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Room to Grow

Checkers far from saturation point in Memphis market

Local Checkers franchisee group [Tristate Restaurants LLC](#) is preparing to open its newest location in Memphis at [3680 Lamar Ave.](#) by early to mid-May, and plans for as many as five more locations over the next couple of years.

Carlos Sarria is the operating partner of the franchisee group, which is under the umbrella of the Radiant Group of Companies. Radiant partners include CEO Anwar Aman, Sardar Aman, Badruddin Kheraj and Rafiq Devji. The group bought the 12 Checkers and then Rally's locations in the Memphis market back in 2010, and Sarria joined the team to run day-to-day operations in 2014.

The new Lamar Avenue location – Tristate's first to open in four years – will feature a brand new modular building design. Interestingly, the site was previously a Checkers, but had closed down many years ago before the new management group acquired the parcel.



(Left to right) Carlos Sarria, the local franchisee for Checkers restaurants, stands with principals of the Radiant Group of Companies, COO Rafiq Devji, CEO Anwar Aman, CFO Badruddin Kheraj and CIO Sardar Aman at the new Checkers location at 3680 Lamar Ave. (Daily News/Houston Cofield)

“We have a phenomenal, small footprint that has a great return on investment,” said Sarria, who spent more than 30 years with [Burger King Corp.](#), including leading 600-plus restaurants in Europe, the Middle

East and Africa. He also operated Burger King franchises in Florida for eight years before selling them and then hooking up with the Checkers group here in Memphis.

Tristate, which also operates some Subways, Church's Chicken restaurants and convenience stores in the region, has identified five more area locations for future growth.

"(Managing) the bottom line at Burger King was a lot more challenging than it is at Checkers," he said. "I required a lot more sales in order to break even at Burger King. Checkers' new 4.0 modular building can certainly challenge average restaurant sales of \$1.5 million or more."

The buildings are constructed in four large pieces offsite in Almond Beach, Florida, and then shipped to Memphis and installed with cranes. All of the restaurant's small wares and equipment come shrink-wrapped, so all that is needed is to connect utilities and landscape the property.

"You can drop the building in, and in six weeks, technically, you can hand it over to the operations folks," Sarria said. "The 4.0 module is just a great way to grow the brand."

Where previous Checkers restaurants featured double drive-through windows and an uncovered walk-up area in front, the new design has just one drive-up window on the traditional side, with a small covered vestibule for ordering in front and a covered outdoor patio where the second drive-through had been previously located.



With more than 870 restaurants and room to grow, Checkers & Rally's is a proven brand with flexible building formats that is aggressively expanding across the country.(Daily News/Houston Cofield)

As with other evolutions in the business, fewer people are willing to use the secondary drive-through on the passenger side, said Checkers & Rally's director of franchise development Bruce Kim.

"So to save money on staffing and maintenance, we're only doing the single drive-through," Kim said.

"The modular is very pretty. It has a very high aesthetic. It's shinier, and it has LED lights with the neon signs that we've used."

Kim estimates the cost of opening a Checkers location ranges from \$200,000 to \$1.2 million, depending on real estate and the condition of the building or plot.

“The beautiful thing about us is we don’t require as much space, so where a McDonald’s or a Burger King can’t go in because they need almost a full acre, we can slide right in because we only need a third of an acre,” he said.

In such a competitive industry, it is always challenging to control costs, be it food costs, affordable health care, employment, insurance and other challenges.

“The Checkers’ smaller, modular footprint at a lower cost obviously reduces a lot of those challenges,” said Sarria, who estimates the new Checkers will hire about 45 to 50 new team members including management.

The group’s 12 existing restaurants employ approximately 350 people.

“We’re excited about the Checkers brand and the growth we have for the city in terms of expanding our presence in the Memphis market and the other territories that we reach,” Sarria said. “We have another location on the ground right now on Shelby Drive, and it should be open in about 90 days.”

There are 875 restaurants nationwide, including more than 600 run by franchisees.

“We’re not small, but we’re not big either, so we have plenty of room for growth nationwide and per market,” Kim said. “We’re still far away from achieving maximum capacity or saturation in Memphis. The market could handle another 10 stores easily. We want to grow because if we don’t, our competitors will and out-position us.”