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10 Great Franchise Deals

The industry's best franchise values. [By Daniel P. Smith](#)



Admittedly, a list of the best values in the quick-service franchise arena is a catalog coated in subjectivity. Yet, there remains an assortment of common characteristics that many franchise values possess.

First, a good franchise deal is more than a simple, by-the-numbers assessment of franchise fees and start-up costs, a method that would fill any list with the pizzerias and sandwich shops that generally require less equipment, operational strength, and build out.

“Plus, you have to understand that a smaller investment is likely to generate a smaller return,” Technomic executive vice president Darren Tristano says. “Sometimes you might have to invest more to get that bigger payout, which can still signal value for the franchisee.”

As restaurant marketers are quick to point out, value means more than a dollar figure; rather, it's what you get for that dollar. In this exploration for the industry's best franchise values, the following criteria emerged:

SIZE: Restaurants with a hefty number of outlets bring economies of scale from supply chain to marketing efforts that smaller operations struggle to replicate. On the other end, those that are too big can buckle under their own weight. Necessary changes can be difficult and complex to implement, breeding a corporate-versus-franchisee mentality that stifles forward movement.

NAME RECOGNITION: Brand awareness goes a long way with consumers who want food and experience that matches their expectations.

MOMENTUM: Brands selling off franchises and struggling to stay afloat signal turmoil. In contrast, brands adding units and overcoming the economy's troubles inspire confidence and strength.

MARKET NICHE: Brands that hold a distinctive place in the industry are well positioned to become a destination spot for consumers and gain a competitive advantage over other outlets.

AVERAGE UNIT VOLUME (AUV): When compared against start-up costs and other long-term investments, AUV gives a strong sense of a franchisee's return on investment.

Saladworks



FRANCHISED UNITS: 104

FRANCHISE FEE: \$30,000–\$35,000

TOTAL START-UP COSTS: \$356,350–\$649,200

ROYALTY: 5%

RENEWAL FEE: \$17,500 at 10-year term

MARKETING FEE: 3%

While early detractors questioned the viability of a salad-dominated brand, Saladworks' customers have voted with their wallets. Saladworks created a following for its hip, modern atmosphere as well as its menu, which also includes soups and sandwiches. In 2008, the Pennsylvania company earned more than \$64 million in U.S. sales while AUV neared \$1 million.

Plans call for the establishment of more than 1,000 outlets across the country in the next decade. Saladworks' vice president of business development, Jena Feret, says franchisees receive in-depth training, covering everything from management and marketing to food preparation. Other development tools include lease negotiation services, low-cost vendors, and ongoing operational support.

"Saladworks is so confident in our systems and processes that the concept is offering guaranteed financing to qualified individuals," Feret says.