



Restaurants

Protein Bar seeks franchisees for growth spurt

By Ally Marotti



Credit: Protein Bar
Protein Bar's Northbrook location.

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Protein Bar & Kitchen is launching a franchise push, hoping to grow its footprint to 100 stores open or in development in the next three to four years.

The move was a long time coming for the Chicago-based fast-casual chain, said CEO Jeff Drake. It was gearing up for franchising pre-pandemic but, like other restaurants, had to switch to survival mode.

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“Finally, after the pause of the pandemic, we are really well positioned,” Drake said. “We can compete really well in the better-for-you fast-casual (space).”

Protein Bar, which currently has 15 locations mostly in Chicago, is looking to expand to the Southwest, Texas and Charlotte, N.C. There is some seasonality to the chain's shake and smoothie sales, thus the target on milder climates, Drake said.

The company also sees capacity for about 30 locations in the Chicago area, Drake said. As it expands, Protein Bar plans to open corporate-owned and licensed stores, too, such as the upcoming licensed spot in Salt Lake City International Airport.

Done well, franchising can boost a chain's revenue quickly without a major increase in overhead costs, which are borne by franchisees. It also generates upfront cash in the form of franchisee fees. The strategy has become increasingly popular in recent years, as operating costs have risen. Potbelly is in the midst of a similar push, and it is [getting some traction](#).

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Experts say competition for franchisees with the resources and acumen to deliver consistent quality and service is high. Franchises outperformed other restaurants during the pandemic because of the flexibility in their model. However, rising interest rates are pushing up the barrier of entry for franchisees, said Rich Shank, senior principal and vice president of innovation at market research firm Technomic.

“The bigger challenge is finding people who can meet the financial hurdles today,” he said.

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Protein Bar will require a one-time \$40,000 franchise fee, plus 5% annual royalty and 2% annual marketing fees, Drake said. Payback is expected in three to four years.

The company is looking for franchisees that will open four or five locations over three years, with the opportunity to build more later. The typical store will take six to eight weeks to develop once construction begins.


Protein Bar [opened a restaurant in Northbrook](#) in June that will serve as a prototype for new franchised locations. It is 1,800 square feet and reflects new food-buying habits consumers developed during the pandemic, with an entrance for pickup orders and parking for delivery drivers.

It is near a Trader Joe's and a fitness studio, two co-tenants by which Protein Bar has thrived, Drake said. The expansion will also be largely focused on suburban locations, particularly those with a mix of office and residential.

“The customer has gone to the suburbs and to the neighborhoods,” Drake said. “We believe the suburbs and neighborhoods are sort of where Protein Bar belongs long term.”

Protein Bar began as a single store across the street from Willis Tower in 2009. Before the pandemic, its bread and butter was serving Loop office workers grabbing a healthy meal or snack. Its menu focuses on protein-packed options, from shakes to wraps and salads.

A previous version of this story used an incorrect figure for the one-time franchise fee.

 **By Ally Marotti**
Ally Marotti is a senior reporter for Crain's Chicago Business covering consumer products, food, restaurants and retail. She joined Crain's in 2020 from the Chicago Tribune.

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