



FITNESS FITS THE MENU

At KnowFat Lifestyle Grille, healthy flavors take center stage

None could ever accuse George Naddaff of not knowing a good trend when he sees one; the man is best known as the founder of the Boston Market chain. Calling himself a “serial entrepreneur” with a good eye for a great idea, the 74-year-old executive has been notably ahead of several curves.

In 1971, just as women started going back to work in increasing numbers, he launched a nationwide chain of daycare centers. In the late 1980s, he discovered the then-Boston Chicken and franchised it into industry prominence before selling his interest 12 years later.

Naddaff’s latest project, which he calls the KnowFat Lifestyle Grille, is a fast-casual grill concept that combines a menu of low-carb, high-protein food items with a satellite nutritional-supplement retail outlet. He’s grooming this concept for aggressive franchise expansion and clearly believes the time is right for a mainstream wellness-oriented restaurant-retail concept.

“Between the hard-core dieters and fitness buffs and the fantasizers who want to get in shape, there’s a huge market for healthy food and nutritional products,” says Naddaff.

Just as he did with Boston Chicken, Naddaff plans to fine-tune the KnowFat Lifestyle Grille and start franchising the heck out of it. He has raised more than \$3 million in venture capital from heavy hitters, and his plan has attracted the attention of serious multiconcept franchisees in a number of key markets.

“This is what I call a ‘pure play,’” says Naddaff. “It’s the first in the industry, with totally healthy, good-for-you, mainstream food.”

The first franchised units are due to launch in early 2005. Naddaff plans to open 100 new units within the next two years.

As with Boston Chicken, Naddaff literally stumbled upon the inspiration for KnowFat in early 2002, when he stopped to investigate the crowds gathered at Low Fat Know Fat, a tiny Watertown, Mass., café connected to a vitamin-and-supplement shop. First opened in 1999 by bodybuilder/chef Chris Pappas and Gold’s Gym executive Tim Kurtz, LFKF had built a cult-like following among the Boston area’s young, affluent, Lycra-clad health-and-fitness nuts, who were drawn to the diet-conscious menu and the convenience of being able to stock up on vitamins and energy bars after a meal.

“My entrepreneurial instincts kick in whenever I see a long line,” says Naddaff. “So I said, ‘What the heck is this?’ and pulled over to investigate.”

What he saw was a menu of fresh, flavorful “real-people” food like turkey tips, chicken meatballs, wrap sandwiches, salads, smoothies and signature oven-baked “air fries.” It was health-conscious fare that managed to eschew the tofu-and-brown-rice image while still emphasizing foods that are low in fat, calories and carbs and high in protein and flavor. Sandwiches, for instance, could be variously dressed with spicy chipotle

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mayonnaise, ginger Thai sauce, spicy blue Buffalo dressing or Chef's Vinaigrette Dressing. High-flavor ingredients like pesto, feta cheese, blue cheese, jasmine rice, portobello mushrooms, tabouli, hummus and marinara sauce were much in evidence.

In addition, Naddaff liked what he saw of the financials. Forty percent of sales came from the retail side, accounting for less than 20 percent of total square footage but the lion's share of profitability.

"[These numbers] appealed to me, because the problem with foodservice is that food and labor costs just keep rising and rising, and it's hard to make your margins," he explains. "One out of five customers who eats healthy also purchases supplements and vitamins, and here that opportunity is 15 feet away."

In addition, 65 percent of food sales came from takeout, obviating the need for a lot of seats and, therefore, expensive real estate. Unlike many fast-casual concepts, LFKF enjoyed 50 percent of its food sales at night, and furthermore, half of its customer base was male, making it truly an equal-opportunity concept.

"Fifty-million people tried a low-carb diet last year," says Naddaff. "The obesity issue made the cover of *National Geographic*. This was a flashpoint."

Naddaff stepped in, convinced that KnowFat could be the next Boston Market. He bought the original Watertown store and rights to the concept, while the founders retain two operations in Shrewsbury and Woburn. He brought in a professional management team that plans to take the concept national through franchising. As part of the process, Naddaff and his colleagues are packaging the concept for an even more

mainstream audience and reengineering the existing menu to broaden its appeal.

"We want to offer something healthy for 'every body,'" he explains. "After all, how many days can you eat tofu and salad?"

Though Naddaff is not divulging too many details just yet, a team of menu consultants and nutritionists is already at work creating new signature dishes and evaluating existing items for potential enhancements. As with the original LFKF concept, nutritional content of items will be shown on the menu. According to Chief Operating Officer Gary Jacobus, about 50 percent of the menu will remain as it is.

"We'll be adding a number of new salads, a line of rice bowls, and at least three or four new wraps," says Jacobus. "Overall, we'll be upgrading flavor profiles with new ingredients, dressings and sauces, which are particularly important for preventing customer boredom when the menu concept is so healthy."

Naddaff plans to offer added value in the area of nutrition information and training. He has hired the former purchasing manager of the Fresh Fields supermarket chain to assemble a staff of nutrition experts to handle franchisee support at headquarters and provide a high level of technical training on both the retail and the foodservice sides.

"The restaurant will give operators entry into a whole new world of nutrition-oriented retailing," promises Naddaff. ☺

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