

Brand Due Diligence Confirms Chain Value

Case Study*



*Project conducted with Technomic.

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The Situation

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A private equity group was approached by the senior management of a regional limited-service chicken chain to fund their buy-out of the founder.

- ▶ One of 10 leading LSR Chicken brands.
- ▶ A 30 year history, but slow growth in past 10 years.
- ▶ Menu items tasty, if a bit “off-trend”.
- ▶ Over 300 units; 50% franchised.

The Actions

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Project leader Tom Miner managed a 5-part evaluation of the brand's competitive position and growth potential.

- ▶ Examined the brand's long term growth potential.
- ▶ Benchmarked unit performance and corporate costs.
- ▶ Audited unit operating systems to identify problems.
- ▶ Conducted a regional, customer satisfaction survey.
- ▶ Interviewed franchisees and stakeholders.
- ▶ Reported to client in SWOT format analysis.

The Results

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Despite the classic menu, the long term potential for the brand was confirmed by U.S. consumer spending.

- ▶ Benchmarking quantified potential margin savings.
- ▶ Customers ranked the brand 1st or 2nd in its' markets – problem attributes were identified/confirmed.
- ▶ Customer usage patterns defined and forecasted.
- ▶ Corporate support system ranked “very good” with a few exceptions – some areas for improvement.
- ▶ Client funded the takeover – with restrictions.

Contact: info@chainassociates.com

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