franchise Association (CIFA), which connects franchisees with each other and works closely with Church’s Chicken’s corporate office.

Group Purchasing Power

Franchisors are able to buy in bulk and pass the savings on to their franchisees. Independent

restaurant owners are unable to obtain the same volume discounts.

“Our Vice President of Purchasing reports every week to our franchisees the savings that Marco’s was able to negotiate on both food and equipment and how it effects each store,” says Bryon Stephens, President and COO of Marco’s Pizza.

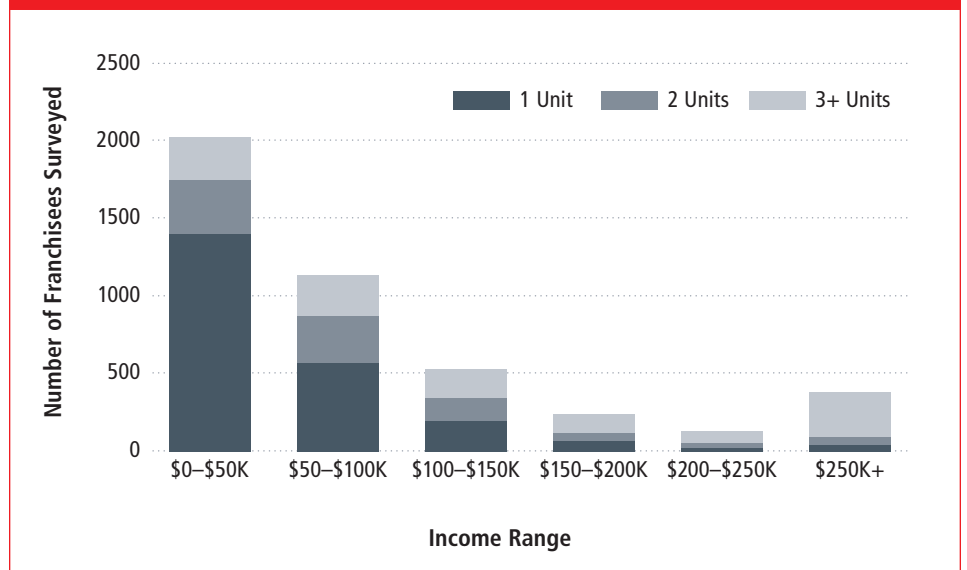
“Our supply team works very hard to keep back-of-the-house costs as low as possible by working with suppliers, which enables us to keep prices in our restaurants at a level that our guests have grown to expect, while continuing to give them a great product,” says Hyatt of Church’s Chicken.

Easier Access to Financing

Franchisors often work with you to secure financing to start your franchise, purchase additional equipment, or expand your business. Lenders also tend to be more amenable to financing a franchise business because of its proven track record.

“We have a financing program that is available for all of our existing franchisees and enables them to obtain capital with respect to managing their restaurants. Through this program franchisees can borrow up to 100% of financing for their reimagining projects,” says Hyatt.

Food Franchisee Income by Number of Units Owned



Special Section: Up And Coming Food Franchises

We are serving up something fresh in this report—our first ever list of up and coming food franchise concepts to watch. Please note we have not had the pleasure of surveying their franchisees because they do not yet have 10 franchisees with operating units, a requirement for participation in our **Benchmark Franchisee Satisfaction Survey** research. We selected these franchises because after watching their growth and talking with their executive team, we feel they have what it takes to be a successful brand.

The Casual Pint: The Casual Pint offers patrons 22 or more local and regional craft beers on tap that customers can enjoy at the English pub style bar or take home in a growler (64 oz.), crowler (32 oz.), or keg. Customers can also select from over 300 different bottled beers to mix their own six packs.

"I looked at traditional food franchises and found that most would require me to be involved on a day-to-day basis from an operational perspective. When I came across The Casual Pint, I saw immediately that the simplicity of the model was exactly what I was looking for," says Chris Owens, who, thanks to having an experienced manager in place, is able to work full-time for IBM and own his Knoxville, TN location. His situation is unconventional since many food franchisors require franchisees to be on-site day to day. Owens' advice to franchisees is to leverage your strengths and to hire to your weaknesses.

Start-up Investment: \$350,000 – \$400,000

UFood Grill: UFood Grill makes healthy dining easy by offering a "better-for-you" fast-casual menu, including chicken, beef, turkey, grilled shrimp and veggie burgers, "Unfries," steak tips, wraps, bowls, salads and paninis. Everything is baked, grilled, or steamed – never fried. UFood Grill shares caloric information, menu ingredients, and food preparation details.

"We are at the heart of an important national movement to bring healthier dining options to a growing customer base," says Sal Rincione, CEO of UFood Grill. "People are demanding better food, healthier ingredients and total transparency."

Start-up Investment: \$430,000 – \$643,000

Sweet Lorraine's Fabulous Mac n' Cheez!: Sweet Lorraine's Fabulous Mac n' Cheez! features 14 different kinds of macaroni and cheese as well as soups, sandwiches, salads, and wraps. Many of the macaroni and cheese dishes are inspired by popular food such as the Philly Cheesesteak and Buffalo Chicken. Customers can customize their macaroni and cheese by selecting from a variety of cheeses and toppings.

"The burger, sandwich, burrito and pizza space is getting very crowded. Our mac and cheese concept stands out," says Gary Sussman, co-founder of Sweet Lorraine's Fabulous Mac n' Cheez!

Start-up Investment: \$150,000 – \$450,000

Amsterdam Falafelshop: Amsterdam Falafelshop is known for its top-it-yourself falafel that can be ordered in a sandwich, pita, or bowl and garnished with over two-dozen toppings as well as its tasty Dutch-style fries.

"The food, presentation, and quality control of Amsterdam Falafelshops is very straightforward. The concept is essentially Chipotle for falafel," says Matt D'Alessio, who owns two locations in Massachusetts. "My Davis Square location was cash positive from day one." Alessio's advice to potential franchisees is to invest in the right location. "Your most expensive liability could be cheap rent," he says.

Start-up Investment: \$379,300 – \$544,900

People are demanding
better food, healthier ingredients
and total transparency <<<

The Pizza Press: Guests of The Pizza Press are invited to "Publish Your Own Pizza" by choosing from a wide variety of fresh sauces, cheeses and finishers. They can also enjoy craft beer from local breweries, wine, a custom salad, or a treat from the root beer float station as well as freshly made cookies and custard.

"Although it takes only an average of three minutes and 20 seconds for our customers to get their pizza from the time they start building it, we designed our establishments to feel welcoming so that people want to stay for a while and connect with each other," says Dara Maleki, President & CEO.

Start-up Investment: \$300,000 – \$630,000

Tin Drum Asia Café: Tin Drum Asia Cafe's chef driven pan-Asian menu features more than 35 items made with Thai, Japanese, Chinese, Vietnamese and Indian influences and 15 signature sauces. The food and décor are designed to evoke a bustling Asian street market feel.

"Our customers have the ability to completely customize their dishes. The sky's the limit when it comes to the delicious combinations they can create," says Mike Rotundo, CEO of Tin Drum Asia Café. "They also love the fact that their food is delivered to their table within 10 minutes or less."

Start-up Investment: \$270,000 – \$480,000

Rock & Brews: Rock & Roll Hall of Famers Gene Simmons and Paul Stanley of KISS co-founded Rock & Brews with several partners. Patrons enjoy high quality American comfort food and the full bar's wide selection of craft beers. A rock-inspired environment offers concert lighting, multiple flat screens, rock concert videos, and a signature "great wall of rock."

"Rock & Brews' supervised play area and dog friendly patio make it a lot of fun for the whole family. The food is exceptional, the craft beer selection unparalleled, and the rock-inspired atmosphere engaging," says co-founder, restaurateur Michael Zislis.

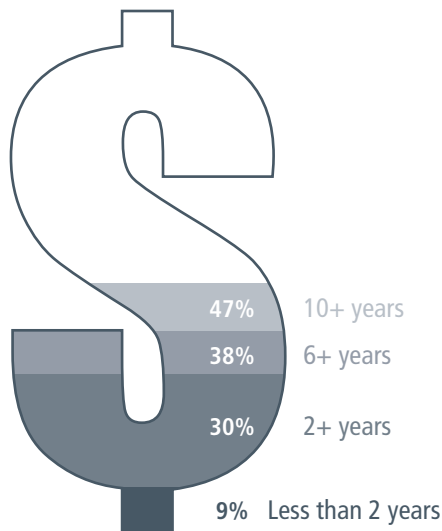
Start-up Investment: \$700,000 to \$1.5 million for 5 unit territories

PizzaRev: No matter how many of the 30 toppings, ranging from pepperoni to fresh herbs, a customer selects for their build your own pizza, the cost is \$8.25. The custom-built, 900-degree stone-baked oven means pizzas are ready in less than three minutes.

"Historically people could only choose from a slower sit down pizzeria or pizza delivery," says Irv Zuckerman, Co-CEO/Co-Founder. "We provide our guests with the convenience of speed, while enabling them to fully customize their pizza."

Start-up Investment: \$509,000 to \$902,500.

When Might You Earn \$100K?*



* This data is no guarantee of what your personal revenue might be. Rent, salaries and more vary by location.

Potential to Be Profitable Faster

Due to all the benefits franchising offers, it is possible you may be able to ramp up and make a profit faster than if you started a restaurant from scratch. It is wise, however, to set aside enough money to carry your new franchise, as well as you and your family, through the first few years of operation in case profits do not come as quickly as anticipated.

“Our goal is to have our franchisees open within 90 to 120 days of their signing an agreement with us,” says Kenney Moore, CEO and Founder of Hwy 55 Burgers Shakes & Fries. “We do extensive pre-opening marketing for our franchisees with the objective of their having positive cash flow from day one and stay on-site with our franchisees as long as they need us.” Same store sales at Hwy 55 Burgers Shakes & Fries are up six to eight percent year over year.

DO YOU HAVE THE TRAITS IT TAKES?

Food franchisors tend to look for investors who have extensive management experience or are successful entrepreneurs and meet the initial financial requirements. They’ll also review your capital liquidity and net worth in order to ensure you have the funds needed to keep your business going until it is profitable.

Although many brands, particularly those that are well established, also require restaurant experience, not all do. “We look for franchisees

of great character and tremendous integrity who fit our love thy neighbor culture and are desirous of controlling their own destiny,” says Moore. “We do not require restaurant experience because sometimes preconceived notions come with it and we’ve only ever had problems with franchisees who have tried to change our business model.” Moore was quick to point out that since Hwy 55 Burgers, Shakes & Fries began franchising in 1992 it has never been sued by a franchisee. It is a good idea to see if the franchise you are considering has been involved in excessive litigation, which is a red flag. You can find this information within the FDD.

“We are not about short term gains for long term disaster, so we carefully vet potential franchisees,” says Stephens of Marco’s Pizza. “We look for outgoing and energetic people who are driven not only to maintain high quality standards, but who are highly motivated to become a strong community partner.”

Whether you choose to start right out of the gate by investing in several units of a major national restaurant franchise or a single truck from a food truck franchise, ultimately the only things that matter are that the concept will meet or exceed your financial expectations and that you will receive the support you need to be successful. One thing you can be certain of is that success will not be instantaneous. Your new franchise business will require tremendous hard work and patience.

“I worked tirelessly during many long days the first two years I owned my franchises,” says Denny’s franchisee Martinez. “I probably could have worked less, but I wanted to make sure business was running smoothly and that my team would be a success. Also, if I did not work so hard then, I probably wouldn’t be able to enjoy the work life balance I currently have while owning 25 Denny’s franchises within just six years.” Martinez said because of the hours most food franchisees must work, at least initially, that it is essential to communicate your vision for the business and your personal life with your family because you will need a lot of support

“I try to be at one of my restaurants every day and take one day for payroll,” says J.R. Cottle, who owns a total of five Hwy 55 Burgers, Shakes & Fries in South and North Carolina. Cottle began at Hwy 55 Burgers Shakes & Fries earning minimum wage at age 15 to earn money to

FEATURED Franchisee



Trent Crow

Billy Sims Barbecue
Owasso & Muskogee, OK
Franchisee since 2010

Why did you decide to buy a franchise?

I wanted to take my business experience into an entirely different field and be my own boss after working 28 years at the corporate level.

Why did you choose your franchise?

Flexibility, and the ability to control and operate the business the way I see it should be.

What is the worst part of being your own boss?

I do not believe there is a worst part of being my own boss.

Where do you see yourself in five years?

Owning more stores and possibly having my son operate part of the businesses.

What keeps you up at night?

Remaining profitable within my market places.

What advice do you have for prospective franchise buyers?

Study location and demographics extensively before purchasing a territory in which to grow your business. Hire the right GM, teach that person, and set strong expectations. Be sure to follow up on those expectations and hold your GM accountable for meeting them. Also, set core values and beliefs for your stores, and make sure all employees know and understand them 100%.

Who has most influenced your approach to business?

Sam Walton’s, the founder of Walmart, philosophy. He believed in leadership through service.

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pay for his car and car insurance and was managing a location when he was 18. When he was only 24 he owned his first Hwy 55 Burgers Shakes & Fries franchise location. Cottle says what he loves most about the brand is how personal and close knit it is. His advice to franchisees is, "Be there. You can't develop a good team that can eventually help you work less if you are not present in your restaurants."

"If you think you can buy a franchise, open the door, sit back and get cash you are wrong," says Marco's Pizza franchisee Ajmo. "You will have to work hard, but your life will get easier."

While the food industry may be challenging, its operators are among the most passionate in franchising. The best way to understand whether or not the food franchise concept you are considering investing in will deliver is to spend time comparing brands side-by-side and carefully researching each opportunity. Every food franchise has its own economics and culture, both of which you must be comfortable with. More detailed research on specific food franchises can be found at www.FranchiseBusinessReview.com.



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