

Big Plans for Small Portfolio Restaurants

Paisano's and **Beach Pit BBQ** each partner with franchise development companies to assist with growth plans and would be lucky to follow in the footsteps of **Muscle Maker Grill** and **Tilted Kilt**. This year Muscle Maker aims to grow by more than 300%, while Tilted Kilt shoots for around 50%. Beach Pit BBQ teams up with Fransmart to launch franchising for the first time nationwide and Paisano's bets on Franchise Consulting LLC. Look for Paisano's in Virginia and Beach Pit to open units in Orange County, Calif., by December. Muscle Maker started franchising at the beginning of the year and has plans for 30 total units by the end of 2009, while Tilted Kilt counts on a dozen new units in some major markets.

Potential franchisees will be attracted to Italian delivery concept Paisano's low initial cost of \$300K and \$1M AUVs, since that is a 3-to-1 volume to investment ratio. Also, its new partner Franchise Consulting brings experience and street cred to attract franchisees from working with several of Beautiful Brands International's concepts including Camille's Sidewalk Café, Coney Beach and FreshBerry Frozen Yogurt Cafe.

Fast-casual Beach Pit BBQ is well known in its SoCal home base where it boasts 7 locations, and is now ready to expand its portfolio and launch franchising. By partnering with Fransmart, one of the largest franchise development companies, Beach Pit will not only get its name out there to operators but will also benefit from Fransmart's great track record and loads of industry experience.

Both of these brands should take a page from Muscle Maker. The concept began franchising less than one year ago with a low cost of entry under \$200K and already sees some units bring in a 10-to-1 ratio in sales, which ought to keep franchisees flocking to the fast-casual chain. Retrofitted stores help scale down costs for franchisees and a recent opening in a former Baja Fresh spot brought in \$20K the first week it was open. Most units fetch \$14K/week to \$15K/week. With 18 area developers and a goal of 50% growth this year, casual-dining Tilted Kilt is happy to be in the sports bar segment since sales have not been as affected as other full-service companies.

Anticipate a new Paisano's in Reston, Va., and possibly another in the state by year's end, adding to the 6 existing locations. President **Fouad Qreitem** wants to start franchising in Virginia and expand outward to Washington, D.C., and Maryland. Plans are to have 10 deals signed in the area, with units opening by the end of 2010. Qreitem counts on 50 stores over the next few years. Single- and multi-unit franchisees are welcome with a fee of \$40K. The company is looking for experienced operators that are also well capitalized and have the ability to bring in good staff. Units are in the 1,200-s.f. to 1,500-s.f. range and are mostly inline or end caps. Locations near rooftops work best because of the delivery aspect. Due to the high volume of sales, rents can be as high as \$30/s.f. to \$40/s.f. An average check is \$19 and Qreitem sees this as a very different DTO concept since everything is made fresh and there are no frozen ingredients.

Beach Pit BBQ will add its third corporate unit in the Old Towne section of Orange, Calif., next month, and is in negotiations on some other sites in the area. Managing Member **Tim DeCinces** would like to add more units in the Orange County MSA and also looks into northern San Diego and the Inland Empire. Both single- and multi-unit franchisees will work and existing Fransmart franchisees opening Beach Pit units could be a possibility. The initial amount to open 1 unit is around \$500K and the franchise fee is \$25K. Ideal locations are 2,000-s.f. to 2,500-s.f. end cap with a patio. AUVs are \$1.3M and an average check is \$12. DeCinces wants rents to be 5% to 8% of sales. Given that the brand's 5 existing locations at Angel Stadium of Anaheim, Calif., have done so well, DeCinces counts on adding more nontraditional outlets with Aramark. The Honda Center, also in Anaheim, could be in the cards. DeCinces spent seven years playing professional baseball for the Baltimore Orioles, San Diego Padres, Oakland A's and Cleveland Indians before starting Beach Pit.

Muscle Maker's pipeline includes 23 locations under construction mostly in New Jersey, including Edgewater, as well as in Florida and Philadelphia. A recent 100-store deal for nine counties in Pennsylvania will help the 7-unit brand reach its 50-store goal in the next 18 months. VP of Franchise Sales **Lester Soto** predicts future locations in California where President **Art Gunther** is from. Soto looks for single- and multi-unit franchisees and the fee is \$35K. The initial amount necessary to open a Muscle Maker is \$150K to \$314K. AUVs are \$800K to \$1M. Units can be anywhere from 1,300 s.f. to 3,600 s.f. depending on the location. Inline or end caps in strip centers close to a gym work well, although the concept can be modified to fit in most locations. An average check is \$11 and the menu offers healthier twists on classic entrées like cheeseburgers and baked potatoes.

Count on 12 new Tilted Kilts by year's end in Atlanta, Charlotte, N.C., Birmingham, Ala., Orlando, Fla., and Rockford, Ill. President **Ron Lynch** also bets on Chicagoland, the Carolinas and throughout the East Coast and Southeast for future expansion. The 23-unit company uses area developers to assist franchisees with a franchise fee of \$50K. Buildout is in the \$350K to \$1.3M range and units will be 6,000 s.f. to 7,000 s.f. going forward. Freestanding pads in malls or urban high rises work well. AUVs are \$2.4M for smaller units and \$4M for larger. Lynch sticks to the old rule of thumb of keeping rents under 10% of sales, and an average check is \$14. Tilted Kilt just revised the menu with expanded burger options, and burger sales are already up 11% to 22% of the food mix, which makes Lynch happy since burgers are one of the most profitable menu items.