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This month our columnist continues to highlight opportunities in the multi-unit world. Even with continued talk in the media of "tough times," there are new, emerging concepts that are growing and thriving.



Dennis Monroe

Dennis L. Monroe is a partner and the chairman of Krass Monroe, P.A., a law firm specializing in multi-unit franchise finance, mergers and acquisitions, and taxation.

Dennis can be reached at (952) 885-5999

## Highlighting success Three foodies' concepts for the future

Here are three groups that are doing well.

### RedBrick Pizza

Red Brick Pizza, founded in 1998 by Jim and Lynn Minidis, is one of the neatest concepts I have seen in years. In Italian, "red brick" means terra-cotta stone. RedBrick Pizza bakes their pizzas in just three minutes on a terra-cotta stone in a 1,000-degree brick oven.

They currently have more than 80 cafes open in 12 states plus Canada, with development agreements representing more than 1,000 locations.

RedBrick uses a master development approach, and they have been able to sell a large number of developments. The master developer owns the territorial rights to a geographic area. The developer acts as the subfranchisor and receives a portion of the franchisee fee, royalties and advertising for all of the locations opened within that territory. The purchase price for a geographical area is based on the area's population multiplied by a 10-cent per person factor.

The key to RedBrick Pizza's success with this plan is that their master developers may

not necessarily be restaurant people, but rather business people who know how to approach the process. Their master franchise stimulus package provides for up to 50 percent financing on the initial territory fee.

RedBrick has received high acclaim and numerous awards. The chain continues to grow and seems to have hit the mark as it relates to the type of product (gourmet pizza), décor and locations that make for a successful business.

### Cooper's Hawk Winery & Restaurant

Cooper's Hawk is an absolutely killer concept that has not yet franchised. It is a polished, casual concept with four locations in suburban Chicago.

Dining at Cooper's Hawk is a very cool experience. You walk into a wine room/retail store that rivals some of the best wineries in Napa Valley. There is an impressive retail display with a huge mix of wine (which they produce). You dine in a wine-room setting and eat some of the best upscale casual food that I have had in a long time.

Another unique feature of Cooper's Hawk is its wine club, which has more

than 8,000 members (and continues to grow at 500 members a month). The beauty of this club is that while the stores will ship the monthly wine selections out to the customers, most people pick up their wine at the restaurants. This pick-up service at the restaurants drives traffic and revenue sales.

### Bread & Company

Bread & Company is a Nashville, Tennessee-based bakery/café concept. It was started by Anne Clay, who was inspired by handcrafted artisan bread while on a trip to Colorado. In 1992 she opened a 2,000-square-foot neighborhood bakery which became an immediate success. Her son, John, joined the business in 1995, and is now the president. They have four successful units in the Nashville area and one could say it has a cult following.

Bread & Company reminds me of the beginning of Starbucks, when Starbucks focused on coffee. Bread & Company still focuses on bread, but it has taken the meaning of bakery to a whole new level. It has developed a wonderful selection of other items, and its quality and freshness is excellent.

Bread & Company has

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put a twist on the bakery/café market segment. It is looking to expand into a number of other southeastern cities. Bread & Company's unit economics are exceptional in the bakery/café segment, so pay attention to this growing concept.

What is impressive about all three concepts is that even in challenging times they are all doing well. They have found a niche, provide consumers with value and are able to move ahead with a unique concept. They have what I often call "legs" and staying power, which seem to be the key elements. Consumers want a value proposition—they want something that appeals to their true concern for sensibility in these times along with something that is cool and different. These three concepts each provide a value proposition.

In addition, each has a unique financing aspect to it. RedBrick Pizza has been able to develop without having to raise outside funding. Its approach through master developers has allowed the company to grow without the need of outside capital. Cooper's Hawk's sources of available financing have come through private individuals. The multi-retail aspects of the concept lend itself to diversification of risk. Bread & Company's ability to take advantage of the affordable real estate in this market has been a plus for any type of reasonably sized restaurant footprint. Valuable business lessons can be learned from each of these concepts. <sup>FT</sup>

*(Next month: A new financial matrix for franchise operators.)*