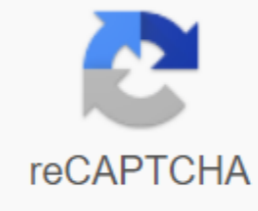




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Five guys franchise application

Who are the Five Boys behind the gourmet burger chain that is now one of the hottest restaurant franchises on the market? The Five Guys franchise actually originated with a guy, Jerry Murrell, who started the business as a single takeaway store in Arlington, VA in 1986. His mother gave him the option to start a business or go to college. If you can get a good haircut or if you can serve a good drink at a bar or if you can serve a good burger, you can always make money in America, Five Guys founder Jerry Murrell told her, according to the Five Guys website. The hamburger business turned out to be lucrative. Until 2001, Murrell operated five restaurants in the D.C. metropolitan area. Murrell's four sons joined him in running the burger business, earning the restaurant the nickname Cinco Guys. Murrell also had a fifth child in the late 1980s. In 2003, the Five Guys franchise concept was born. The restaurant initially sold options for 300 franchises in 18 months in Maryland and Virginia before opening franchise opportunities to the rest of the country. Five Guys restaurants operate in the category of casual fast restaurants and specialize in burgers, fries and related foods and beverages, such as sandwiches and smoothies. Restaurants are typically found in retail malls and other urban locations, and could include sites such as train stations, sports stadiums, airports, college campuses or other captive market spaces on a case-by-case basis, in accordance with the Franchise Disclosure Document. Five boys are the newest guys on the fast food scene, but their popularity has made them one of the most recognized brands in the QSR segment, joining well-known giants like Burger King, Taco Bell, Wendy's, Subway, Dunkin Donuts and Chick-fil-A. What makes Five Guys burgers special? Here are some reasons, according to an article published by an ABC affiliate in Chicago. There are no freezers in Five Guys, just refrigerators – which means that burgers are cooked fresh every day You can order your burger your way - with up to 15 added toppings for free fried peanut oil, chips are served crispy and in large quantities Famous people have proclaimed their love for Cinco Chicos food , including former President Barack Obama Cinco Chicos Continues to Grow Photo of Five Guys Official Facebook Page The network shows no signs of slowdown first exploded in the Washington, D.C. area more than 30 years ago, according to its Franchise Disclosure Document. In 2018, Five Guys sold 1,643 franchise unit rights and 561 rights remain franchisees to develop franchise units under several existing development agreements across the United States and Canada. The company operates 492 restaurants, and its franchisees operate 930 restaurants, respectively, throughout the United States and Canada. Canada. in the UK began in 2012 and has resulted in 88 restaurants. As of 2018, the company sold 154 franchise unit rights and 123 rights remain available for franchisees to develop franchise units under various development agreements existing throughout the Middle East, Ireland, Switzerland, Luxembourg and Italy. Under these agreements, 30 international franchise restaurants were opened. There are 10 international shops. In December 2017, the company's first company-owned international store was opened in the Netherlands. As of December 31, 2018, the company opened seven more stores in the Netherlands, one store in Belgium and one store in Hong Kong. Five Guys Requires a Smaller Initial Investment than its Competitors Opening a Five Guys franchise requires an initial investment than from \$306,200 to \$641,250, according to the Franchise Disclosure Document. However, this investment is much smaller than the initial investments that other fast food powers require of their franchisees. Although Dairy Queen requires a similar initial investment, other competitors like Burger King and Wendy's require up to four times more money to launch a franchise. Five Guys Franchise Fees & Costs Competitors Franchise Fee Initial Investment Royalty Five Guys \$25k \$306k to \$641k 6% of gross sales, 8% in Alaska, Hawaii or Puerto Rico Dairy Queen \$25k to \$35k \$382k to \$1.8m 4-5% of monthly gross sales Taco Bell \$25k-\$45k \$1.2M to \$2.8M 5.5% of gross sales KFC n/a \$1.4M to \$2.8M 4%-5% of gross revenue Burger King \$15k-\$50k \$1.9M to \$3.3M 4.5% of monthly gross sales Wendy's \$40k \$2M to \$3.7M 4% of gross sales Chick-Fil-A \$10K \$342,990 - \$1,982,225 Chick-Fil-A corporation will pay land, construction and equipment for a restaurant, then rent it to the franchisee for 15% of sales plus 50% of pretax profit remaining. Up to 3.25% in advertising rates as a percentage of gross monthly sales Below is a breakdown of what your initial investment will cover in a Five Guys franchise and when you can expect to pay it, according to the Franchise Disclosure Document. Estimated Expenses Amounts When Paying Payment Method Initial Franchise Fee \$25k On signing the Franchise Agreement Aggregate Sum Development Fee \$50k per Restaurant (\$125k per Restaurant in Alaska, Hawaii and Puerto Rico) By signing the Lump Sum Leasehold Improvements Development Agreement) \$100k to \$300k As provided as Billed Lease Payments and other rental expenses \$7.5k to \$20k Lease Monthly Lease Per Lease Per Lease Per Lease Per Lease Per Lease Per Equipment from \$55k to \$105k as provided in the billed signage \$6.5k to \$20k as arranged according to the initial inventory billed \$10k to \$15k as provided in the billed architecture engineering \$7k to \$25k as provided as an electronic cash register system billed with modem \$15k to \$25k Lump Sum as Invoiced Travel, accommodation and for initial training \$100 to \$5k as incurred in business supplies (stationery, business cards, menus, gift cards, paper and other materials) \$4k to \$8.5k Lump Sum As Invoiced Business licenses, permits, utility deposits, etc. (for the first year) \$5k to \$15k as Arranged As Incurred Insurance Deposits and premiums \$750 to \$1,250 As Fixed As Additional Funds Billed for the first 3 months \$20k to \$25k as arranged TOTAL \$306,200 \$641,250 (\$381,200 to \$716,250 for Alaska, Hawaii and Puerto Rico) Other charges include weekly gross payments of 6% and 2%, to cover royalty fees and advertising creative funds, respectively. Franchisees must also spend 2% of their gross annual sales on local advertising. What can you expect to do? Photo from Five Guys Official Facebook Page Five Guys states that they may not make any representations about the future financial performance or past financial performance of any unit owned by the company or franchise, nor may we authorize employees or representatives to make such representations, either orally or in writing. That said, Five Guys franchisees can reasonably expect to earn up to \$1.18 million in annual sales, according to QSR. While this is lower than some of its competitors, its lower initial investment could make it a better entry point for some franchisees. Remember, sales don't equal revenue, as you'll need to deduct all your operating costs and expenses before paying yourself. According to the latest Franchise Business Review data, the median income of food franchise owners is \$126, 866. Why owning a five-year franchise might be right for you... Five Guys is one of the leading fast food chains in the country, known for its commitment to quality and customer experience. Adweek recently called it the rarest of unicorns in that it is able to grow and maintain its popularity without spending large dollars on large-scale advertising. Commitment to quality: Delicious food and an amazing customer experience are so important to Five Guys that they spend five times as much investing in the customer experience than they spend on advertising. While Five Guys adopts digital advertising, it spends much more on secret buyers, who visit locations twice a week to make sure employees are defending the brand, according to Adweek. Reputation for tasty food: The menu may be simple, but most loyal customers will tell you that Five Guys burgers and fries cannot be surpassed. A Business Insider flavor tester recently tried author burgers from McDonald's, Burger King, Wendy's, Shake and Five Guys, and Five Guys came out on top, thanks to its overall ingredient quality and classic burger flavor. Comprehensive training: Once a franchisee's application has been accepted, your team members (including a general manager and an assistant general manager) must undergo a comprehensive management training program at its corporate headquarters in Virginia for at least two weeks. For the opening of its first restaurant, Five Guys provides you with one of its trained representatives to provide you with prior and open on-site training, supervision and administration for 10 days in accordance with the Franchise Disclosure Document. ... And why you wouldn't have photos from Five Guys' official Facebook page Although there are many advantages to investing in a Five Guys franchise, owning a burger franchise isn't right for everyone. Five Types, in particular, requires some provisions that could make it an incorrect adjustment for potential franchisees. Meaningful Engagement: Get ready to be practical, especially if you plan to run your Five Guys franchise as a sole owner. If you are running your store as an individual, you must comply with all operational director obligations, in accordance with the Franchise Disclosure Document. This includes attending training and maintaining responsibility for all business operations. If you or one of your managers cannot serve as Chief Operating Director or no longer qualifies, you must designate a replacement within 15 days. Expensive burgers: Quality comes at a price. Depending on the market you want to enter, the cost of Five Guys burgers and fries could be a barrier for consumers. According to a story in Business Insider, people surveyed in various demographic groups said they couldn't afford to eat there. A Five Guys cheeseburger costs \$7.69, while bacon and Whopper cheese at Burger King will give you \$5.19. Standard Locations: Although its menu is flexible, Five Guys construction standards are fairly uniform. You'll never drive to a Five Guys in a rural location or experience one with extra capacity. Each restaurant is typically between 2,000 and 3,000 square feet and is located in a shopping mall or other urban location deemed acceptable by the franchisor. The Franchise Disclosure Document mentions that the chain will sometimes allow franchisees to consider train stations, sports stadiums, airports, college campuses or other captive market spaces on a case-by-case basis. No funding: If you want help financing your restaurant, you won't be able to get it from Five Guys, as it doesn't offer, directly or indirectly, any financing agreement for franchisees. It also does not guarantee notes, leases or other obligations, in accordance with the Financial Disclosure Document. No major delivery services: If you want a Burger and Five Boys Fries, you'll have to go to your nearest franchise to get them. Five Guys has not yet partnered with an official delivery service, although other chains have adopted delivery programs, such as DoorDash and Uber Eats, to reach as many hungry customers as possible. Recent NPD Group Market Research reveals that more than half of restaurant takeaway orders occur online. Restaurants are directly experiencing revenue growth from these services, up to a 20% increase across the industry, according to The NPD Group. By ignoring the takeaway trend, Five Guys franchisees may be losing potential customers. Consider these tasty alternatives If you're thinking of investing in a Five Guys franchise, but not 100% sold, take a look at some of these alternatives from our FBR Top food and beverage franchise list. The franchise opportunities listed below are all award-winning brands that have been highly rated by the franchisees who own them. 1. Kona Ice Although shaved ice is a lighter alternative to burgers and fries, Kona Ice has been a world-class food franchise by Franchise Business Review for the past six years and has taken first place for the past three years. Kona Ice receives high ratings for its low upfront investment cost (\$125k-\$148k-low overhead, quick start, extensive corporate support and marketing, and more. I would never have imagined I could practically afford the royalty of my whole year in a weekend, a franchisee said. I never thought I'd be able to do this full-time, but after only a year in business, I was able to make Kona my job full-time. Low initial investment Ranked number one for several consecutive years on FBR's list of most extensive franchises Learn more about owning a Kona Ice franchise. 2. Founded in Prairie du Sac, WI in 1984, Culver's, famous for its butter burgers and frozen custard, has been a Midwest wait for the past 35 years. Culver's initial franchise attempt in 1988 was less than successful, so the company's franchise efforts did not begin in earnest until 1990. Since then, however, the business has been booming: Culver's average generated approximately \$2.2 million in sales per unit in 2017, placing it just behind McDonald's and securing its place in #6 in Entrepreneur's 2019 500 Franchise Ranking. Said a franchisee, [Culver] was the perfect fit for us. We opened our first restaurant and the second in 2014. This decision was the best we could have made for ourselves and our family. Strong unit sales Comprehensive training Additional support of opening and franchise teams 3. Donatos Pizza Donatos Pizza has become an incredibly popular franchise option in recent years for its cost/benefit balance. For the relatively initial investment cost of \$375k-\$700,000, franchisees can make more than \$1M in average net sales per year, with some high-yield units earning more than \$2 million per year. If that potential revenue wasn't attractive enough, Donatos also offers predictive intelligence capabilities for smarter delivery, flexible restaurant, restaurant, training program, and more. Attractive Balance Cost/Benefit Predictive Intelligence Capabilities for Smarter Delivery Comprehensive Training Program Learn more about owning a Donatos Pizza franchise. 4. Checkers & Rally's Since 1986, Checkers & Rally's has been serving delicious American classics like hot dogs, burgers and smoothies to millions of happy customers. In fact, Checkers & Rally's food is so good that a franchisee included it as a highlight of working with the brand, saying: What excites me about the brand is food: bold flavors. The A Checkers & Rally franchise has a relatively low initial investment cost of \$96k-\$1.5M with a significant return on investment (up to 62%, according to the brand's 2018 FDD report) and plenty of room to grow, with more than seven consecutive years of growth and sales count in the same store. Franchise Incentives for Military Veterans Return on Investment Modular Restaurant Building for faster and more affordable development Learn more about owning a Checkers & Rally franchise. Ready to join The Boys? A Five Guys franchise has the potential to make a lucrative profit, but with so many franchise opportunities to choose from, you should conduct your own research: compare different franchise options, weigh franchise costs in relation to profits, ask for feedback from current franchise owners, and be honest with yourself about how much you are able and willing to assume. Investing in a restaurant franchise requires a serious investment of time and money, no matter how well you know the fries. Taste.