

# Making The Chain Link!

January 17<sup>th</sup>, 2007

## Agenda

- How Do Large Chains Manage Restaurant Growth?
- Who Are The Decision Makers For Equipment?
- What Do Large Chains Value In Equipment?
- What Does The Decision Tree Model Look Like?
- What Are The Key Factors Used To Evaluate Equipment?
- So, How Does The Energy Piece Fit?
- Where Are The Road Blocks?
- What Is The Energy Message That Connects?

## How Do Large Chains Manage Restaurant Growth?

- Restaurant Chains Have Restaurant Development Divisions Dedicated To Managing The Process.
  - Restaurant Development Divisions Are Comprised Of Various Departments Including:
    - Real Estate, Property Development, Design And Construction
  - Other Department Influencers: Purchasing, Operations, Marketing, Culinary.
  - Location Of These Departments Is At The Corporate Headquarters.
  - Their Mission Is From Finding The Dirt Through Construction Completion.

## How Do Large Chains Manage Restaurant Growth?

- Restaurant Chains Manage Their Development Processes Using Prototypical Documents.
  - These Documents Are Master Architectural Plans Containing Current Approved Equipment & Building Specifications.
  - Site Specific Modification Are Made Only To Meet Local Governmental Requirements, (Health, Building Codes, Etc.)
  - The Development Process For A Specific Restaurant Is Approximately 2 Years.
  - The Development Process For A New Prototype Is 2 To 6 Years.

## Who Is The Decision Maker For Energy Efficient Equipment?

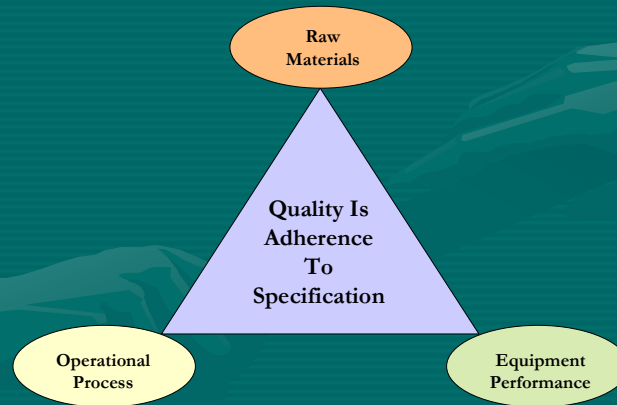
- For New Construction Projects The Gate Keeper Is The Concept Architect.
- For Replacement Equipment & Remodels The Facilities Department Is The Gate Keeper.
- Other Key Influencers Include: Operations, R&D, Purchasing, QA & Risk Management.

## What Do Large Chains Value In Equipment?

- Reduction In Labor And / Or Required Skill Level
- Lower Development Costs
- Smaller Foot Prints
- Improved Food Quality
- Ease Of Operational Use / Replication & Process Control
- Service Support Networks
- Improved R&M Costs / Reliability
- Flexibility

## What Does The Decision Tree Model Look Like?

IT IS ALL ABOUT THE BRAND!!!



## What Are The Key Factors Used To Evaluate Equipment?

- DOES IT OPERATIONALLY WORK!!!
  - Production Capacity While Under Stress, Durability, Fit And Function, (Size, Controls, Easy To Clean, Etc).
- Manufacturer Support & Production Capabilities.
- Operational & Product Quality Impact.
- Impact To Prototype From A Design & Construction Stand Point.
- Implementation Costs, (Construction Costs, Architectural Document Modification Costs, Training Support)
- Food Safety

## So, How Does The Energy Piece Fit?

- It Generally Is A Component, But Not The Deciding Factor.
- Energy Is Included In The Equipment's Life Cycle Cost & The ROI Analysis, Which Also Includes More Critical Costs Like:
  - Labor Implications
  - Design & Construction Implementation Costs
  - Product Quality Impacts
  - Operational Costs
  - R&M & Operating Expenses
- Energy Costs Is A Very Small, But Important, Expense For Restaurants

## Where Are The Road Blocks?

- Energy Programs Tailored To Restaurant Needs. (Retail Versus Restaurant).
- Local Inconsistency Of Rebate Processes & Offerings Makes The Program Difficult To Plan Potential.
- Rebate Opportunities Happen Too Late In The Process.
- Gaps In Incentive Coverages: Energy Star.
- Energy Efficient Products Do Not Always Meet The Needs Of Restaurants. (e.g., LIGHT BULBS!!)
- Rebate Processing Companies Are Electric Focused & Therefore Know Little About Gas & Water Opportunities.

## What Is The Energy Message That Connects?

- Engage Chains At The Prototype And Building System Level.
- Lower Development Costs By Improving ROI and Life Cycle Evaluations
- Support & Engage Chain's R&D Process
- Energy Efficient Equipment Can Improve Worker Comfort, & Thus Contribute To Reducing Turn Over.
- Lower Operating Cost

**Thanks!**