

# QSR

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## ONES TO WATCH

# Energy Kitchen

**FOUNDER & PRESIDENT:** Anthony Leone

**HQ:** New York City

**YEAR STARTED:** 2003

**ANNUAL SALES:** \$13 million

**TOTAL UNITS:** 10

**FRANCHISE UNITS:** 6

**WEBSITE:** [www.energykitchen.com](http://www.energykitchen.com)

**TO ENCOURAGE RETURN VISITS, A FAST-CASUAL** restaurant that serves only healthy food must make taste paramount, says Anthony Leone, founder of Energy Kitchen. That's why at Energy Kitchen, the menu includes nontraditional ingredients like bison and ostrich.

"We work very hard on recipes," Leone says. "We have a research and development department that looks at fat and calories and then thinks outside the box to come up with tasty offerings. We use different types of upscale items not typically on a fast-casual menu."

Take the sides at Energy Kitchen, for example. A diner won't be tempted to order greasy fries or onion rings with their bison burger, because the concept offers asparagus salad, black bean and mango salad, corn and edamame salad, creamed spinach made with tofu, or mashed sweet potatoes.

In addition to burgers made from bison, turkey, chicken, or ostrich, Energy Kitchen offers veggie burgers, as well as entrées like grilled salmon and turkey meatloaf. A lean sirloin burger was recently introduced for "people hesitant to order bison or ostrich," Leone says.

"Once they are comfortable with our concept, then we believe they will get more adventurous with the food," he says, noting that bison is higher in iron than beef and, because it is grass fed, has a slightly sweeter taste. "You can eat less and have it satisfy



you more, because it is denser.

"But ostrich is even leaner," he says. "It is high in calcium, protein, and iron, and it has less fat than chicken. It tastes like deer meat."

Energy Kitchen also offers soups like hearty lentil, chicken noodle, and vegetarian chili, plus salads inspired by the Mediterranean with feta, cucumbers, kalamata olives, red onions, and tomatoes over romaine lettuce. There is also the Kitchen Chopped salad with grilled chicken, scalions, tomatoes, blue cheese, turkey bacon, and romaine. Wraps and sandwiches made with chicken, bison, or tuna salad round out the dinner and lunch menu. For breakfast, Energy Kitchen diners have options like a banana or blueberry protein muffin, and a bison-and-egg wrap.

An average ticket at Energy Kitchen is \$12–\$13. The more shocking numbers, however, are on the nutrition facts, not the

menuboard. There is nothing on the Energy Kitchen menu that is more than 500 calories, and everything is prepared by grilling, baking, or steaming—nothing is fried.

"We've seen diets come and go, from Atkins to high carb," Leone says. "But we've stuck with low calorie. If you just take in fewer calories, you'll lose weight."

Energy Kitchen customers can't even mess up their diets through unwise drink choices, since the only liquids available are low-calorie beverages and nutrition-packed smoothies. Also, only low-calorie and fat-free salad dressings are served.

"There is absolutely no temptation at Energy Kitchen," Leone says. "We do everything we can to support our guests' healthy lifestyles."

The closest customers can come to ordering a guilty pleasure is Energy Kitchen's brownie, which may have 241 calories and 5 grams of fat but also has 5 grams of protein.

There are nine locations in Manhattan and one in Hoboken, New Jersey. The chain doesn't specifically court celebrity diners, but has generated some buzz—especially on social networking sites—when stars like Nicole Kidman, Renee Zellweger, and Uma Thurman show up for a bite to eat.

Leone says when he began franchising in 2007, he anticipated growing the chain to about 100 locations. But that was before Mike Repole, cofounder of Glaceau Vitaminwater, invested more than \$1 million in Energy Kitchen in 2008. (Repole sold Vitaminwater to Coca-Cola Co. in 2007.) With Repole on board, Leone says 1,000 Energy Kitchen locations is a realistic goal.

"Mike was a customer before he was an investor," Leone says. "He was a raving fan of the concept. He sets trends and is always looking for the next big thing."

Leone says as chairman of the board, Repole comes in every two weeks to discuss vision and strategy.

That partnership has paid off, as 50 franchises were sold on the East Coast in 2010.

"We like to go into urban areas with a lot of daytime population," Leone says. "We are looking at cities like Washington, D.C.; Miami; Fort Lauderdale, Florida; Boston; and Stamford, Connecticut; as well as all of New York, Brooklyn, New Jersey, and Long Island."

Beyond his expansion plans, Leone wants to change the eating habits of America.

"I want to show people exactly what they are eating," he says.

Each Energy Kitchen has a \$30,000 franchise fee with a three-store minimum. An Energy Kitchen is about 1,800 square feet, and start-up costs run about \$350,000.

"We're looking for qualified investors; more of a developer than mom and pop operator," Leone says.

Another characteristic that sets Energy Kitchen apart from the crowd is a higher-than-standard pay for employees.

"Our philosophy is that you get what you pay for," Leone says. "We can't do it alone, so we want to hire the brightest and best. The people behind the line represent us. We pay a little more and give them the hours they are looking for, and they're happy and want to stay. Employees see we are growing and that we hire from within, so they stick around." 