

Beef O' Brady's overcomes franchisee skepticism to launch pizza program

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Beef O'Brady's has been around for 30 years, specializing in burgers and wings to cater to its heavy sports fan and family demographics. The chain has found solid footing in its signatures, with flat to slightly positive sales trends throughout the past few years – a different story than most concepts in the struggling casual dining segment.

Beef's year-to-date comps are up 1 percent and in August, comp sales were up more than 2.5 percent. Not coincidentally, the concept added an entirely new platform at most of its stores on Aug. 4: Pizza.

Despite knowing that the \$70 billion pizza business is a crowded and intensely competitive place to be, CEO Chris Elliott said the decision to add an entirely new menu was necessary.

"When I first came to the brand (in 2010), I spent a lot of time developing an intuitive sense of what Beef's was all about. It is a lot of sports fans and also a lot of families with children. The menu was wing and burger heavy. I've got two small children and I thought pizza would be a natural fit," he said. "My son would eat pizza three times a day if he could."

Executives launched focus groups to see if pizza would translate for the brand. Consumers, however, told the company they didn't think it would work.

"They weren't sure we could develop any pizza credibility," Elliott said. "But because we were convinced, we asked our frequent guests what we could do to convince them."

The focus groups told Beef's to build a product that would match a "real pizzeria." The process to get it right took three years.

Nailing down the product

Throughout those three years, Beef's experimented with different dough types, different ovens and different operations configurations.

"What we needed was to be able to launch a very high quality product that was as simple to do with as low of an investment as possible. Our franchisees didn't want a complicated pizza program and they didn't want to spend a ton of money to put one in," Elliott said.

The dough presented complications throughout the process, but Elliott said the team finally came up with a dough formulation that could be produced and brought into the store ready to cook.

"It's basically formulated to be frozen but to perform as though it's not frozen. Once we were able to do that, we knew we had our pizza," he said. "We then picked out an oven (from Baker's Pride) that was affordable and capable, and the highest quality sauce and cheese you can buy. People told us not to bother if we were going to do a cheap pizza. They scared us into finding the best ingredients we could."

Once the pieces were in place, Beef's gave the franchise system a year's notice before the rollout date of Aug. 4. Prior to that date, a 38-store operations test took place to sharpen training, which includes hands-on videos.

The menu includes flatbread pizzas – Spicy Garlic Chicken, Chipotle Philly and veggie – as well as veggie, Beef's Buffalo Chicken, cheese, My Way ... (or the Highway), The Great White, Boom Goes the Dynamite, Devine Swine, Ultimate Pepperoni, and The Kitchen Sink.

The top sellers are cheese and pepperoni: "Just like any other pizza place, which proves this may not be as hard as people think," Elliott said.

Overcoming skepticism

Although the executive team has been pleased with the product and operations, Elliott admits that plenty of franchisee skepticism existed (and still exists for some) about the change. That is why the company gave an advanced notice to prepare and test.

"We heard everything from 'my kitchen's too small' to 'I don't have enough money to buy an oven' to 'I don't have enough electrical service.' There was a litany of reasons. The biggest excuse was that it was going to add a lot of complexity to the menu," Elliott said. "But we're approaching this without overwhelming our kitchens. Everyone deals with complexity and high

commodities and adding SKUs (about a dozen in this case). But variety is a big reason people go to a casual dining restaurant, and why people come to us."

Although the jury is still out on an ROI, much of the intersystem criticism has dissipated. Elliott said most operators are now pleasantly surprised with how much pizza is selling and how easy it is to do.

Investment varies depending on store age and equipment. Some franchisees bought new ovens, while others found discounts on sites such as eBay. The range of investment has been about \$1,500 to \$6,000. If the company hits its internal goals, about 2 percent of sales, then payback will be in less than a year, Elliott estimates.

Most importantly, he adds, pizza sales haven't cannibalized the rest of the menu. Conversely, it's bringing in new users and adding to the check of existing users.

"People are buying a pizza and everything else they were going to buy before the program existed. It's counterintuitive to what we thought and has turned out to be an add-on," Elliott said. "We now know if we can do pizza, burger and wings well that we can compete with anyone on any level. And we know we can teach our system that we can do anything and adapt; that just because something looks hard to do is not a reason not to do it. It took three years, but we did it and it was worth the wait."

Topics: Equipment & Supplies, Food & Beverage, Food Cost Management, Operations Management

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