

Franchise Times®

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April 2014



Irv Zuckerman, left, and Rodney Eckerman co-founded PizzaRev and attracted Buffalo Wild Wings as a strategic investor—the Franchise Times Deal of the Year.

DARING DOZEN

HOW 12 BOLD DEALMAKERS DRIVE CAPITAL TO BUILD FRANCHISE EMPIRES

MEET THE 2014 LEGAL EAGLES, THE TOP LAWYERS IN FRANCHISING

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“We’re on the wave, and when we see a wave we understand how to ride it,” says **Irv Zuckerman**, right, with **Rodney Eckerman**, co-CEOs and founders of **PizzaRev** in Los Angeles. “Irv is the software and I am the hardware,” adds Eckerman, referring to his role behind the scenes. Their strategic partnership with Buffalo Wild Wings is the Franchise Times Deal of the Year.

Going BOLD

TWELVE AUDACIOUS DEALMAKERS TELL HOW THEY DRIVE CAPITAL TOWARD THE MOST PROMISING COMPANIES IN FRANCHISING. MEET THE 2014 FRANCHISE TIMES DEALMAKERS—THE **DARING DOZEN** WHO MOVE THE MONEY THAT BUILDS EMPIRES.

PizzaRev founders, backed by BWW, gun for first place

Irv Zuckerman zooms up to his new PizzaRev store in El Segundo, a mile from LAX, in a hot white Mercedes wearing shades and a crisp shirt. “It’s like I’m 25 again,” says the 65-year-old, beaming, who booked the likes of the Rolling Stones and U2 in his former life as a concert promoter. “This has to work.”

“This” is PizzaRev, a choose-your-own-ingredients chain that with a mere three stores, after only 11 months in existence and founded by two men new to the restaurant business, attracted a minority investment from Buffalo Wild Wings. That’s the 32-year-old publicly held franchisor and operator of more than 1,000 sports bar and grills, itself still on a fast-growth track and on its way to 1,700 in five years.

Hand-selected by Sally Smith, CEO,

as Buffalo Wild Wings’ first investment in emerging brands, PizzaRev gains Smith’s expertise and clout as a strategic adviser and board member, and begins an intriguing experiment featuring a franchise system acting as a private equity investor, but with far more on-the-ground experience than most.

“We’ve tried just about everything so we might be able to speed the learning curve,” Smith says modestly a few weeks later, in her Minneapolis offices where the temperature is 15 below. (Zuckerman insisted PizzaRev’s quarterly board meetings be held in L.A., and Smith didn’t argue, he says with a laugh.)

Buffalo Wild Wings will become PizzaRev’s first franchisee, and the older brand now can offer new opportunities both to its own employees and to its 100 or so existing franchisees who’ve been asking for something new to build.

PizzaRev gains heavyweight backing from Smith and her savvy chief marketing officer, Kathy Benning, credited with B-Dub’s smart and effective national campaigns—which may be enough to give it greater traction than the dozens and dozens of similar brands springing up all around. The partnership is the Franchise Times 2014 Deal of the Year.

Zuckerman was lured back into business by Rodney Eckerman, now his

BY
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Meanwhile, Smith had gone to Wall Street in March 2012 to unveil her strategy to invest in emerging brands as a way to create a new growth engine, and her team had reviewed more than 300 concepts. They worked with GulfStar, a investment banking firm in Houston, to help buy back some Buffalo Wild Wings stores from a franchisee there. GulfStar in turn was talking with PizzaRev about raising capital, and the introduction was made. By March 2013 the deal was done.



“I need to get there before private equity does,” says Sally Smith, Buffalo Wild Wings’ CEO, about her mission to invest in a couple of emerging brands each year for the next five years. Her team developed “guardrails” for their search process, “so we don’t get off track and get seduced by something” that’s not the right fit. “We are investing in emerging brands so in three to five to seven years we have a growth vehicle,” she says.

co-CEO at PizzaRev and previously a fellow exec at ClearChannel. “I was playing golf, having a nice time,” Zuckerman says, when Eckerman brought up an idea his son Nick was kicking around. “Let’s do something for pizza like Chipotle, but high end,” was the thought.

The pair were new to the restaurant business, but they were old hands at concert promotion and they figured the lessons apply. “Let’s open three, so one bad location doesn’t sink the whole show, like a bad album or a bad venue,” Zuckerman recalls. “We opened up three within four months in different types of neighborhoods. All of them did well.”

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“The world moves faster and faster every day,” Eckerman says about the artisan pizza niche, adding the fast-casual burrito business took maybe eight to 10 years to develop. “Now you make it or burn out in two years.”

Both count their background at the publicly held ClearChannel as a plus, because they speak the language of Wall Street. “We ran a food and beverage portfolio of \$100 million,” Zuckerman says, and as concert promoters they learned how to serve the masses. “People think they’re in the fast-food business, but they’re not. The arenas and amphitheaters—they’re in the fast-food business. How do you get 20,000 Jimmy Buffett fans beer and wine and food in 30 minutes during intermission? That’s fast.”

With sons Nick Eckerman heading up the food and Jeff Zuckerman in charge of marketing, their elders are gunning to win. “Your goal’s gotta be to be the leader. We’re not trying to get bronze,” Zuckerman says.

Eckerman muses about another franchisor, McDonald’s, that famously invested in an emerging burrito chain and prompted widespread debate about whether the eventual outcome was a good thing or not. “That was a great thing,” Eckerman insists. “I

would love to say 10 to 12 years from now we would be a Chipotle.”

And Sally Smith, back in Minneapolis, simply wants to help the founders of her investments grow, starting with PizzaRev and then continuing with whatever concept comes next. Her team is close to making its second investment, guided by the “guardrails” she insists they follow.

She figures at least a few of those will hit the mark. “As much as we’d love to have a thousand-unit chain, if you got to 500 would you be disappointed?” she asks. “I wouldn’t be.” ^{FT}



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