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Will Sandwich Expansion Stack Up?

Dagwood's Sandwich Shoppes and **Rising Roll** outline massive expansive plans by using area development deals. Dagwood's gears up to open one shop a day this winter and has over 30 contracts signed for area development territories. Rising Roll is making dough outside its Southeast home base with a unit in Tucson. Look for several franchisee deals on the West Coast.

Right now Dagwood's and Rising Roll have three and 13 units open respectively, so neither are exactly competing against the likes of **Quizno's** and **Subway** or even regional sandwich concepts like **Jimmy John's Gourmet Sandwiches** or **McAlister's Deli**. Each would like to change that and are building their foundation on a high-quality deli-style product. Lofty expansion goals for companies still in the early stages of building a franchise infrastructure are usually met with skepticism around here. Back in 2004, Rising Roll planned to have up to 26 units open by the end of 2005 and Dagwood's sought to have 12 to 15 training stores open by the end of 2006. Getting the first few units open is tough, but both companies seem to have the ball rolling now and have the talent and know how to implement their strategies. Dagwood's SVP of Development **Frank Brown** is the former director of development at Quizno's and **Shoney's Inc.** and also was President of the **Captain D's** seafood chain. Corporate Chef **Geoffrey Rhodes** was trained by **Emeril Lagasse**. Rising Roll plans to use franchise brokerage networks to propel growth nationally, as well as online and in-store marketing strategies.

Expect Dagwood's to pop up like weeds. Look for it to pick up the pace and open one shop daily throughout winter. Currently, there are 30 contracts for market partner territories, each representing 45 to 70 units. The concept is the brainchild of "Blondie" comic strip producer **Dean Young** and is a direct offshoot of the comic's main character and sandwich connoisseur **Dagwood Bumstead**. A hybrid of bakery and sub sandwiches, the menu is comprised of "signature" and "classic" categories offering seven different kinds of bread to make its *Chicken Curry Swirl*, *The Dagwood*, or a *Turkey Club Royale*. The average check runs about \$11, but the store offers value meals that include a drink and side. Ideal franchisees don't need restaurant experience, but need entrepreneurial spirit and \$150K minimum net worth. Buildout costs run from \$286K to \$325K depending on square footage and necessary improvements to existing structures. Franchise fees are \$20K. Ideal locations include shadow centers inside strip centers with big box retail and foot traffic demand generators.

Rising Roll aims to have five units open by the end of the year, and 50 open in the next 4 years. Target franchisees will have \$500K to 600K net worth and \$200K liquidity, but restaurant experience is not necessary. Franchise fees are \$30K with 6% royalties and buildout cost run \$125K to \$200K. Ideal real estate is about 2,200 s.f. with steady daytime traffic from retail, office and residential. President **Mike Lassiter** and his team have tweaked the concept a bit by cutting out about 150 s.f. from the prototype. Founder and Former **Rainbow Room** Chef **Bob Weiss** also scaled down the menu to 50-items, which includes Grilled Paninis such as *Chicken Milano* and *Roast Pork Caliente* and typical sandwiches including a *Turkey Lurkey* and *Cadillac Chicken*. The average check is around \$9.