

# Broadway Burger

How to open a gastronomic burger house in your city







We were the first ones to introduce an unique on principle format in Almaty – gastronomic fast food. It means that we’re making gourmet burgers with original recipes from our chef, but serving them fast.

The first BB opened on August 10th, 2016 in the center of Almaty, and quickly won the market. The venue filled an empty niche of gastronomic fast food, when with a relatively moderate average bill and fast service, a guest gets a high quality product. Every day we bake fresh buns and make marbled beef patties.

As of January 2018, two (2) venues are successfully functioning in Almaty. Our record is selling 462 burgers in one day in one venue.



## **Broadway Burger**

### **FINANCIAL MODEL ADVANTAGES:**

- **A moderate average bill compared to the one at a restaurant**
- **High turnover / to go service**
- **Moderate payroll budget considering the service format**
- **Doesn't need a big space**
- **A quick return of investment on the basis of fulfilling the requirements**

# An ideal partner

**We believe that choosing a business partner is like choosing a life partner – it lasts for life.**

Our ideal partner criteria:

- Availability of investment necessary for the project
- Availability of a suitable space for the venue (long-term rent or ownership), according to the tech specs
- A positive experience in catering business
- A perspective of development in the region
- An ideological compatibility of concept





Location, location, and... location

The success of franchised project to a great extent depends on the location and availability of necessary conditions in the space:

Area – 100 sq m

First floor of a building or a mall (not food court) with a separate entrance, in the center of a city

Presence of business activity in the vicinity of the building

Constant pedestrian traffic

Availability of parking

Long-term rent or ownership of the space  
Rent not higher than 15000 KZT per sq m  
Advisably sunny side, corner space



## Tech specs for the space

Electricity (installed capacity) – 80-100 kW

Water: hot water – not less than 100 m<sup>3</sup>, cold water – not less than 80 m<sup>3</sup>

Sewage: capacity to organize 2 bathrooms – in the main area and in the kitchen, sanitary and production sewage, availability of d=100mm input points

Rooftop exhaust ventilation system, vacuum ventilation and air conditioning systems installation availability

Ceiling height: not less than 3,5 meters

Total area – 100 sq m, of which 60 sq m – main, and 40sq m – kitchen

Entrances: A separate central entrance for the guests, and staff entrance.

Availability of garbage disposal through the staff entrance 4-5 times a day.

Availability to deliver products from suppliers through the staff entrance.

## KEY CONDITION

We are called a gastronomic fast food because we only use the highest quality products for our burgers, and make them according to original recipes from our chef.

The key condition to open a franchised burger house is the availability of a highly qualified supplier of high quality marbled beef in the region.

Before signing the franchise contract, it's necessary to confirm and get the meat supplier approved.

\*\*\*Flight, accommodation and consultancy fees of the specialists are paid by the franchisee





## Franchise conditions

License fee – 25 000 000 KZT\* (in Kazakhstan).

Exclusive right to the trademark in the city.

Royalty – 7% of turnover monthly, but not less than 1 500 000 KZT

Marketing levies – 1% from the turnover monthly

Investment – 50 000 000 KZT\*

Payback period: from 11 months



## What does License Fee include?

### DOCUMENT PACKAGE:

- Brand book
- Interior design manual
- Venue building guide
- Product sheets
- Production unit standards
- Service standards
- Job descriptions and payroll
- Internal business processes
- Financial calculations and Investment calendar
- Marketing activity standards
- Franchisee and Franchiser cooperation standards
- Legal papers



## What does License Fee include?

### PROVIDED SERVICES

- Budget calculation and business model for the chosen location
- Tech and design project consultation and approval
- Equipment and suppliers selection recommendations
- Food products suppliers recommendations
- Price determination recommendations
- Key staff members determination recommendations and interviewing
- Key staff members mandatory training and internship in Almaty burger houses one month before the opening
- Time-table with timely supervision and consultancy from the team experts



## What does License Fee include?

Professional launch team operation on franchisee's territory 2 weeks before and 1 week after the opening

Training and consultation on launch management and operational processes

Training and consultation on mastering the production processes during launch period

Marketing consultation (advertising layouts, SMM instruments) during launch period

\*\*\*Flight and accommodation of staff and experts is an extra cost on franchisee side



## What does Royalty include?

Menu update (according to the plan)

Staff training and internship in  
Almaty

Recommendations on business  
operation based on the accounts  
statements

All activities consultations

Regular auditing

Secret Guest project operation

\*\*\*Flight and accommodation of  
staff and experts is an extra cost on  
franchisee side



## WHAT DO MARKETING LEVIES INCLUDE?

Placement of the venue on abr website

Informing about the venue in abr's and Broadway Burger's social media network

Advertising layouts and SMM instruments updates provision

Marketing consultation

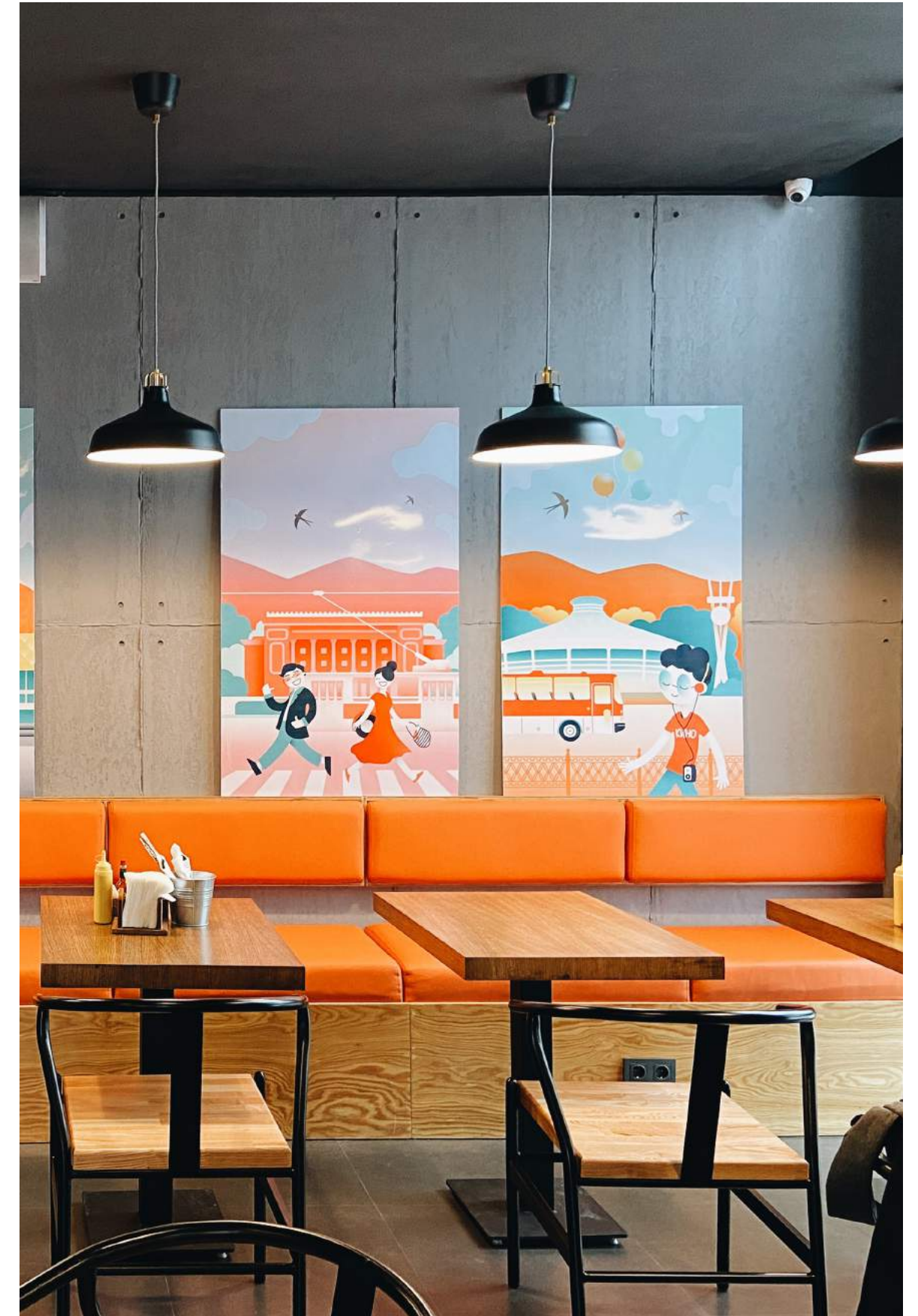


## AN APPROXIMATE BUDGET OF A BURGER HOUSE OPENING

The exact investment calculations are only possible after the evaluation of a chosen space, and creating of tech and design projects.

- Installation and construction work, and utilities: 15 000 000 KZT
- Equipment: 14 000 000 KZT
- IT: 4 000 000 KZT
- Cutlery and utensils: 4 000 000 KZT
- Furniture and decor: 10 000 000 KZT
- Other expenses: 3 000 000 KZT
- Total: 50 000 000 KZT

\* licensing and author supervision fees not included



## ROI ANALYSIS

### INPUT DATA

**Concept:** Broadway Burger

**Number of guests per day:** 225

**Average bill with VAT:** 2800 KZT

**Rent with VAT:** 1 150 000 KZT

**Average revenue per day, calculated:** 638 750 KZT

**Seat capacity:** 45

**Average turnover:** 6





# ROI analysis

Title		%		%		%
Revenue	22036875		19 162 500		16 288 125	
Prime cost	5 949 956	27 %	5 173 875	27 %	4 397 794	27 %
Gross profit	16 086 919	73 %	13 988 625	73 %	11 890 331	73 %
Business expenses	6 780 526	30,8 %	6 537 646	34,1 %	6 179 790	37,9 %
Uncontrollable expenses	3 041 803	13,8 %	2 877 245	15 %	2 712 687	17 %
Controllable expenses	3 737 724	17 %	3 660 401	19,1 %	3 467 103	21,3 %
Business revenue	9 306 392	42,2 %	7 450 979	38,9 %	5 710 541	35,1 %
Operating revenue EBITDA	8 655 945	39,3 %	6 986 073	36,5 %	5 419 679	33,3 %
ROYALTY + marketing levies	1 762 950	8 %	1 533 000	8 %	1 303 050	8 %
EBIDTA minus ROYALTY	6 892 995	31,3 %	5 453 073	28,5 %	4 116 629	25,3 %
Investment expenses	75 671 500		75 671 500		75 671 500	
Turnover, month	11		14		18	
Turnover, year	0,9		1,2		1,5	

**Sign on**



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**abr**