



Franchise Times

Restaurant 200

Ranking the biggest franchise owners in the U.S.

Units shift as M&A fuels growth among Restaurant 200 operators

The Restaurant 200 reflects many of the major trends in the restaurant industry, one being the big continue to grow. But the industry is facing real change and difficulty even at the top. These year-end 2019 numbers serve as one final benchmark for the industry before the COVID-19 pandemic changed everything.

Flynn Restaurant Group maintains its No. 1 position for the ninth year in a row. But it was a down year for the California-based restaurant giant. The company shed seven Applebee's and sales dipped by \$5 million. Flynn added one Arby's, five Taco Bell units and a single Panera.

NPC International retains the No. 2 spot even as it struggled with finance issues in 2019. The company grew to \$1.6 billion in sales, a \$67 million increase in the self-reported numbers. But even that wasn't enough to stave off liquidity issues. The company faced a credit rating downgrade from Moody's and filed for bankruptcy protection midway through 2020.

Carrols Restaurant Group continued to expand, and the company was the top sales grower in the rankings. The massive Burger King operator added \$273 million in sales. For some context, that level of sales alone would put an operator solidly at No. 39 on the ranking.

The Dhanani Group in Sugar Land, Texas comes in at No. 4 with an estimated \$1.1 billion in sales, and Sun Holdings jumps to No. 5

from the No. 9 position last year. The company added \$206 million in sales (the second most aggressive sales growth) through 2019 as it acquired 51 McAlister's Delis.

While there were shifts and disruptions among the top

operators, the largest franchisee groups continued rapid growth. The top 10 companies now account for \$11 billion in sales with an additional \$158 million added in 2019. There was also plenty of growth beyond the top 10. In fact, the next 190 restaurant operators grew even faster.

The percentage of sales in the top 10 accounted for 27 percent of the overall sales in the group of \$42 billion, down slightly from 28 percent last year. That marks a switch in a five-year sales trend that heavily favored the largest operators.

The average operator on the Restaurant 200 has \$210 million in revenue and oversees 151 locations. That's up from \$202 million and 143 units last year.

All together now

Mergers and acquisitions shifted hundreds of restaurants around on the Restaurant 200 list. In all, 10 of the top 200 companies sold the entirety of their operations. The largest was QK Holdings, which reported \$154 million in sales in 2018 and ranked No. 76 on last year's listing. The Denny's and Del Taco operator sold all of its 94 Denny's locations to WKS Restaurant Group (No. 17). The next largest, Diversified Restaurant Holdings (No. 78), was taken private when private equity firm ICV Partners took over the company's 64 Buffalo Wild Wings locations.

Four Foods Group, the No. 95 operator last year, unloaded all of its franchise locations and became a private equity fund itself. The Salt Lake City-based operator behind the expansion of Kneaders and also a major Little Caesars franchisee now invests in fledgling restaurant and food-retail concepts with an aim to scale under the name Savory.

The Top 200 Operators Command

- \$42.0 billion in revenue
- 30,124 restaurants
- Top 5 firms combine for \$7.5 billion in sales

The 10 Sellers of the Restaurant 200

Rank LY	Company	Units 2018
76	QK Holdings	91 Denny's, 9 Del Taco
78	Diversified Restaurant Holdings	64 Buffalo Wild Wings
95	Four Foods Group	72 Little Caesars, 49 Kneaders
128	Wisconsin Hospitality Group	34 Applebee's, 31 Pizza Hut
147	Ultra Steak	22 Little Caesars, 13 Texas Roadhouse
160	McEssy Investment Co.	23 McDonald's
161	Ocedon	62 Burger King
185	Southwest Deli Group	33 McAlister's Deli
191	FOR Northwest	38 Burger King
195	Lunan Corporation	37 Arby's

Others on the list of sellouts or near sellouts were McEssy Investment Co., which sold many of its 23 McDonald's locations. No. 165 Ocedon sold most of the Burger King locations it operated, and No. 195 Lunan Corp. sold most of its Arby's stores.

The common theme among that group was great prices for active consolidation companies. Despite ongoing industry hardships, including rising labor costs and lagging traffic, prices for the right brands remained high. The decision between investing in remodels and updates or cashing out has been top of mind for operators in the last few years.

In all, 24 companies on the Restaurant 200 opted to sell all or the vast majority of their operations in the last two years. Large franchisees, meanwhile, continue to buy more scale. Carrols, the

largest Burger King operator and No. 3 on the ranking, added 187 BK restaurants and 65 Popeyes, contributing to its sales growth.

Sun Holdings' acquisition of 51 McAlister's locations represented another trend as the largest operators diversify with new brands within their markets. The Dallas-based company run by Guillermo Perales already has 290 Burger Kings, so taking on a new concept, complex or not, starts to make sense.

WKS Restaurant Group added \$169 million in sales, much of that from its Denny's acquisition, along with six Krispy Kremes and five El Pollo Loco restaurants. The operator grew sales by nearly 60 percent, making it the strongest percentage sales growth leader within the top 200. [FT](#)

By Nicholas Upton
Research by
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and Max Wolf

Franchise Times Restaurant 200: Top 20

- 1 **Flynn Restaurant Group**
San Francisco, CA
\$2,338,356,000
451 Applebee's
369 Arby's
264 Taco Bell
- 2 **NPC International**
Leawood, KS
\$1,611,849,000
1,229 Pizza Hut
393 Wendy's
- 3 **Carrols Restaurant Group**
Syracuse, NY
\$1,452,516,000
1,036 Burger King
65 Popeyes
- 4* **Dhanani Group**
Sugar Land, TX
\$1,150,000,000
516 Burger King
294 Popeyes
42 La Madeleine
- 5 **Sun Holdings**
Dallas, TX
\$994,500,000
290 Burger King
161 Popeyes
99 Arby's
- 6 **MUY! Companies**
San Antonio, TX
\$980,852,000
373 Pizza Hut
317 Wendy's
80 Taco Bell
- 7 **KBP Investments**
Overland Park, KS
\$923,600,000
767 KFC
128 Taco Bell
- 8 **Summit Restaurant Group**
Richardson, TX
\$800,000,000
310 IHOP
117 Applebee's
17 Sonny's
- 9 **Covelli Enterprises**
Warren, OH
\$674,200,000
303 Panera Bread
8 Dairy Queen
5 O'Charley's

- 10 **Pacific Bells**
Vancouver, WA
\$652,000,000
240 Taco Bell
67 Buffalo Wild Wings
- 11 **GPS Hospitality**
Atlanta, GA
\$623,097,000
402 Burger King
73 Pizza Hut
19 Popeyes
- 12 **Yadav Enterprises**
Fremont, CA
\$596,421,000
221 Jack in the Box
81 Denny's
66 TGI Friday's
- 13 **Tacala**
Vestavia Hills, AL
\$506,516,000
317 Taco Bell
1 KFC
1 YUM! Multi
- 14 **Manna**
Louisville, KY
\$500,000,000
157 Wendy's
83 Fazoli's
27 Golden Corral

3

Carrols Restaurant Group moved up a spot to No. 3 after it added an incredible 252 restaurants through 2019. It acquired or built 187 Burger Kings and 65 Popeyes units. It was also the sales growth leader, adding \$273 million in topline sales.

- 15 **K-Mac Enterprises**
Fort Smith, AR
\$484,988,000
289 Taco Bell
6 Golden Corral
11 YUM! Multi
- 16 **Meritage Hospitality Group**
Grand Rapids, MI
\$467,700,000
331 Wendy's
- 17 **WKS Restaurant Group**
Cypress, CA
\$466,063,000
127 Denny's
66 El Pollo Loco
54 Wendy's
- 18 **Doherty Enterprises**
Allendale, NJ
\$464,341,000
96 Applebee's
42 Panera Bread
3 Quaker Steak & Lube
- 19 **Ampex Brands**
Richardson, TX
\$432,000,000
202 KFC
141 Pizza Hut
39 Long John Silver's
- 20 **Sizzling Platter**
Murray, UT
\$429,442,000
304 Little Caesars
62 Wingstop
27 Dunkin' Donuts

\$325-\$425 Million

- 21 **Boddie-Noell Enterprises**
Rocky Mount, NC
342 Hardee's
- 22 **HAZA Foods**
Sugar Land, TX
250 Wendy's
26 Taco Bell
- 23 **Quality Dining**
Mishawaka, IN
188 Burger King
40 Chili's
- 24 **Diversified Restaurant Group**
Sonoma, CA
214 Taco Bell
16 Arby's

5

Sun Holdings secured a spot in the top 5 this year. The Burger King operator added 51 McAlister's in a diversifying acquisition—one of the brand's largest deals so far. The company also added \$206 million in sales to become the second-largest sales grower.

- 25* **Charter Foods**
Morristown, TN
227 Taco Bell
36 Long John Silver's
- 26 **Desert de Oro Foods**
Kingman, AZ
172 Taco Bell
88 Pizza Hut
- 27 **Franchise Management**
Woodstock, NB, Canada
196 KFC
107 Pizza Hut
- 28 **Palo Alto**
Denver, CO
200 Taco Bell
32 Pizza Hut
- 29* **Hamra Enterprises**
Springfield, MO
91 Wendy's
70 Panera Bread
- 30 **Border Foods**
New Hope, MN
201 Taco Bell
- 31 **RMH Franchise Holdings**
Atlanta, GA
131 Applebee's
- 32 **Cotti Foods Corp.**
Rancho Santa Margarita, CA
104 Wendy's
84 Taco Bell
- 33 **JAE Restaurant Group**
Pompano Beach, FL
207 Wendy's

34 **Mitra QSR**
Plano, TX
179 KFC
28 YUM! Multi

35* **Harman Management Corp.**
Campbell, CA
122 KFC
153 YUM! Multi

\$225-\$325 Million

36* **D.L. Rogers Corp.**
Grapevine, TX
233 Sonic

37* **Manna Development Group**
Encinitas, CA
135 Panera Bread

38 **Wendy's of Colorado Springs**
Colorado Springs, CO
181 Wendy's
8 Golden Corral

39 **American West Restaurant Group**
Orange, CA
292 Pizza Hut

40 **Retzer Organization**
Greenville, MS
104 McDonald's

41 **Carlisle Corp.**
Memphis, TN
153 Wendy's

42 **Sailormen**
Miami, FL
115 Popeyes
24 Burger King

43* **Ampler Group**
Chicago, IL
83 Taco Bell
81 Burger King

44 **The Briad Group**
Livingston, NJ
114 Wendy's

45 **BurgerBusters**
Virginia Beach, VA
132 Taco Bell
5 Blaze Pizza

46 **SSCP Management**
Dallas, TX
75 Applebee's
47 Sonic

47* **Premier Kings**
Montgomery, AL
198 Burger King
22 Popeyes

48 **TEAM Schostak Family Restaurants**
Livonia, MI
65 Applebee's
56 Wendy's

49 **Ghai Management Services**
Livermore, CA
112 Burger King
36 Taco Bell

50 **Fourteen Foods**
Minneapolis, MN
225 Dairy Queen

51* **EYM Group**
Irving, TX
155 Pizza Hut
35 KFC

52* **Team Lyders**
Brighton, MI
177 Taco Bell
3 Arby's

53 **Romulus Restaurant Group**
Phoenix, AZ
105 IHOP

54* **Fugate Enterprises**
Wichita, KS
168 Pizza Hut
75 Taco Bell

55* **JK&T Wings**
Shelby Township, MI
84 Buffalo Wild Wings

10

Pacific Bells added 17 Taco Bell locations and \$35 million in sales. The Vancouver, Washington-based company now controls 240 Taco Bell locations and 67 Buffalo Wild Wings.

\$175-\$225 Million

56* **ADF Restaurant Group**
Fairfield, NJ
218 Pizza Hut
15 Panera Bread

57* **Cave Enterprises**
Chicago, IL
169 Burger King

58 **American Franchise Holdings**
Atlanta, GA
71 Taco Bell
49 Applebee's

59 **JRN**
Columbia, TN
145 KFC
15 YUM! Multi

60 **TA Restaurant Group**
Westlake, OH
69 Popeyes
40 Subway

61 **RPM Pizza**
Gulfport, MS
176 Dominos

62 **Starboard Group**
Coral Springs, FL
100 Wendy's

63 **Redberry Restaurants**
Naperville, IL
110 Burger King
23 Pizza Hut

64 **B & G Food Enterprises**
Morgan City, LA
147 Taco Bell
4 YUM! Multi

65* **Northwest Restaurants**
Woodinville, WA
109 Taco Bell
42 KFC

66 **Celebration Restaurant Group**
Celebration, FL
100 Pizza Hut
39 Taco Bell

67 **PR Restaurants**
Framingham, MA
61 Panera Bread

68 **Toms King**
Palatine, IL
137 Burger King

17

WKS jumped 19 spots on the list with a big Denny's acquisition. The company grew sales by 57 percent in 2019 numbers. Read more about Roland Spongberg's company on page 41.

69* **PJ United**
Birmingham, AL
194 Papa John's

70 **Hospitality Restaurant Group**
Traverse City, MI
91 Taco Bell
17 Pizza Hut

71 **Carolina Restaurant Group**
Charlotte, NC
110 Wendy's

72* **Caspers Company**
Tampa, FL
63 McDonald's

73 **Luihn Vantedge Partners**
Morrisville, NC
90 Taco Bell
11 KFC

74* **Meridian Restaurants**
South Ogden, UT
124 Burger King
10 Chili's

75* **Rottinghaus Co.**
La Crosse, WI
350 Subway

\$150-\$175 Million

76 **Wendy's of Bowling Green**
Bowling Green, KY
101 Wendy's

* Denotes revenue estimate

77 **Pizza Properties**
El Paso, TX
48 Peter Piper Pizza
10 Applebee's

78* **Quality Restaurant Group**
Raleigh, NC
192 Pizza Hut
27 Arby's

79* **California Food Mangement**
Beverly Hills, CA
142 Burger King

80 **Southern Multifoods**
Jacksonville, TX
97 Taco Bell
8 YUM! Multi

81 **The Saxton Group**
Dallas, TX
83 McAlister's Deli

82 **The RC Group**
Annapolis, MD
70 Taco Bell
22 YUM! Multi

83 **Stine Enterprises**
Phoenix, AZ
86 Jack in the Box
11 Denny's

84 **The Rose Group**
Newtown, PA
54 Applebee's

85 **T.L. Cannon Management**
Ponte Vedra Beach, FL
60 Applebee's

86 **CKA Management**
Hasbrouck Heights, NJ
69 Wendy's
12 Taco Bell

87 **Southern Rock Restaurants**
Franklin, TN
90 McAlister's Deli

\$125-\$150 Million

88 **The Kades Corp.**
Pasadena, TX
54 McDonald's

89 **Restaurant Management Co.**
Wichita, KS
129 Pizza Hut
6 KFC

43

The Ampler Group made the largest jump on the list, surging from No. 102 to No. 43. The company added more than 80 Taco Bell locations, one of the most popular brands on the list.

90* **Lemek**
Elkridge, MD
62 Panera Bread

91 **Metro Corral Partners**
Winter Park, FL
33 Golden Corral

92 **Apple-Metro**
Harrison, NY
29 Applebee's
2 Pizza Studio

93 **TD Food Group**
Honolulu, HI
38 Pizza Hut
36 Taco Bell

94 **Rucker Restaurant Holdings**
Austin, TX
60 Jack in the Box
30 Denny's

95 **Quality Restaurant Concepts**
Birmingham, AL
60 Applebee's

96 **Primary Aim**
Zanesville, OH
73 Wendy's

97 **Janco**
Cranston, RI
82 Burger King
1 Popeyes

98 **Strang Corp.**
Cleveland, OH
44 Panera Bread

99* **Ambrosia QSR**
Portland, OR
102 Burger King

\$100-\$125 Million

100 **JEM Restaurant Group**
Daniel Island, SC
57 Taco Bell
34 Pizza Hut

101* **Paradise Companies**
Natchez, MS
39 Applebee's
17 IHOP

102* **PacPizza**
San Ramon, CA
155 Pizza Hut

103 **Potomac Family Dining Group**
Herndon, VA
59 Applebee's

104 **Kazi Management**
St. Croix
Frederiksted, VI
55 KFC
23 Burger King

105 **Summit Restaurant Group, LLC**
Blue Springs, MO
124 Pizza Hut
11 Long John Silver's

106 **Phase Three Brands**
Tampa, FL
84 Hardee's
2 Wingstop

107 **Emerald City Pizza**
Mukilteo, WA
101 Pizza Hut

108* **MVP Sonic Group**
Ridgeland, MS
92 Sonic

109 **Apple Investors Group**
Chino Hills, CA
45 Applebee's
19 Pizza Hut

110 **Branded Management Group**
Worcester, MA
89 Dunkin' Donuts

111 **Den-Tex Central**
San Antonio, TX
90 Denny's

112* **RCO Limited**
Columbus, OH
35 Raising Cane's

113* **BAJCO Global Management**
Canfield, OH
137 Papa John's

114* **Boj of WNC**
Arden, NC
66 Bojangles

115 **KC Bell**
Wichita, KS
39 Taco Bell
28 Freddy's

116* **Mas Restaurant Group**
Houston, TX
70 Taco Bell
5 PH Express

117 **Hallrich**
Stow, OH
130 Pizza Hut

118 **Benton Properties**
Springdale, AR
72 Sonic

119 **MRCO**
Brentwood, TN
55 Taco Bell
11 YUM! Multi

120 **Wenspok Resources**
Spokane, WA
56 Wendy's

121 **The Wolak Group**
Falmouth, ME
97 Dunkin' Donuts

122* **Grand Mere Restaurant Group**
Overland Park, KS
146 Pizza Hut

48

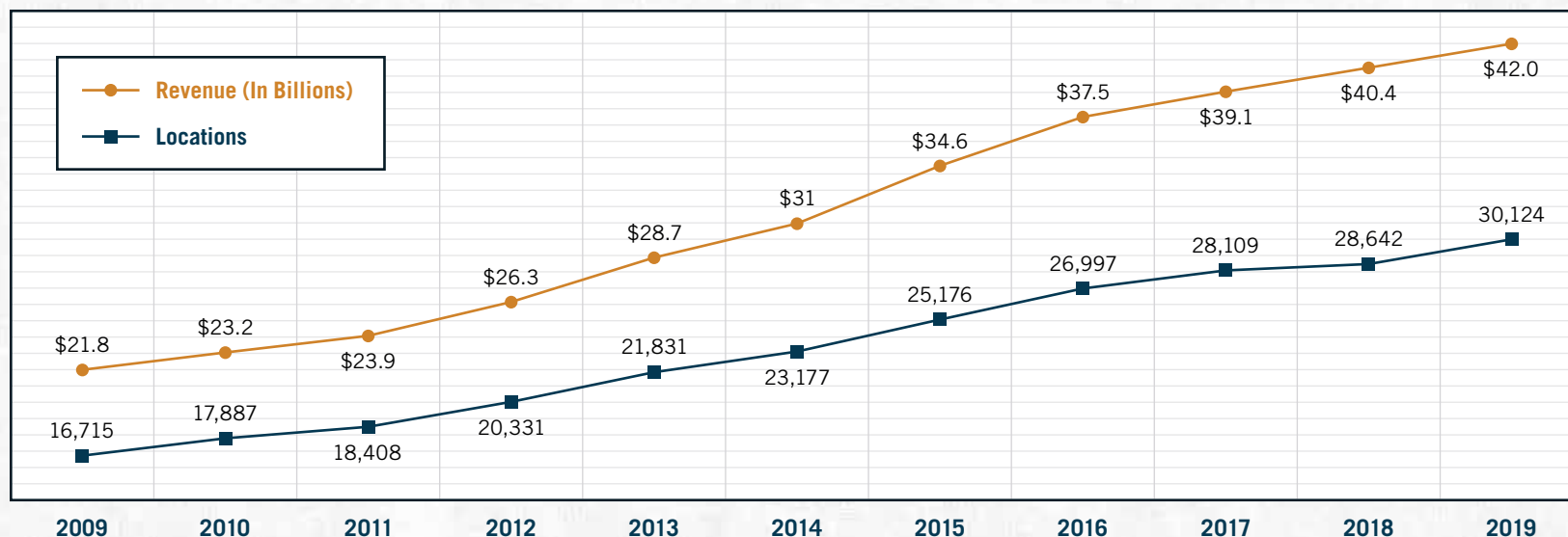
TEAM Schostak Family Restaurants continued its climb, jumping 18 spots this year as it added 56 Wendy's locations in its home state of Michigan to its multi-brand portfolio. The group is based in the Detroit suburb of Livonia.

* Denotes revenue estimate

Bulking Up: The Restaurant 200 in Numbers

The Franchise Times Restaurant 200 keeps growing.

The group now owns over 30,000 restaurants and commands \$42.0 billion in revenue.



The top 5 fastest-growing operators added more than \$256.5 million collectively.

Company	Restaurant 200 Sales Y/E 2019	2019 Sales Growth	Growth %
WKS Restaurant Group	\$466,063,507	\$169,862,814	57.3%
Wenspok Resources	\$100,086,331	\$30,908,331	44.7%
DYNE Hospitality Group	\$45,513,914	\$11,992,504	35.8%
Rucker Restaurant Holdings	\$135,000,000	\$35,000,000	35.0%
Trident Holdings	\$33,993,254	\$8,812,419	35.0%

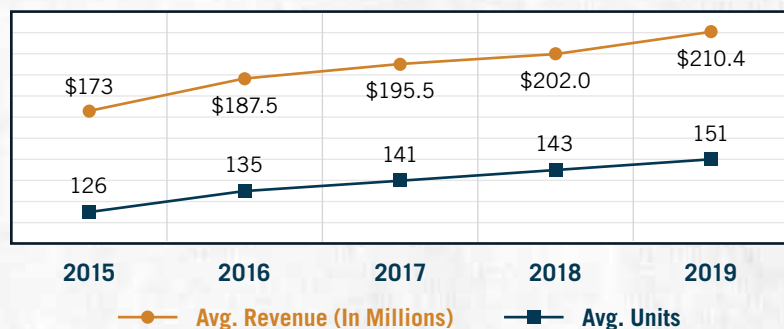
The top 20 companies combined for \$16.5 billion in revenue, an increase of \$403.2 million.

Legacy brands are the favorite for the Franchise Times Restaurant 200, and large operators are the favorites of legacy brands.

Rank	Brand	Companies	# of Units	Franchise %
1	Pizza Hut	34	4,538	76%
2	Taco Bell	44	4,219	64%
3	Burger King	28	4,135	57%
4	Wendy's	26	3,153	57%
5	KFC	20	1,816	46%
6	Applebee's	16	1,381	86%
7	Panera Bread	11	915	78%
8	Arby's	14	908	42%
9	Popeyes	13	888	36%
10	Subway	4	540	2%

The average revenue for a Restaurant 200 operator is now \$210.4 million—that's up by more than \$8 million this year.

The additional eight locations on average helps grow revenue; the average operator now has 151 locations.



This table shows a breakdown of the most popular brands in the Restaurant 200, the number of franchisees operating the top brands, the number of locations operated by the franchisee companies and the relative percentage of those locations to the total U.S. franchised locations.

\$90-\$100 Million

- 123 Rackson Restaurants**
Bridgewater, NJ
55 Burger King
- 124 Delight Restaurant Group**
New York, NY
31 Wendy's
26 Taco Bell
- 125 DMAC81**
Van Wert, OH
72 McAlister's Deli
- 126* Hielan Restaurant Group**
Mckinney, TX
42 Chili's
- 127 Daland Corp.**
Wichita, KS
107 Pizza Hut
- 128 S & L Companies**
Portage, WI
35 Culver's
- 129 Brodersen Management Corp.**
Milwaukee, WI
60 Popeyes
- 130 Great American Chicken Corp.**
Los Angeles, CA
59 KFC
11 YUM! Multi
- 131 DRM**
Omaha, NE
93 Arby's
- 132* Marwaha Group**
Anaheim, CA
148 Subway
1 Denny's
- 133* Cowabunga**
Alpharetta, GA
114 Dominos

\$80-\$90 Million

- 134 Platinum Corral**
Jacksonville, NC
28 Golden Corral
- 135 Friendly Franchisees Corp.**
La Palma, CA
66 Carl's Jr.

- 136 Bullard Restaurant Group**
Raleigh, NC
28 Moe's Southwest Grill
19 Burger King
- 137* Wenco**
Ashland, OH
62 Wendy's
- 138* Schuster Enterprises**
Columbus, GA
68 Burger King
- 139* ADT Pizza**
Westport, CT
119 Pizza Hut
- 140* JDK Management Co.**
Bloomsburg, PA
48 Perkins
6 Quaker Steak & Lube
- 141* Southeast Restaurant Group**
New Orleans, LA
27 Taco Bell
18 TGI Friday's
- 142 Genesh**
Lenexa, KS
54 Burger King
22 Denny's
- 143* Legacy Apple**
Wichita, KS
41 Applebee's
- 144 Westaco**
Scottsdale, AZ
47 Taco Bell
8 YUM! Multi

78

Quality Restaurant Group comes in at No. 78, where Diversified Restaurant Holdings sat last year. Diversified was one of the few public companies and sold out last year, joining 9 of the top 200 companies that also did so.

- 145* Tri-Arc Food Systems**
Raleigh, NC
51 Bojangles
- 146* Maricopa /CNJ Austin Wings**
San Antonio, TX
83 Wingstop
- 147 AES Restaurants**
Carmel, IN
72 Arby's
- 148 Howley Bread Group**
Westlake, OH
28 Panera Bread

\$70-\$80 Million

- 149 Ansara Restaurant Group**
Farmington Hills, MI
22 Red Robin
4 Twin Peaks
- 150 Parrish Restaurants**
Dallas, TX
23 McDonald's
- 151* Fourjay**
North Little Rock, AR
48 Wendy's
9 Slim Chickens
- 152* Janjer Enterprises**
Silver Spring, MD
37 Popeyes
- 153 Carisch**
Wayzata, MN
63 Arby's
- 154* Oerther Foods**
Orlando, FL
24 McDonald's
- 155 North Texas Bells**
Collyville, TX
54 Taco Bell
- 156* Kergan Bros. Sonic**
Lafayette, LA
60 Sonic
- 157 Roaring Fork Restaurant Group**
Milwaukee, WI
57 Qdoba Mexican Eats
- 158 BMW Management**
Temecula, CA
23 Sizzler
- 159* Hoogland Foods**
Glenview, IL
104 Marco's Pizza

84

Still in the \$150 million to \$175 million revenue range, **The Rose Group**, with 54 Applebee's and based in Newtown, Pennsylvania, dropped 10 spots from No. 74 in last year's ranking.

\$60-\$70 Million

- 160 Lehigh Valley Restaurant Group**
Allentown, PA
21 Red Robin
- 161* Hishmeh Enterprises**
Ventura, CA
88 Dominos
- 162 Denco Family**
Whittier, CA
30 Denny's
8 Popeyes
- 163 S-Group Companies**
Sandusky, OH
33 Wendy's
- 164* JS Fort Group**
Naperville, IL
89 Jimmy John's
- 165 Brumit Restaurant Group**
Asheville, NC
56 Arby's
- 166 Awesome Doughnut**
Long Beach, CA
18 Krispy Kreme
8 The Coffee Bean
- 167 Desert Taco**
Scottsdale, AZ
56 Del Taco
- 168 RoHoHo**
Charleston, SC
56 Papa John's
11 Jersey Mike's

169 Creative Foods Corp.
Garden City, NY
28 Burger King

170* Vitaligent
Saint Louis, MO
93 Jamba Juice
14 Auntie Anne's

\$50-\$60 Million

171 Century Fast Foods
Los Angeles, CA
33 Taco Bell

172 All Star Management
Vourbonnais, IL
36 Wendy's

173 Womack Restaurants
Terre Haute, IN
36 Popeyes
11 MOD Pizza

174 Blue Ribbon Restaurants
Walled Lake, MI
18 Famous Dave's
6 Penn Station

175 Elbardi Group of Companies
Doral, FL
55 Charley's
Philly Steaks
2 Gyu Kaku

176 Mosaic Management
Atlanta, GA
42 Arby's
4 Moe's Southwest Grill

177* U.S. Restaurants
Blue Bell, PA
31 Burger King

178* Sterling Restaurants
Atlanta, GA
56 Moe's Southwest Grill

179 Surfside Coffee Co.
Miami, FL
56 Dunkin' Donuts
3 Baskin Robbins

180* Staab Management Co.
Grand Island, NE
68 Pizza Hut

181 Vibe Restaurants
Dallas, TX
78 Little Caesars

182 J & S Restaurants
Cleveland, TN
43 Hardee's

183 Northwest Group
Tigard, OR
43 Jack in the Box

\$40-\$50 Million

184 Tria Company
Grand Rapids, MI
32 Burger King
5 Arby's

185 Las Vegas Pizza
Las Vegas, NV
46 Pizza Hut

186* Trigo Hospitality
Stevensville, MI
30 Pizza Hut
11 Sonic

187 JJB Brands
Flowood, MS
51 Pizza Hut
12 Checkers

188 Northcott Hospitality
Chanhassen, MN
22 Perkins
3 Houlihan's

189 BAC Holdings
Bloomfield Hills, MI
33 Five Guys

190 DYNE Hospitality Group
Little Rock, AR
60 Tropical
Smoothie Cafe

100


JEM Restaurant Group landed in the top 100 for the first time. The company acquired 21 Taco Bell locations in 2019 to fuel the move.

About this Project

Our annual Restaurant 200 franchisee research, prepared by sister publication Restaurant Finance Monitor, includes questionnaires, phone surveys, and in some cases, a review of public documents such as annual reports, 10Ks and FDDs. We sincerely thank the companies that responded to our surveys, as most of the top 200 companies in this year's ranking provided us with their complete data.

Our report consists of ranking companies according to revenue generated by the company's franchised restaurants. If the company happens to operate a restaurant concept that is not franchised, or is the franchisor of another concept, we will not include that number in the overall revenue or unit count. In some cases where an acquisition took place during the year, we derive pro-forma revenue in calculating the company's ranking.

For companies that did not respond to our survey, we confirmed the number of units operated by their company, and then estimated the revenue. In the case of a tie in the amount of total revenue, we settled the tie in favor of the company with the most units.

If you believe your company might make the Restaurant 200 list or we've missed you (or you know of another company that should be listed), please contact Matt Haskin at (612) 767-3200 or mhaskin@franchisetimes.com. 



191 Heartland Beef
Bloomington, IN
37 Arby's

\$30-\$40 Million

192 Viking Restaurants
Elmhurst, IL
27 Burger King

193 Verlander Enterprises
El Paso, TX
11 Village Inn
5 Corner Bakery Cafe

194 Trident Holdings
Murfreesboro, TN
38 Captain D's

195 First Sun Management Corp.
Piedmont, SC
20 Wendy's

196 Shamrock TBC
Hinsdale, IL
23 Taco Bell

197 The Restaurant Company
Richmond, VA
17 Arby's

198 Merbree Holdings
Ketchum, ID
17 MOD Pizza
11 Jersey Mike's

199 LEV Restaurant Group
Las Vegas, NV
24 Jamba Juice
15 The Coffee Bean

200 Square 1 Restaurants
Irving, TX
43 Dairy Queen

* Denotes revenue estimate

Alphabetical Listing

Company	Rank		
ADF Restaurant Group	56	Desert Taco	167
ADT Pizza	139	Dhanani Group	4
AES Restaurants.....	147	Diversified	
All Star Management	172	Restaurant Group	25
Ambrosia QSR.....	99	DMAC81.....	125
American Franchise		Doherty Enterprises	18
Holdings.....	58	DRM	131
American West		DYNE Hospitality Group ...	190
Restaurant Group	40	Elbardi Group	
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WKS leader: ‘I can’t do this myself’

By Nicholas Upton

What does it take to jump 19 spots on the Restaurant 200?

A big acquisition helps. WKS Restaurant Group bought 97 Denny’s locations in 2019, which contributed to sales growth in 2019 of \$169 million and sent the company from No. 36 on the 2019 rankings to No. 17 this year.

But as Roland Spongberg, founder and CEO of WKS, learned early on, growing to such scale requires a central focus: people.

“When I started in the business, I had four partners. We built three restaurants in five years and we were losing money every year. My partners said, ‘We learned our lesson and we’re out,’” said Spongberg. “I bought them out and went to work in the restaurants. I thought, I see a lot of these restaurants, some of them must make money.”

What he found in his three El Pollo Loco restaurants, though, were a lot of young workers who weren’t engaged, and plenty of quality issues. While El Pollo Loco was known for succulent marinated chicken, for example, the chicken coming out of Spongberg’s restaurants was dry.

“I saw immediately the issue. I had no experience but a little insight. I said, ‘We can’t serve dry chicken, we have to take care of people,’” explained Spongberg. “In 90 days, we had a big turnaround. I got up to six restaurants and I realized I was in the people business and I can’t do this myself. If I want to grow, I needed a lot of good people.”

Since then, a lot has changed. The company expanded dramatically, ending 2019 with 66 locations of El Pollo Loco, 127 Denny’s units, 54 Wendy’s stores, 35 Krispy Kremes and 10 Blaze Pizzas. It grew from a modest California chicken chain operator to finish the year with more than \$460 million in sales.

As WKS grew, efficiencies and key people came into the fold. While it remains a family company, with Spongberg at the top and his sons Jay and Brian Spongberg as COO and marketing manager, respectively, the company sought to bring in people such as CFO Matt McGuinness, who joined 13 years ago at 38 locations and has overseen a lot of growth.

“Since that time, I would say environmental factors for the QSR industry have created a tailwind for larger operators,” said

McGuinness. “As minimum wage goes higher, as the cost of compliance goes higher, it’s becoming an increasingly margin-pressured, penny-profit business that you have to use the best available tools. That takes a lot of work to learn and then to actually use properly.”

The company’s size also allows for broader support across divisions. In McGuinness’ case, instead of keeping the books and reporting, he spends a lot of his time on strategy and analysis. Scale also helped him hire a key risk management person that few companies under 100 units could utilize, let alone afford.

“I think being able to hire people like that is critical. When I got here in 2007, there was nobody else on the senior leadership team that had worked at a bigger company than WKS,” said McGuinness, a former CFO at two of his franchisors, Denny’s and El Pollo Loco.

All in the family—with guardrails

To keep folks like McGuinness and other leaders, WKS is careful to avoid becoming a nepotistic empire. That’s a focus for Joanna Blake, VP of people services and general counsel for the company.

“When I joined, they were really candid and said there’s an issue with a family member, this is how we want to deal with it. So, I wasn’t taking a stab in the dark or stepping on toes,” said Blake. “It all worked out because there was a path through it that we could find. Really the way we’re structured helps guard against nepotism.”

Given the size of WKS, it’s a balance to both maintain the qualities of a family business when it comes to making decisions, but also not looking the other way when someone isn’t performing. With a company that’s 30 years old and has a lot of tenured people across the org chart, Blake said that balance stretches from the top to the store level.

“We have a lot of family members that are non Spongberg, a lot of other fam-

ilies that have come to WKS and brought their family in as well. And it’s lovely, but it creates certain issues—but we’re open to it because we see it work,” said Blake. “I think you gain a lot of credibility and can keep people, as well, if you’re responsive and take action when you say you will” and are consistent when applying policies.

Jay Spongberg said he and the rest of the family put up guardrails for themselves so



▲ Founder Roland Spongberg formed WKS in 1987 with a single El Pollo Loco location.

they hire and keep good people, making it clear that you don’t need to have the last name “Spongberg” to succeed.

“We go out of the way to avoid nepotism. I’d say Roland expects more from me than anyone. And I go out of my way to do such a good job that he’d never have to think twice about that,” said Jay. “One of the things that can be toxic to an organization is that you have to be related to the right person to get ahead.”

To help reinforce its culture, Blake has a seat at the leadership table. The company is also rolling out a major profit-sharing program, and every single GM in the group’s close to 300 restaurants meets for three hours each month during a “vital factor team meeting.”

There’s an hour of sharing results, an hour of setting goals and another hour of training, recognition and problem solving. The sessions always begin with how restaurant and district leaders have seen the company values on display since the last meeting.

Culture and COVID-19

The company’s culture faced an exceptional test when the COVID-19 pandemic began. Roland Spongberg said it was like a punch in the gut.

“When COVID hit over that weekend in the middle of March—when I looked at the sales that Monday I was gasping for air,” said

WKS group continued on 42



▲ Joanna Blake

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WKS group continued from 41

Spongberg. “Denny’s was down 80 percent and every brand was significantly down. Our business is not built to handle this kind of shock, it couldn’t handle 40 percent let alone 80. We ended up closing 60 Denny’s completely.”

He said sales at Wendy’s quickly came back, and Krispy Kreme actually did better than normal. But dine-in focused Blaze and especially Denny’s were mired in difficulties. “Customers didn’t want to come in, employees didn’t want to work. Everyone was fearful of COVID and what might happen. So, it was—and is—tough,” said Spongberg.



▲ Matt McGuinness

We don’t have access to massive capital, so we can only do what we can do. The bottom line is that restaurant has to make money. Unfortunately, if you don’t make money you can’t stay open. They’ve heard that from me many times.”

Instead of a full furlough, WKS kept managers on reduced hours, ready to return and bring their teams when possible.

“For the stores that were closed, we said to the GM we can’t pay you, but we’re going to furlough you to half, we’ll give you 20 hours and get you unemployment, so just stay in touch with your team and just go check the restaurant every few days,” said Spongberg.

Blake said her division turned into a full-fledged benefits and relief organization.

“A big focus was on how can we provide them resources, so we created a website, we sent out text messages, and anything we could to apply for unemployment, what charitable funds might be available and what resources were out there,” said Blake. “It was making sure we were bringing the field along with what we had learned and communicating things as best and as transparently as possible

so it wasn’t all on their shoulders. That’s a big part of our success coming through COVID, but I think it all goes back to the culture.”

Jay Spongberg said there was a shared sacrifice across the organization, not just out in the field.

“Roland, he quit taking a salary. We had some pay cuts across the key people in our company so it was a shared sacrifice. We had great cooperation from our lenders and other partners, but if not for that faith in the brutal facts, we could be in a very different situation.

“We tried to help people understand the situation and that it really does suck for everybody, but if we don’t make these moves there’s not going to be any jobs to come back to,” said Spongberg. FT



▲ Jay Spongberg