FOODSERVICE EQUIPMENT reports

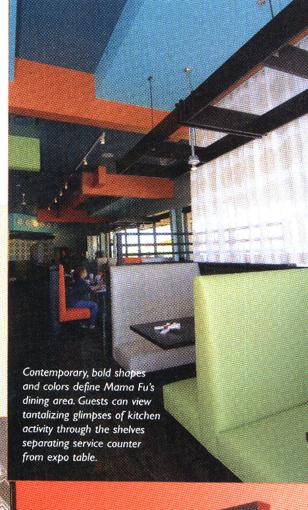
Mama Fus woks this way

Mama Fu's finds good fortune—and growth—with a new, smaller prototype that chops building costs by 10% and keeps store revenues healthy.

by Janice Cha y day, Mama Fu's wok chefs stir-fry made-to-order Asian fare— Chinese, Japanese, Korean, Thai and Vietnamese—in a contemporary self-serve setting. Come evening, waitstaff step up to provide friendly tableside service. And day or night, Mama Fu's kitchen crew can count on staying busy with carryout, delivery and catering, too.

It's those off-premise sales—now approaching half of total store revenues—that have propelled the 13-unit Austin, Texas, chain to debut a smaller, smarter, less expensive prototype.

"When we changed our business model to include delivery, catering and online ordering, off-premise sales grew from about 25% of revenue in 2008 to more than 40% now," says President and CEO Randy Murphy. Murphy opened his first Mama Fu's restaurant as a franchisee back in '06 under Raving Brands





and two years later led the purchase of the chain.

"We knew we could get away with a smaller prototype," Murphy recalls. The chain's second prototype now squeezes the footprint to 2,500 sq. ft. (down from 3,000 sq. ft.) and cuts \$50,000 out of start-up costs. Planners expect that the reduced size will also have the added perk of up to \$2,000 savings per month in lease and utilities costs.

"The smaller footprint will also make it easier to find sites," Murphy notes. "Often we'd find a great 4,000-sq.-ft. endcap that could easily be split between a 2,500-sq.-ft. concept and a 1,500-sq.-ft. concept such as a dessert or coffee brand." Murphy pauses, then adds, "In fact, such a partnership could materialize by next year, in Texas."

Thanks to franchisees' interest in the more space-efficient prototype, Mama Fu's has moved back into growth mode. While the first official protos are slated to open in Lafayette, La.; Pittsburgh; Waco and El Paso, Texas; and Albuquerque, N.M., by the fourth quarter this year, a successful track record has already been established by a 2,600-sq.-ft. unit opened in Austin, Texas, in '08. Cor-

porate plans call for five openings this year followed by 15 restaurants in '12–of these, about 75% will be the new design.

Venerable Past To Fast-Paced Present

Mama Fu's Asian House was created by Atlanta-based Raving Brands in '03. Four years later, Mama Fu's posted systemwide sales of \$18 million for 17 locations. A combination of very quick growth on top of a lagging infrastructure led Raving Brands to decide to sell Mama Fu's, and in '08 the concept was purchased by Murphy Adams Restaurant Group.

Murphy's initial growth plan called for 100 units within 60 months—but reality got in the way.

"We spent the first six months peeling back the franchise system and purging it of locations that were not able to go where we wanted to take the brand," Murphy says. Significant changes were ahead, he says, including "changing the revenue stream, adding delivery and full service, tweaking marketing and streamlining the design."

Mama Fu's first makeover under its new owners started with making the store design more economical. "The original version had expensive fixtures, wall treatments and furnishings," Murphy recalls. "We wanted to improve both front- and back-of-house looks and operations while bringing costs down."

The 3,000-sq.-ft. prototype for '09, therefore, featured more offthe-shelf, durable solutions. For the FOH, changes included vinyl instead of tile floors, standardized millwork versus custom, vinyl wall coverings instead of easily dinged paint, and corner guards everywhere.

In the kitchen area, "We got rid of much of the non-standard shelving, steelwork and custom equipment," Murphy says. "We opted for standard alternatives for shelving, tables, counters, passthrough window and storage."

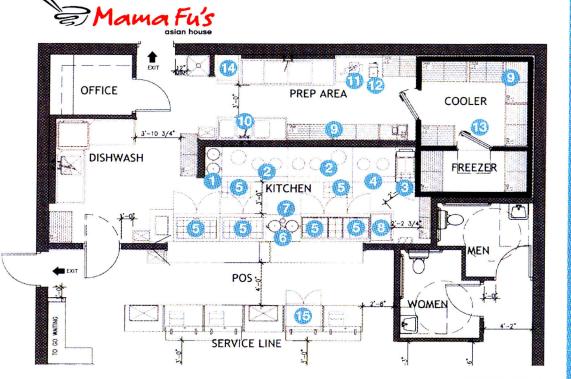
Eliminating the custom-built items and changing building materials saved Mama Fu's about 20% on total building costs-



Above, flames leap from a wok on one of the eight 120,000Btu burners. Mama Fu's 700-sq.-ft. kitchen includes a tightly choreographed cookline that allows a 6-person crew to serve up to 450 covers for lunch, dinner and carryout. Note the triple-decker shelving that keeps supplies within reach.



Mama Fu's Asian House, Austin, Texas



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KEYEQUIPMENT

- Rinnai gas rice cookers
- Westar wok range (custom)
- Dean/Manitowoc fryer
- CaptiveAire hood
- Delfield/Manitowoc refrigerated sandwich and make tables
- Town Food Service Equipment rice warmers
- FMP dipper well
- APW Wyott soup warmers
- InterMetro shelving
- 10 Advance Tabco 3-compartment sink
- 11 Robot Coupe food processor
- 12 Globe Food Equipment meat grinder
- 13 Kolpak/Manitowoc walk-in cooler, freezer
- 14 Hoshizaki ice machine
- 15 True Food Service Equipment Mfg. undercounter refrigerator

which are about \$550,000 for the '09 prototype versus \$700,000 for the original model.

Smaller By Design

This January, Murphy challenged his operations and design team to cut turnkey costs by an additional 10% (bringing the cost for opening a corporate store to \$475,000), to reduce the footprint, make the restaurant more efficient and to do so with minimal loss of seats. The team included Mama Fu's Senior V.P. and COO Stephen MacManus (formerly of Carino's Italian and Chili's Grill & Bar) and Franchise Operations Director Cody Armand (from Einstein Bros. Bagels and Romano's Macaroni Grill), along with Scott Windle, a partner at Irving, Texas-based architectural firm ID Studio 4. By April, the design was ready.

Shrinking the footprint involved reevaluating actual use of every corner of the restaurant, making better use of vertical space and making some areas do double-duty.

Space reevaluation led to reductions in kitchen, office and restroom space, as well as a slight tuck in the front-of-house area. In the kitchen and prep areas, some of the work lanes were slightly narrowed, and office space was reduced to two-thirds its previous size. Restroom size was also reduced: "Most municipalities allow single stall units, so that's what we spec'd for the proto," Murphy says. The back-of-house changes cut about 400 sq. ft. from the previous footprint.

AGLE

In the dining area, the design team eased another 100 sq. ft. out of the footprint by reducing the number of seats to 82 (down from 94) and slightly narrowing space between tables. That said, the important to-go waiting area near the front counter was expanded to offer up to eight seats, while the spot for executing and bagging takeout orders was also increased in size.

"Customers hate feeling like they're in the way when they're waiting for carryout," Murphy says. "We like to make them feel comfortable."

The next step was to optimize use of remaining space. In the kitchen and prep area, this involved better shelving design and a change in work habits.

For shelving to go vertical, designers raised ceiling heights by 8", which, among other things, allowed for storage of a ladder in back without jeopardizing ceiling sprinkler heads. The higher ceilings also permitted the use of taller, narrower shelving unitsthe new ones measure 5' to 6' wide and up to 11' high.

Mama Fu's planners expanded the to-go waiting area near the front counter to offer up to eight seats, while the space for bagging takeout orders was also increased. "Customers hate feeling like they're in the way when they're waiting for carryout," says CEO Randy Murphy. "We like to make them feel comfortable."



Locations for the shelving also were tweaked. "Existing restaurants have a dry goods storage area in the back," Armand says. "The new prototype allows dry goods to be stored close to—usually just above—where they're needed. Now workers can pull down, say, a sleeve of cups without running to the back." Wall-mounted shelves fill the upper walls in the cooking and prep area.

"We're only hiring cooks who are at least 7' tall these days," Murphy jokes.

Space for prep work in the new prototype includes many more double-duty areas than before. "Instead of two separate tables for two jobs, we reduced specs to a single table—and added a cover over the three-compartment sink so it can also be used for prep work," Armand explains. Other examples include expanding some of the front-line tables for prep work, and steam tables that can be covered with cutting boards before lunch or dinner service starts.

Wok This Way

Mama Fu's kitchen/prep area, at 700 sq. ft. with an approximately \$142,000 equipment package, is one of the cosier ones in the industry. But don't be fooled. On a good day, the 5- to 6-person crew can serve up to 450 covers (about 800 customers) for lunch, dinner and carryout.

The cookline is (virtually) divided into two halves—Pantry and Drahma (yes, not to be confused with drama)—and is visible to guests through the shelves stacked with bowls and plates. The star of the show is the massive wok range taking up most of the back cookline. This custom-built piece of equipment features six burners and two vegetable stock pot burners, each capable of up to 120,000 Btu for a total of 960,000 Btu of fire-power. Up to three cooks work the woks during peak times. To the wok station's right sits a two-basket fryer, and to the left is a pair of heavy-duty gas-powered rice cookers.

The Pantry side of the line (on the right in the floorplan) han-

FACT BOX

MENU/SEGMENT: "Flex"-casual Asian

HEADQUARTERS: Austin, Texas

NUMBER OF UNITS: 13 restaurants in four states

PROTOTYPE: 2,500 sq. ft., 82 seats

EQUIPMENT PACKAGE: \$142,000

AVG. UNIT VOLUME: \$1.2 million

PLANS:

5 openings in 2011; 15 projected openings in 12

SYSTEMWIDE SALES: \$16.5 million projected for 2011

ARCHITECT:

Scott Windle, ID Studio 4, Irving, Texas

FOR MORE INFO: mamafus.com

dles soups, salads, appetizers, fried items and desserts. In addition to using the fryer, the Pantry team uses soup warmers, refrigerated sandwich prep tables and in the middle, two rice warmers. The Drahma team (named, as Mama Fu's legend has it, after the Chinese words for "grab"-drah-and "food," ma) is responsible for arranging trays or plates with ingredients needed for orders, handing them off to wok cooks and when finished, moving the completed plates to the center expo line. There, the order is passed through to the front. Orders can be completed in four to eight minutes on average, but the team's standing goal, MacManus says, is six minutes.

Looking Ahead

Mama Fu's new 2,500-sq.-ft., \$475,000 prototype attracted a lot of interest at

the recent Multi-Unit Franchising Conference in Las Vegas. "Though we haven't built this exact model yet, we're confident of its success. The look and feel is the same as existing Mama Fu's restaurants—but smaller, tighter and more nimble," Murphy says.

Since Mama Fu's started franchising again in late '10, the company has completed four multiunit development deals representing 17 new store rights in the past few months, with more in the pipeline.

"We brought Mama Fu's back to life by making brand decisions that work for us and our franchise partners. The Asian segment is growing rapidly, and we're in a great position as one of the few Asian concept franchisors," Murphy says. "It's good to be growing again."