

Daphne's gears up for franchising with focus on simplicity

By Louise Kramer

SAN DIEGO, Calif. (Dec. 17, 2007) Keep it simple. That's the operations mantra at Daphne's Greek Cafe, a fast-casual chain that has nearly 80 units and is positioning itself for a growth spurt.

By early 2008, the San Diego-based company hopes to start selling franchises, and also plans to open corporate stores at the rate of 15 to 20 per year for the next several years, said Daphne's president Steven Fricker.

Daphne's, founded in 1991, is positioned as a casual eatery that features fresh Greek food in a friendly atmosphere with reasonable prices. The average lunch check is \$7.50, dinner is \$9. Average unit volume is \$900,000.

The approach is to use a limited number of products and combine them in numerous ways on sandwiches and platters. As part of the franchising ramp-up, the regional chain is working with vendors to develop more prepared ingredients, and is streamlining procedures for customer service, food safety and sanitation.

"It is probably the simplest operation I have ever seen," said Fricker, an industry veteran who was hired last summer by Daphne's founder, George Katakaidis, a former professional soccer player, to lead the growth. Fricker has held leadership posts at major chains, including Jack in the Box, and most recently was a franchisee of Panera Bread Co.

"We run with a total of 15 people per unit which is a beautiful thing," Fricker said. "At my Paneras we would have 60 employees per unit."

The menu features grilled kebobs and pita sandwiches. Platters include Greek specialties like rice pilaf and tzatziki, a yogurt sauce. A signature cheese blend, Fire Feta, is served as an addition. There are three meats to choose from, grilled chicken, steak, and gyros, which is made from ground beef and lamb.

Wherever possible, Daphne's brings in food prepared to its specifications by vendors to minimize labor costs and ensure consistency. The meat comes cubed and marinated. Soup is brought in already cooked and ready to heat. Gyro meat is brought in partially cooked. It is finished in the restaurant, and sliced to order.

Vegetables play a big role in Greek cuisine. Most produce, including lettuce, is shipped to units already prepared, but stores still cut tomatoes by hand. Sean Allameh, director of operations, said he tried pre-cut tomatoes but was not happy with the quality.

Feta cheese now comes in pre-crumbled, saving a labor step.

Each restaurant is outfitted with a log book that contains several check lists for food preparation and safety. The forms are filled out during each shift and used as constant guides.

Fresh product is delivered two to three times per week. Preparation is limited to before and after the lunch rush so that all crew is on deck to cook and assemble orders and communicate with customers, Allameh said. Prep takes about an hour per shift.

The goal is to present a warm atmosphere with an emphasis on fresh food. To that end, there is an open kitchen, and food is served on china rather than paper plates. A new prototype includes booths in addition to tables and chairs. To eliminate a quick-service feel, there is no menu board. When guests arrive, they are greeted and handed a menu. They place their order at the counter, and a crew member delivers the food to the table.

Once the food is delivered, a crew member will visit the table to make sure the guest is satisfied. "It gives it a kind of casual-dining feel," said Fricker. "We do table visits as a policy."

Managers float through the restaurant to talk to customers. They carry a mobile phone so they can handle important calls, such as catering orders, on the spot. The company is working to improve its web ordering, and is looking at outsourcing phone ordering, Allameh said.

Fricker said he when he joined Daphne's, he was impressed with its efficiency. "This is a very buttoned-up concept," he said. "There wasn't a lot of low fruit to pick" to make it simpler, he said.

One change has been the elimination of wine and beer. Daphne's sales are heaviest at lunch, and wine and beer were hardly selling. "It didn't make sense to have it," Fricker said.