

La Franchise Lizarran (Comess Group)



(Remarque : une version en espagnol de ce document est disponible sur le site de Comess group : <http://www.comessgroup.com/franquicias/lizarran.php>)

Pintxos, or how to attain the highest profitability by means of the smallest cuisine

Year established	1988
N° of establishments	175
Countries	
Spain, Andorra, Portugal, France, EEUU	

Lizarrán has managed to combine a traditional and a modern restaurant business in a profitable way. The secret is to rationalise, professionalise and simplify something that is as well-established as restaurants and going out for tapas.

1. Self-service

You choose which pinchos you want and you help yourself, thus increasing rotation and reducing staff numbers.

2. Save time and money spent on food

Customers can have a quick meal, or relax and enjoy food and friends' company at leisure.

3. The enjoyable, social value of eating

You can try a multitude of flavours in just one meal, with over 300 different, original pinchos, in a relaxed atmosphere that is ideal for socialising and chatting with others.

4. Product quality

Our success is based on the principal foundation stone of our products, designed for our restaurants. Any project launched at Lizarran must conserve this characteristic.

Customers expect to find chorizo and cecina (cured meat) from Leon, chistorra (long sausage) and vegetables from Navarre, and traditional dishes such as Bacalao al Pil-Pil (Cod cooked

with garlic and chillies) Txipirones en su tinta (Baby squid in ink) or our Txuletón (T-bone steak).

Over 30% of our franchise-holders choose a new representation of the Comess Group again

1. Growth

To achieve worldwide leadership in the tapas business, a maximum level of growth is required. To do this, we need to contact future franchisees who are interested in benefiting from a proven business formula, and choose locations carefully.

2. Technical department

We have to work fast to keep up the rate of 100 new restaurants opened between 2001 and 2006. Our technical department takes care of the project and the layout of the new premises, offering “turnkey” construction.

3. Control of Restaurants

Maintaining the brand image and upholding profitability is only possible by training future franchisees and recycling current ones.

Franchisees receive our full support before, during and after opening. Area Managers are in charge of co-ordinating the opening, and advising franchisees, while the Customer Service department is in charge of customer care and resolving any incidents.

4. Marketing

Marketing actions are responsible for strengthening the brand name, with the sole objective of increasing sales.

5. R+D / Acquisitions / Logistics

The fundamental elements of good business organisation lie in a careful selection of product offers, the most appropriate suppliers and the best logistics service. At Lizarrán we select and develop products in different formats, and they are always backed by our Lizarran/Origin/Tradition (LOT) seal of guarantee, in order to ensure that our recipes:

- Are homogeneous throughout the chain.
- Have guaranteed food safety and traceability.
- Have a shelf life and format that are appropriate for our restaurants
- Are easy to prepare and pack, avoiding losses.
- Provide an example of traditional cuisine, contributing to their diffusion

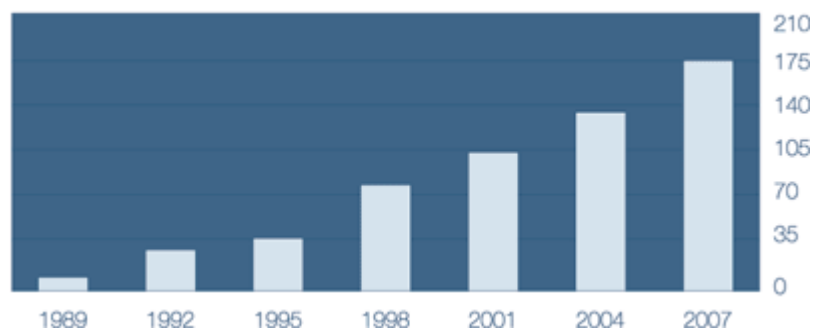
60% of candidates have been encouraged to apply by members of our franchise

Every project has its own Investment Plan based on project characteristics and location. For guidance purposes, below you can find the approximate figures for a typical 100 m2 restaurant.

Terms to join the network	
Average local investment	190.000 euros
Entry fee	35.000 euros
Operating royalty	6% on gross sales
Advertising royalty	2% on gross sales
Duration of the contract	10+10 years
Minimum size of premises	100m2

Profit & loss account		
Monthly income	euros	%
Net sales	36.000,00	100%
Monthly expenses	euros	%
Product purchases	10.800,00	30%
Rent	4.680,00	13%
Supplies and various	1.440,00	4%
Operating royalty	2.160,00	6%
Advertising royalty	720,00	2%
Personnel costs	9.000,00	25%
Total expenses	28.800,00	80%
EBITDA	7.200,00	20%
Annual results	euros	%
Net sales	432.000,00	100%
Expenses	345.600,00	80%
Annual EBITDA	86.400,00	20%

EVOLUTION IN N°. OF PREMISES



Comess Group



Who are we

Comess Group was established on August 2003, when a group of businessmen with an extensive experience in the catering sector and on the management of restaurant chains took over the control of the former Grupo Restmon, which was founded in 1992 with the setting up of their first establishment: Cantina Mariachi.

Our group has managed to combine the very best of the former Restmon and apply its experience to create a modern and updated company where aspects such as brand, dynamism and profitability have come to the fore on an attempt to create ever-increasing value for our network of franchises.

Comess Group is currently the number 1 Company of ethnic restaurants in Spain and Europe too with its brands Lizarran, Cantina Mariachi, Pasta City, Rock&Ribs and China Boom. All of this has been possible thanks to the activities carried out by a great team of professionals who work for the company, as well as to the trust that our franchisees have placed in us over the years.

Nowadays, Comess Group possesses over 350 establishments that are patronised by nearly 15 million of clients per year. Its chain of restaurants can be reach throughout almost the whole Spain: Madrid, Catalonia, Andalusia, Galicia, Cantabria and the Isles; abroad, the company have restaurants in Portugal, Andorra, Italy, Turkey, France, Russia, Dubai and USA.

In the short term the company is going to embark upon an ambitious international expansion plan which is based upon the twofold course of action that consists of consolidating the establishments in those countries where the company have restaurants already, and also opening up further places in other member countries of the world.

Profitability as a System

High value of their brands, quality of their products, uncomplicated way of operating and profitability for the franchisee.

Comess Group develops ethnic restaurant franchise concepts able to position the company as segment leaders, both on a domestic and international level.

The Comess System of guaranteed profitability

It's a formula that efficiently and effectively can manage the value of consolidated brands, an optimum profit/cost ratio and simplicity of operations until success is achieved for the franchisee and for the Group.

The brand value

Our brands are consolidated on the market as a leaders in ethnic restaurants and positioned in the Shopping Centres as the most appealing offer for consumers who are looking for added value.

The profit/cost ratio

The 350 establishments opened up are the perfect business tool to obtaining unequalled purchasing prices, increasing, on this way, the profit margin of a network of franchises.

Simplicity of operations

The most complex cooking in our products falls upon external kitchens, which results in major saving on personnel, wasting and service times.



1. A consistent image in the eyes of clients.

Thanks to many years of hard work, the policy and the symbols inherent to the brand have been unified.

2. Control over business management.

A back-office system, from which it is possible to control all the business parameters, especially those concerning the costs of the product and the personnel.

3. Logistics operator.

One single order, only one reception day and one single invoice, contribute to make the administrative process as simple as possible.

4. Centralised kitchen system.

Standardisation of the products and standardisation of the recipes and the prices in order to work with an assembly Kitchen.

5. Simplifying the offer.

An easily recognisable offer, and a quality offer that evolves to suit the consumers' tastes.

6. APPCC Quality Controls.

The products that are supplied by the certified providers are controlled batch by batch. The APPCC guarantees the quality and the traceability of all the products that are served in our restaurants.

7. Marketing.

Daily reception of the information, to analyse the strong points and the weak points of our offer and to adapt it to the market using communication and marketing tools.

Specific micromarketing actions taken at each establishment and a complete Annual Media Plan that includes: TV, Sponsoring the Tour of Spain Cycle Race, and Product Placement in the series "El Comisario".

8. Management Assistance.

The Area Managers are at the disposal of the franchisee to deal with any problems that might arise on a day-to-day basis at the restaurant.

9. "ad hoc" Tutor.

Studies individually each restaurant's needs and applies customised made-to-measure solutions.

10. Ongoing updating of the Operating Manual.

Essential for modernising the system and for offering the best service to the client at all times.