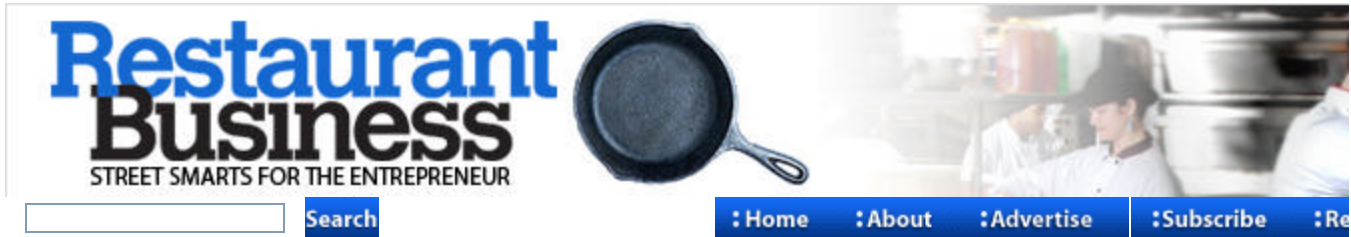




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THE RESTAURANT BUSINESS FUTURE 50

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NUMBER 1 with a burger

Simplicity and a sound infrastructure rocket Five Guys Burgers and Fries to success. For nearly 20 years, the steady stream of people wanting to franchise his family's Five Guys Famous Fries business were told politely but firmly, no. "When turning our baby over to other people—and I did work anyway," says Murrell, a retired insurance salesman, wife, Janie, and three oldest sons built the first unit.

The "five guys," however—the Murrells' sons—though. Given the choice of getting a degree or using their

to buy into the family business, each opted for the business and each intended for it to be their own. "College is a lot easier than this."

Apparently, the guys knew something Dad didn't. Franchising, launched three years ago, took the family straight into the high-stakes, fast-growth chain restaurant world. They've buckled their seat belts. In 2003, Five Guys had six units clustered near its home base in Virginia. At the end of 2005, it had grown to 75 units and sales of \$50 million, according to Technomic, which compiled the data for The Future 50. By the end of 2006, there were 100 stores and sales should exceed \$100 million. Franchise rights for nearly 1,000 stores nationwide over the next few years have been sold.

Five Guys' foray into franchising has been an experience that Murrell admits has been frightening, exciting, frustrating and gratifying. Helping to blaze the trail has been Mark Murrell, a retired Washington Redskins kicker. "Mark retired from football and went to work for a development company. He approached our kids at the right time and has since become a franchise developer. He's never made a cold call; the whole thing just took off."

Building a corporate infrastructure, bringing in people like Moseley and assembling a team of managers—currently one per eight stores—has consumed the Murrells the past couple of years. "We don't want to make any mistakes. It wasn't until the end of last year that we finally got a handle on things."



Today, the entire family functions as a board of directors. The sons also have assume for specific business areas: Jim, 39, Matt, 37, and Chad, 34, oversee and manage res operations and corporate training programs; Ben, 23, manages information systems a the franchisee approval process; and Tyler, 19, oversees the company's bakery opera continues to do the books, and Jerry oversees strategic development. The family cont eight corporate stores.

The secret to Five Guys' success is its simplicity. The burgers, made from fresh 80/20 come in regular (two patties) or "little" (one patty) versions on fresh-baked buns. You c cheese and/or bacon and select from a variety of complimentary toppings—the standa mushrooms, fried onions, barbecue sauce and others.

French fries are cooked in peanut oil and come plain or with Cajun spices. They're cut exclusively from russet potatoes grown above the 42nd parallel. "They're all grown in : nights get cold," Murrell explains. "Those growing conditions create just the right textu

A large chalkboard in each unit lets customers know where the day's potatoes have cc typically small, unknown communities in Washington and Idaho. "It started as a joke, t part of our quality message," Murrell says.

Beyond burgers, Five Guys offers kosher hot dogs, a veggie sandwich and a grilled c All fountain drinks are 24 ounces. While customers wait, they can help themselves to c the-shell peanuts. "They've become a signature," says Murrell. "We started offering th wouldn't watch us while we cooked their food. The idea stuck."

As the company has grown, Murrell says a challenge has been to keep things simple. operational: "We bake all of our own buns," he says. "We use no preservatives and it's someone else to do that for us." Others are franchise-related: "We have a very simple menu and don't try to be a lot of things to a lot of people," he says. "It can be tough to franchisees to stick with the formula."

Murrell and the district managers routinely find themselves discouraging franchisees fi costs or pay managers on food cost, a practice he contends leads to quality compromi company's ban on advertising is another tough sell. "We want franchisees to put their the business, into the employees, not spend it on advertising," he says. "The only form we've ever done is word-of-mouth. We don't allow grand openings, even in markets w known. We tell franchisees just to open the doors and serve good burgers and fries. T care of itself." -D.T.

KEY

.S 2005 Systemwide sales (000)/% change

.U Total units/% change

.A Average unit sales (000)/% change

all percent changes vs. 2004

**Technomic estimate*

1. Five Guys Famous Burgers and Fries

Alexandria, VA

.S \$50,000,000*/194

.U 75*/178

.A \$1,000,000*/0

2. Raising Cane's Chicken Fingers

Baton Rouge, LA

.S \$46,500*/86

.U 34/78.9

.A \$1,750*/9.4

The concept, founded in 1996, focuses exclusively on fresh, marinated, made-to-order and sides (see sidebar below).

Fishing for financing

Raising Cane's Chicken Fingers

To many, chicken fingers are a ubiquitous menu item considered "special" just to the 5- to 15-year-old crowd. But to Todd Graves, founder of Raising Cane's, chicken fingers are the Holy Grail. They're the "one love" upon which Raising Cane's is built, and they--along with a simple menu of grilled Texas toast, coleslaw, fries and a sauce--have taken his company from zero to nearly \$50 million.

Fresh out of college with a dream of owning his own chicken fingers restaurant, Graves, together with a friend, put together a business plan and approached financial institutions. They weren't interested, citing his lack of experience, lack of capital and what was seen as a concept too limited to succeed.

Undaunted, Graves set out to quickly change one of those rejection factors: finances. He headed to California where he labored 90 hours a week as a bartender. Next, he went to Alaska for a gig on lucrative but dangerous fishing boats. He slept in a tent on the tundra for a month before convincing a captain to give him a job.

Armed with hard-earned money, he returned to Baton Rouge and this time he was getting a small loan. He bought and renovated a rundown building at the end of Louisiana State University, which opened as the first Raising Cane's in August 1986.

The company's vision now is to be the best chicken-finger QSR restaurant in the world, says Brad Sanders, vice president of real estate, design and construction. "We have 42 units in eight states and we'll open 40 more in the next 18 months. And we plan to expand internationally."

"In the past five years we've refined how we communicate our culture and vision, secured financing for restaurant development, defined and identified brand standards, developed prototype models and implemented systems and processes for construction, HR and training," Graves says. "We've laid the groundwork for growth and are now implementing our next vehicle for it--franchising." -D.T.

3. Firebirds Rocky Mountain Grill

Charlotte, NC

.S \$30,000*/81.8

.U 12/71.4

.A \$3,100*/3.3

In this chain's contemporary-rustic lodges, smoky aromas from a large stone fireplace surround dishes like flame-grilled steaks and rotisserie chicken. Partners Dennis Thompson, Glendenning, Mark Wattles and Leslie Rudd have opened 12 locations since December 1994 and plan to open eight more in the next three years. Marketing is largely grassroots: sampling to nearby businesses and hosting events for schools, charities and chambers of commerce.

4. Pollo Campero

Guatemala-based

.S \$38,000*/72.7

.U 20/150

.A \$2,700*/0

Founded in 1971 by Dionisio Gutiérrez and a group of Guatemalan businessmen, Pollo Campero is the leading family-style chicken chain in Latin America.

In 1994, the company launched a franchising program designed to take the concept in

including to the United States. Units now operate in California, New York, Texas and \ opening soon in Chicago and Washington, D.C. Chicken, the house specialty, comes i fried or rotisserie roasted, in nuggets (Camperitos) and wings. Further U.S. expansion aggressive growth in China, which will see 500 units within the next five years.

5. Cantina Laredo

Dallas

.S \$34,500*/53.3

.U 15/87.5

.A \$3,000*/7.1

Cantina Laredo takes an upscale approach to South-of-the-Border fare, with dishes st with chipotle-wine sauce, and atmosphere several notches up from the corner taco joi owned by the Dallas-based company Consolidated Restaurant Operations, which owr all, including El Chico and the Spaghetti Warehouse. Cantina Laredos currently numb Texas. Plans are afoot to expand into the Middle East and eventually Southeast Asia. restaurants will open next year, including two in Dubai.

6. It's a Grind

Long Beach, CA

.S \$35,175*/48.1

.U 75/44.2

.A \$550*/10

With a Starbucks on nearly every street corner, you'd think the chain had the coffee bu up. Wrong. It's a Grind, based in Long Beach, California, plans to open 38 shops by th year, an increase of 50 percent. Marketing director Bob Phibbs says people are lookin alternative to the omnipresent chain, and that is where It's a Grind comes in. The coffe homey look with wingback chairs and fireplaces, plus a local owner who might just be espresso machine. Owners Marty Cox and Louise Montgomery, a husband and wife t chain in 1994.

7. Le Pain Quotidien

New York City

.S \$28,000*/47.4

.U 17/54.5

.A \$1,700*/0

These rustic bakery-cafés, whose centerpiece is a large communal table, sell organic, priced coffee and an increasing number of products from self-sustaining, bio-diverse f was founded by Alain Coumont in Brussels in 1990, and the U.S. owners, PQ New Yo the first stateside store in 1997. The company currently has 20 U.S. units and plans fiv They also have 45 international franchise locations from the U.K. to Dubai, Kuwait anc plan 15 more in 2006.

8. Crispers Lakeland, FL

.S \$30,000*/42.9

.U 32/30.8

.A \$1,000*/2.6

This Florida chain serving affordable soups, salads and sandwiches is named for the j restaurant equipment that keeps salads fresh. A private company whose majority own Supermarkets, Inc., Crispers opened its first unit in South Lakeland Florida in 1989. In made a major equity investment in the chain spurring expansion throughout Florida ar states. All stores are company owned and franchising is not in their immediate plans.

9. Famous Famiglia

White Plains, NY

.S \$38,000*/40.7

.U 51*/82.1

.A \$950*/-5.0

Opened in 1986, Famous Famiglia operates units in transportation hubs, malls and shopping centers, colleges and universities, stadiums and busy urban locations nationwide (see sidebar)

We love captive markets

Famous Famiglia

Having immigrated to the United States from Italy with their mother in 1970, brothers Tony, Paul, John and Giorgio Kolaj spent several years working in throughout New York City before opening their own in 1986. The first Famous unit exceeded projections and over the next 12 years more New York units opened, including in LaGuardia Airport and Yankee Stadium--hallowed ground for the Bronx-raised brothers, says Giorgio, executive vice president.

They expanded slowly, taking years to build an infrastructure and define a strategy. They launched a franchising program in 2002. That strategy centered on "captive market locations," such as airports and transportation hubs, upscale shopping centers, colleges and universities, stadiums, amusement parks and plazas.

"We spent years developing this route to market," Kolaj says. "We did so to ensure maximum visibility by diversifying our markets. We also felt that getting into these locations would provide maximum visibility."

The company's expansion has been facilitated by franchise relationships with leaders such as Compass Group and its Chartwells College & University Dining and Select Service Partners airport concessions divisions, ARAMARK, HMSA and other dominant players in its target segments. "By aligning ourselves with the other dominant players in its target segments," Kolaj says. "And they represent significant opportunities for growth."

Franchise agreements have now been secured for at least 20 stores to be opened throughout Mexico, and growth is targeted in Europe, Canada, the Middle East and Asia.

As the company grows, efforts to maintain quality and consistency are redoubled. "We ensure that the pizza crust is the same in Cancun as it is in New York, for instance. In New York water is shipped to all remote locations for ingredient use. "It's that important. We need to protect the brand," Kolaj says. **-D.T.**

10. Oceanaire Seafood Room

Minneapolis

.S \$47,000*/40.3

.U 8/14.3

.A \$6,250*/11.6

Oceanaire Seafood Room is to seafood what Smith & Wollensky and Ruth's Chris are to steaks. "It's a power seafood concept, upscale and very quality focused," says president and CEO Ryan. Founded in late 1998 by Ryan and partners with financing from Clarion Partners, NY, shareholders, the company operates restaurants in Atlanta, Baltimore, Dallas, Indiana, Minneapolis, San Diego, Seattle and Washington, D.C. Additional units are planned for Charlotte, Houston, Philadelphia and Orlando. All stores are company owned and operated by local managing partners. "Having entrepreneurial partners at the local level is key to our success. Customers know them as the owners." On the menu, fresh seafood is the star. Sixty percent of the menu is standard, while the balance changes with local product availability and chefs' preferences. Average person checks average \$60 at dinner, \$22 to \$30 at lunch.

11. Sammy's Woodfired Pizza

La Jolla, CA

.S \$25,000*/38.9

.U 13/8.3

.A \$2,000*/17.6

Sam Ladecki brought the first wood-fired oven to San Diego in 1989, and now his menu goes beyond pizza to include tapas spanning the globe from Chinese dumplings to mini duck as heaping entree salads, pastas and seafood. Sammy's fosters wide appeal by catering with a full bar, cozy decor scheme of warm woods and a wide-ranging menu, while still children to the table with pleasers like the enormous Messy Sundae. Currently there are 3 in California and three in Nevada. In addition to Sammy's, Ladecki has three other restaura

12. Surf City Squeeze

Phoenix

.S \$39,690/38.3

.U 147/28.9

.A \$270/-1.8

Founder Kevin Blackwell created the Surf City Squeeze concept back in 1981. The company designs, builds and franchises units targeted to markets including premier fitness club shopping centers and university campuses. In addition to U.S. operations, the company has franchise agreements in place in Canada, Portugal and several Arab countries. Core concepts are a "successful location, efficient and appealing design, and a menu that resonates with health and fitness awareness with new nutritional technologies." The company expects 400 locations within the next five years.

13. Jump Asian Express Cuisine

Columbus, OH

.S \$28,500*/35.7

.U 79/16.2

.A \$410/2.5

Founded by old college buddies in 1999, the chain plans 100 locations by 2007 (see s

Learning simplicity from Wendy's

Jump Asian Express Cuisine

This quick-serve Asian brand offering 85 entrees, more than 25 of them vegetarian, has a simple operating system suited to as little as 60 square feet of space. Targeted to the small irregular areas and low-skill labor found in non-traditional locations like colleges and airports, Jump's key advantages over similar chains are its exceptionally easy prep and the ability to adapt to virtually any site's cooking equipment including gas ranges, induction ranges, standard woks, steamers or butane burners. The chain plans 100 locations by 2007.

The brand has its roots in Asia, where two of its founders, Lewis Rutherford Hawes, classmates at Harvard Business School, started the venture capital firm Asia Venture Management/Hong Kong in 1972. But it was their third partner, John Corrigan, who masterminded the stripped-down, easily adapted operating system in the 1980s, Corrigan participated in Wendy's turnaround, and it was that chain's simple operating system for serving burgers "256 ways," along with Taco Bell's "kit" operating strategy, that served as the conceptual model for Jump Asian Express.

Just as Wendy's can easily introduce a new burger with a change of topping

operating system can respond quickly to customer demand because its "cook and serve" on-site prep process stays the same for each dish; all that changes is the sauce. Most of the prep is done in Jump's plant, where sauces are made and meats are trimmed, marinated and 60 to 90 percent pre-cooked. Vegetables are locally procured, cut-to-specification and delivered to each store daily. The only item cooked on site is starch: rice or Udon noodles.

The method was developed over a year and a half, more R&D time than many other systems. The crucial test: can a 17-year-old execute the system consistently and profitably? About a year into R&D there was conflict over the complexity of operations: Jump fought for a more intricate and visually exciting "finish cook" layout, while Cc was adamant that the "same folks who work at Wendy's could be great Asian chefs at Asian Express."

Simplicity won, and today Jump "cooks" can be trained by watching a video 24/7 on Jump's private Intranet site. **-J.F.**

Nothing But Noodles

Scottsdale, AZ

.S \$29,000*/34.9
.U 34/13.3
.A \$900/5.9

Since their April 2002 start in Albuquerque, New Mexico, this fast casual dining chain specializing in to-order noodles and global pasta dishes, gourmet salads and pan-cooked soups has expanded to 21 states. Owners and founders Todd Welker and Chad Everts plan four more stores in 2007, predominately in "end-cap" spaces at the end of retail shopping centers, "pad sites," in front of a strong retail shopping anchor. They keep the menu fresh by cooking "limited time offerings" to replace lower volume items.

15. Tijuana Flats

Maitland, FL

.S \$25,500*/34.2
.U 36/44
.A \$840*/1.8

This quick service Tex-Mex joint believes "hot sauce = bragging rights," and "Mexican theme." Brian Wheeler graduated from the University of Central Florida with a marketing degree and that same year opened the first Tijuana Flats store, which he began expanding all over the state in addition to developing his own line of "Smack my Ass and Call me Sally" hot sauces. Tijuana Flats Hot Foods Inc. to consolidate the restaurants and specialty products and is now the exclusive distributor of hot sauces in the southeast. There are more than 100 new Tijuana Flats stores in development.

16. Elephant & Castle Pub & Restaurant

Vancouver, BC

.S \$27,500*/31.8
.U 11/10
.A \$2,600*/8.3

Publicly held English-style pub Elephant and Castle opened its first North American location in British Columbia, almost 30 years ago. E&C offers over 100 beers as well as an extensive menu of favorites from both sides of the pond. President and CEO Rick Bryant has focused on opening new restaurants in hotels and high-traffic urban centers rather than suburbs.

17. Daphne's Greek Café

San Diego

.S \$46,000*/31.4
 .U 58/16
 .A \$850/4.3

Founded by George Katakaidis in 1991, Daphne's offers traditional Greek favorites and items in a quick-casual environment. Concentrated in California and Arizona, the chain's growth in and beyond its home region. Top managers with extensive chain restaurant experience recently been added, including directors of real estate, HR and food and beverage. The popularity of the movie My Big Fat Greek Wedding, Daphne's promotes My Big Fat Greek Wedding in community groups for charitable events and donating 20 percent of sales to a fundraiser to the group's chosen charity.

18. Great Wraps

Atlanta

.S \$27,750/30.3
 .U 84/27.3
 .A \$400/0

Mark Kaplan and Bob Solomon acquired the 10-year-old Gyro Wraps chain from owner in 1989, re-branding as Great Wraps in 1992. They set themselves apart from other sandwich chains offering multiple sandwich styles—wraps, flatbread and pita—and premium ingredients like peppers, alfalfa sprouts and hummus. Great Wraps is expanding rapidly through the region with concentration on California, Georgia, Florida and Illinois.

19. Wing Zone

Atlanta

.S \$45,000*/26.3
 .U 74*/10.4
 .A \$635*/1.6

In 1991, Matt Friedman and Adam Scott noticed that pizza was the only delivery choice at the University of Florida. This prompted them to conceive Wing Zone in a fraternity house.

With a \$500 investment for a phone line and printed flyers, their business was born. Within a week, Wing Zone was a hit. Three weeks later, their first Wing Zone storefront opened on a university campus. The business boomed. After graduation, the partners opened a second location in Gainesville and then expanded to Tallahassee; Atlanta; Athens, Georgia; and Columbia, South Carolina. With six stores up and running, the WZ Franchise Corporation was founded and the company headquarters moved to Atlanta. The company has expanded rapidly through the Southeast and now has more than 100 units.

20. Sandella's Café

West Reading, CT

.S \$45,360/26
 .U 162/17.4
 .A \$280/1.8

Sandella's Cafe is a quick-service sandwich restaurant concept designed to fit quickly into existing operations and co-branded situations in colleges and universities, travel plaza cafeterias, hospitals, theme parks, airports and museums. The company's objective is to be a globally recognized cafe that dominates the upscale sandwich industry worldwide." All items can be made in four steps or less, with no scratch preparation required. Menus are flexible and can choose from among 80 recipes for wraps, paninis, quesadillas and sandwiches or proprietary flatbread; noodle and rice bowls; salads and soups; and beverages including coffees and smoothies.

21. Nick-N-Willy's World Famous Take-N-Bake Pizza

Lonetree, CO

.S \$27,000*/25.6
 .U 62/17
 .A \$475/5.6

Nick-N-Willy's offers two concepts to franchisees: the Take-N-Bake Outlet is carryout (Take-N-Bake Restaurant adds baked pizzas and a dine-in option. Gourmet toppings include dried herbs, smoked chicken, artichoke hearts and six different cheeses. Keith McQuil Jones opened the first restaurant in 1988 in Boulder, Colorado, and sold their chain to a graduate of the University of Houston's Hotel and Restaurant Management school, an former Quizno's exec, in 2001. There are current and upcoming locations in over 20 U.S. and Canadian provinces.

22. Tropical Smoothie Café

Destin, FL
 .S \$50,000*/25
 .U 150/18.1
 .A \$375*/2.7

A tropical, health-oriented fast-food oasis serving up signature smoothies, plain or supplemented with up to 12 nutritional supplements. Customers can choose from among low-fat smoothies, meal replacement smoothies, memory boosting "smart" smoothies, dessert smoothies, nondairy smoothies. Rounding out the menu are gourmet wraps, specialty sandwiches. Now operating in 27 states, plus five units in India, the company was founded in 1997 by Eric and Delora Jenrich. As of mid-2006, the 200th unit had opened and on target to have 500 stores open by the end of 2007.

23. Locos Grill & Pub

Athens, GA
 .S \$30,000/25
 .U 26/8.3
 .A \$1,200/20

In 1988, two University of Georgia students, Hughes Lowrance and Jamey Loftin, converted an existing Athens, Georgia, convenience store to sell sandwiches, milk, toilet paper and other items to college students. Today they offer more than 90 dishes from appetizers to entrees. The sandwiches that started Loco's remain on the menu, including "The Damage" and the "Mousetrap," and several have been trademarked including "The Biggest Thing We've Ever Had" and "Redneck Deluxe Burger." The chain goes through 1.5 million pounds of chicken wings annually. Franchising began in 1997 and the company now has 26 locations throughout the Southeast.

24. Montana Mike's Steakhouse

Hutchinson, KS

.S \$29,100/23.8
 .U 20/25
 .A \$1,600/6.7

Since 1998, Montana Mike's has prospered in B and C niche markets by offering large naturally aged steaks hand cut in house, at moderate prices. Today they have 20 restaurants and are seeking growth with a new 7,000-square-foot, ground-up construction modeled after a lodge. Owned by Tom Ford, Terry Harstad, Steve Schmidt and Doug Freiling, the restaurant is part of Stockade Companies, LLC, which also owns the buffet-style Sirloin Stockade and C chains.

25. Figaro's Pizza

Salem, OR

.S \$31,000/21.6
 .U 105/7.1

.A \$290/11.5

Each Figaro's makes pizza dough from scratch daily, to be baked on site or sold in "ta oven-ready trays. Founded in 1981 by Al DeBacker and Corkey Gorley and sold twice was bought by the current owners Steve Weber, Carol Berger, Ron Berger and Bill Le The brand began franchising in 1986, and is now opening 30 to 40 stores per year. Fr operate carryout, dine-in or delivery store models.

26. Black Bear Diner

Mt. Shasta, CA

.S \$47,000/20.5

.U 28*/21.7

.A \$1,850*/2.8

A homey atmosphere, friendly service and hearty portions of home-style comfort food: cornerstones of the Black Bear Diner. Founded by Bruce Dean and Bob and Laurie M Shasta, California, in 1995, the company is approaching 30 units in California, Nevada Arizona and Colorado.

A franchising program was launched four years ago. Prior to that time, most of the chz happened through a licensee affiliate relationship with SunWest Restaurant concepts, a number of old Jerry's restaurant locations to Black Bear Diners, according to Bob M: we've established our own franchising company, we're at a transition point. We have t to add the infrastructure to grow quickly and go national, or to stick with our growth pa fewer than 10 stores per year. We recently hired some people to help us work through

27. The Keg Steakhouse & Bar

Richmond, BC

.S \$32,500*/20.4

.U 14/16.7

.A \$2,500*/1.0

This chain of Canadian steakhouses is pushing 35 years. The first Keg Steakhouse & 1971 in Vancouver, British Columbia, by entrepreneur George Tidball, and the chain h and steadily ever since. Now the restaurants number 93, of which only 15 are in the U However, the company plans to focus growth on this side of the border, where steak, c is now very much back in vogue. The Keg has been named one of the "50 Best Emplc in Report Business magazine four years running. In 1997, Vancouver businessman D: purchased the chain.

28. Maui Wowi Hawaiian Coffee and Smoothies

Greenwood Village, CO

.S \$35,000*/18.6

.U 342/12.5

.A \$110*/10

This fast-growing chain got its start when founders Jeff and Jill Summerhays set up a : at the Utah State Fair in 1983, before smoothies were called smoothies. In 1999, they Michael Haith, a consultant on food for special events and began franchising. Haith is Until 2002, Maui Wowis were all mobile units. Since then the chain has grown to 159 l more stores are in construction. They cater 620 events annually. Next up? A line of a

29. Sticky Fingers RibHouse

Charleston, SC

.S \$42,000*/18.3

.U 16/6.7

.A \$2,700*/1.9

The first Sticky Fingers opened in March of 1992 by lifelong friends Todd Eischeid, Je Chad Waldorf, all recent college graduates who had made a pact to eventually start a together. "We opened our first restaurant with zero money and absolutely no idea of w Goldstein admits. The trio learned quickly, and subsequent units were opened in the C and later throughout the state and the region. Each unit is run by managing partners, r started as servers, cooks or dishwashers. The restaurants specialize in hickory-smoke barbecue served in a fun, friendly atmosphere.

30. Mama Fu's Asian House

Atlanta

.S \$32,275*/16.3

.U 23/27.8

.A \$1,575*/1.6

The chain's fictitious namesake is a bit bossy on the Website, but you can't argue with MSG and everything in a wok. The first Mama Fu's was opened in 2004 in Atlanta by l company that owns a list of chains, including Planet Smoothies and PJ's Coffee. This chain of informal, inexpensive pan-Asian noodle houses counts 20 to date, with anoth works. They are centered in the Southeast. The menu covers the vast breadth of Asia wonton soup to Vietnamese crunchy noodles. However, the Asian theme does not cai music, which is pan-American funk.

31. Haru Sushi

Miami, FL

.S \$26,500*/15.2

.U 7/40

.A \$4,375/1.7

Barbara Matsumura opened the first Haru Sushi on Manhattan's Upper West Side in 1 she opened a second location in 1998, Benihana Inc. acquired an 80 percent stake in Matsumura staying on board until 2005. There are now six locations in Manhattan and Unlike Benihana's other concepts, Haru offers delivery and takeout, which now accour percent of sales. Spring 2007 will see a restaurant opening on Wall Street, with possit New York's bedroom communities, as well as other large East Coast cities by 2009.

32. Rotelli's

Baton Rouge, LA

.S \$32,000/14.3

.U 38/22.6

.A \$940/1.6

Joseph Bilotti, a former commercial pilot with long experience in the food industry, ope Rotelli's Pizza and Pasta in 1999. This is pasta the old way: baked ziti, rigatoni with br alla vodka. The voluminous menu priced in the mid-teens also includes classic Italian de mare and veal Marsala. The restaurants may have the menu of an old -style Italian won't find any plastic grape vines or wax-splattered Chianti bottles about. Most of the restaurants are in Florida. Another nine are expected to open by the end of the year.

33. Stonewood Tavern & Grill

Ormond Beach, FL

.S \$50,000*/13.6

.U 17/13.3

.A \$3,100/1.6

An upscale casual dinner house touting oak-grilled meats and seafood, there are units Florida and recent expansion in North Carolina. Co-founders Doug Sullivan and Steve worked together in restaurants while in high school, nearly 30 years ago, and on and r years in various chain restaurants. In 1999, the two—joined by another partner, Gale L

described as their key mentor-investor—launched Stonewood. In addition to Stonewood their umbrella company, Stonewood Holdings, has launched a casual breakfast concept Cafes, and a lifestyle magazine called Casual Flavors. The magazine, available at the via free subscriptions, covers food, wine and travel and has a circulation of 100,000.

34. Winger's Grill and Bar

Atlanta

.S \$31,965/13.3

.U 34/13.3

.A \$1,000/0

Eric and Scott Slaymaker were no newcomers to franchising when they opened Winger's brothers already owned T.G.I. Friday's and Tony Roma restaurants when they decided. The brothers opened the first Winger's in Provo, Utah, in a 1940s Pullman car. The menu small, and upgraded chicken wings from an appetizer to an entree. The menu and revenues have grown, as have sales, says Eric Slaymaker. He expects to add another five restaurants chain's current 36 in the next year.

35. Alonti Market Café

Houston

.S \$26,500*/12.8

.U 33*/6.5

.A \$825*/3.1*

Gourmet grocery store owners Cecile and Al Pepi moved from New York to Austin in 1991 and opened a Market Café there, and the sandwich counter was such a hit, it took over the focus on from-scratch cooking. Al Pepi passed the torch to his son and namesake in 1996. Stores now operate in Houston, Dallas, Fort Worth, Chicago and New York.

36. Philly Connection

Atlanta

.S \$39,400*/12.6

.U 130/8.3

.A \$315*/3.3

This fast-growing Atlanta-based chain promises customers "heaven on a roll" with a menu of Philadelphia-style cheesesteaks, hoagies and other specialty sandwiches. Established in 1984, major growth through franchising didn't get underway until the early 1990s, after modifications, design prototypes, supply networks and other operational infrastructure established. Today, the company has more than 200 units operating in six Southern states. In 1996, franchisees have had the option of incorporating a Philly Connection Ice Cream operations.

>37. Port City Java

Wilmington, NC

.S \$28,100/12.4

.U 67/8.1

.A \$435*/1.2

Known for roasting their own coffee, Port City Java has an "all day approach" to sales, offering smoothies and juices from a fresh juice bar and paninis from a panini grill, along with baked pastries. Founded in Wilmington, North Carolina, in March 1995 by the current CEO and officer Don Reynolds, the company began roasting coffee in October 1995 and started franchising in 2003. A new Tallahassee, Florida, unit is co-branded with Gold's Gym.

38. Tully's Coffee

Seattle

.S \$46,000*/12.2
 .U 107/12.6
 .A \$450*/3.4

Tully's Coffee is a specialty roaster and retailer offering a selection of whole bean and espresso-based beverages, teas, juices, pastries and baked goods. Company-owned stores operate in Washington, Oregon, California and Idaho, and a wholesale division products via office coffee services, foodservice distributors and supermarkets (see sid

A well-timed sales boost

Tully's Coffee

Tully's Coffee is often referred to as Seattle's "other coffee company." Launched by real-estate developer Tom Tully O'Keefe, Tully's might be an underdog but a punch of quality product and creative merchandising is driving strong growth.

"The message that we communicate is twofold," says John Dresel, president and operating officer. "First, we're all about quality. Second, even though we're serious about quality, we don't take ourselves too seriously. We're a fun place."

Tully's fun side shone through in a merchandising campaign that ran for 12 weeks last year in Seattle and San Francisco. "We needed something dramatic to draw attention to our offerings and to reenergize our own associates," Dresel says.

Dubbed "Tully's 3:21 Wake-Up Call," the campaign was designed to boost sales of Tully's blended summer beverages.

By "owning" the exact time of 3:21 p.m., it garnered attention and boosted sales. Highlights included:

- Bands playing reveille at 3:21 for one minute daily outside Tully's stores and handing out coupons.
- On-board drink sampling on city buses, starting at 3:21.
- Street teams passed out coupons valid for 30 minutes.
- Vespa scooters towing 3:21-branded trucks and mobile billboards.
- Opt-in email blasts at 3:21 p.m., with printable coupons.
- Radio ads that aired daily at 3:21 p.m. **-D.T.**

39. Snappy Tomato Pizza

Florence, KY

.S \$28,000*/12
 .U 75/13.6
 .A \$400*/1.3

Each of these northern Kentucky-based pizza shops makes fresh dough daily and bakes it in-house, although they are testing an "Oven Ready—we make it, you bake it" concept. Local founder Bob Rotunda started the company in 1978 on winnings from a horse named Snappy. The enterprise was sold several times in the '80s and was purchased in 1993 by The Italian Franchising Group. The chain has opened over 40 locations in the last four years, with nine more under construction. Franchisees can choose from three concepts: high volume, quick service delivery/carryout restaurant with buffet and delivery/carryout service; or low startup cost convenience store in smaller areas.

40. TooJay's Original Gourmet Deli

West Palm Beach, FL

.S \$33,500*/11.7
 .U 23/4.5
 .A \$1,500*/3.4

The two Jays in the name are native New Yorkers Jay Brown and Mark Jay Katzenbecker. They opened their first New York-style deli in West Palm Beach in 1981. Since then they have a long list of awards and a devoted following for their Killer Cake, which includes four kinds. Like a mom-and-pop deli, the chain's 23 restaurants dish up classic fare, from potato heaping corned beef sandwiches. Unlike a classic deli, the restaurants serve all three go food and cater.

41. Up the Creek

Duluth, GA

.S \$33,500*/11.7

.U 13*/30

.A \$2,900*/0

When Bill Palmer, co-creator of the Applebee's Neighborhood Grill and Bar, went fishing concept, he landed an under-served niche—casual seafood. The chain riffs on a fishing-woody interior, rods and vintage photos on the wall and a 400-gallon aquarium. At first served most of its catch deep fried, but have added more blackened and grilled fish on company owns seven restaurants in its home state of Georgia and has six franchises in other states. Four to six restaurants will open in the coming year, including a franchise in North Carolina.

42. Stoney River Legendary Steaks

Alpharetta, GA

.S \$26,000*/10.6

.U 7/16.7

.A \$4,020/2.7

O'Charley's Inc. acquired the four-year-old, two-unit Stoney River chain from founders Pierre Panos in 2000 and expanded steadily to reach a total of seven units by 2005. The concept is on service, aged steaks and four dozen wines by the glass, but the upscale mountain atmosphere and price point just below that of the premium steakhouse chains convey a message accessible to a wider range of diners. Stoney River currently has locations in Illinois, Kentucky and Tennessee.

43. Wahoo's Fish Tacos

Santa Ana, CA

.S \$48,000*/10.3

.U 40/5.3

.A \$1,225*/2.1

Ed and Mingo Lee and Wing Lam opened the first Wahoo's Fish Taco in 1988 in Costa Mesa, California, in part because they craved the grilled fish tacos they'd enjoyed on surfing. They created a casual QSR concept that blends Mexican, Brazilian and Asian flavors in a surf-shack environment. The concept struck a chord and in 1990 partner Steve Korfman joined in to help it grow through franchising. Today Wahoo's operates in California, Colorado and Hawaii.

44. Port of Subs

Reno, NV

.S \$48,500*/9

.U 146/5

.A \$340*/1.5

Port of Subs, a 30-year-old QSR mainstay in the Reno and Las Vegas markets, is poised for fast growth in new markets where it is less well-known. First, an updated logo and store design debuted last year. Second, a "sliced fresh" campaign was launched, promoting the fact that meats and cheeses are freshly sliced in-store by "master slicers." Owner John Larsen, who opened the first single-unit sub shop in 1975, changed the name to Port of Subs and grew the business.

10 years, began franchising in 1985. By the end of 2005, the company had 146 units in 15 states, 20 of which were company owned. It is positioned to grow to more than 200 stores in the next four years.

45. Vocelli Pizza
Pittsburgh

.S \$50,000*/8.7
.U 112*/5.7
.A \$450*/3.4

Founded in 1988 by Harry Ablak and his sons, Varol and Seckin, Vocelli Pizza serves gourmet, Italian-style pizzas, made-to-order strombolis, panini subs, salads and wings. Growth over the past five years has been aggressive, and system-wide sales have done well. Moving forward, the chain projects a 30-percent annual growth rate. Its marketing plan maintains a focus on "great taste, diversity of products and convenient delivery." The company's message is communicated and reinforced through an extensive media campaign, including TV, radio and local store marketing.

46. Larry's Giant Subs
Jacksonville, FL

.S \$35,000*/8.7
.U 94/6.8
.A \$385*/1.3

Homesick for New York deli sandwiches, brothers Mitchell and Larry Raikes opened the first store in Jacksonville in 1982. Now there are 100 restaurants and counting. At each, you'll find a long list of submarines (hot or cold), hoagies, deli sandwiches and Philly cheese steaks. The company emphasizes the details: custom-made tabletops lacquered with New York posters, slicers with the logo etched in and a huge gorilla, the company's mascot.

47. Zero's Subs
Virginia Beach, VA

.S \$26,000/8.3
.U 58/9.4
.A \$475*/2.2

In 1967 Gene Schmidt opened Zero's Subs as a fast food alternative catering to tourists in Virginia Beach and was joined in the business shortly thereafter by his brother John and their brother-in-law, Palacios. They began franchising in 1989. Zero's has a co-branding relationship with IHOP. There are stores throughout Nevada, Arizona and the Southeast, and additional locations in New Zealand.

48. Quaker Steak & Lube
Sharon, PA

.S \$47,273/7.8
.U 13/8.3
.A \$3,636/-0.5

Launched in 1974 in a converted old gas station, Quaker Steak started franchising in 1989 and has more than 20 units in the eastern third of the country (see sidebar below).

Making the emotional connection
Quaker Steak & Lube

Satisfying customers with good food and service is one thing. Connecting on an emotional level is another, and it's something that Quaker Steak & Lube has

art form. It's done, in part, through special weekly events crafted to appeal to a niche fan base--motorcyclists, muscle car and vintage car collectors and are passionate about motor sports (or just addicted to its award-winning chicken

"Our motto is 'There's always something happening at the Lube,'" says Gary who co-founded the restaurant in 1974 with partner George Warren after he returned from Vietnam. "We use events to make every day a Saturday."

One that draws head-spinning traffic is Bike Nite, held on a weeknight during the summer and year-round where weather permits. "At our home restaurant in Sharon, Pennsylvania, we've had as many as 7,500 bikers attend. Sharon's population is so small so it's a big deal," Meszaros says. "The Cleveland store has done that many times over, the first Bike Nite of the summer is special. A popular local priest does the 'blessing of the bikes.' The crowd goes quiet, all hats come off and it's very special. Things like this make these events special."

Also making them special are giveaways: At least one premium motorcycle is given away each summer at every unit. "That's what really put this on the map," Meszaros says. "Word of mouth spread, and it's grown organically ever since." Food buffets and valet service in the parking lot make serving the large crowds easier. On average, revenues jump 300 percent compared to regular week nights, Meszaros says. Other events include Cruise-Ins, which draw vintage car enthusiasts, and All You Can Eat. All events are promoted on the company's Website and in flyers listing the events each week. Through a franchising program started in 1997, Quaker Steak & Lube expects to grow to 50 units in the next few years, and to hit revenues of \$130 million by the end of '07.

-D.T.

Pal's Sudden Service

Kingsport, TN

.S \$28,000*/7.7

.U 20/5.3

.A \$1,400*/1.8

Fred "Pal" Barger opened one of the nation's first carryout-only restaurants in 1955. Now there are a few eat-in locations but most service takes place at the drive-through. Barger still owns the company but has passed daily operations to president/CEO Thom Crosby. The original menu of French Fries and milkshakes has grown to include regional favorites like Chipped Ham, Gravy Biscuits and Cheddar Rounds. Pal's has expanded slowly throughout Eastern Tennessee and now has a current count of 20 restaurants. All locations are company owned and are festooned with the trademark enormous fiberglass hamburgers, fries and hot dogs straddling the roof.

50. Kincaid's Fish, Chop & Steakhouse

Seattle, WA

.S \$44,000*/7.3

.U 9/12.5

.A \$5,200*/2.0

A Restaurants Unlimited concept, Kincaid's is positioned as a contemporary interpretation of a traditional fish, steak and chop house. The restaurants--three in California, two in Minnesota, one each in Indiana, Hawaii, Virginia and Arizona--feature signatures like rock salt roasted fish, chop, shank, sausage), classic seafood boil and prawn tower appetizer. Each unit averages an average of nearly \$5 million in annual sales. A recent "First Seating" promotion offering a meal for under \$20 (no alcohol) has helped to spur sales in the typically slow 5 p.m. to 7 p.m. time period.

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