



WINONA CAPITAL
MANAGEMENT



News

October, 2008

EMERGING RESTAURANT CHAINS: 10 TO TRACK

Smart expansion plans, tight management and clear competitive differentiation allow regional and national restaurant chains to grow even in less-than-ideal economic conditions.

By Kate Leahy and Christine LaFave, Editors -- Restaurants and Institutions, 10/1/2008

Thriving restaurant chains are quick to note that success isn't a function of any one thing. It isn't established in serving up a burger constructed so carefully as to inspire a ground-beef epiphany. It isn't confirmed in getting counter staff to smile and ask guests "How's your day going?"

Success is driven by food-and-beverage quality and service style, to be sure, but the whole of the restaurant experience is greater than the sum of its parts. As increasingly demanding customers set the bar ever higher for chains that seek their loyalty, the delivery of a differentiated experience can help elevate a concept in its category. Craveable food will get an operation only so far; a craveable experience on top of a memorable menu will get it farther.

BOLOCO

Focus:	Burritos
Category:	Fast-casual
Headquarters:	Boston
Founded:	1997
Locations:	13
Average check:	\$7.50
Growth plan:	Three more units by the end of 2008.



At Boston-based Boloco, a rebranding helped clarify the concept for customers and position the chain for further growth. Founded as The Wrap in 1997, the chain was rechristened as a burrito concept in 2004 after executives decided that the term "wraps" didn't accurately suggest the chain's staple menu item: warm flour tortillas wrapped around hot, fresh ingredients. Not all of the burritos boast Mexican flavor profiles—Mediterranean and Bangkok varieties are outside-the-norm offerings—but all are made to order and available in regular or large sizes. Proteins include chicken, steak, carnitas and tofu; wheat tortillas and brown rice are available.

Most of the chain's 13 units are located near college campuses. President and Chief Operating Officer Mike Harder says the chain will focus its growth on New England. "We're still trying to make sure the wagon's built right," he says. "I'm a firm believer that if you have to put a slogan up on the wall about what you are, you're probably not that."

Original article: <http://www.rimag.com/article/CA6601031.html>