

## FINANCE SOURCES

### Four Industry Veterans Form New Consultancy

As the tide started to turn on the economy, four industry executives put their heads together to form a consultancy that would be of service to restaurants and retail, especially those in the franchise sector. The four principals of **National Retail Concept Partners** have a wide breadth of experience that cover various management disciplines within a retail or restaurant organization, with a heavy emphasis on those with franchise operations.

Partner **Larry Zwain** has held high-profile positions with Pizza Hut, starting out as vice president of national marketing for the company 25 years ago, later leading the western division of the concept and growing profit from \$2.0 million to \$100 million in five years, through acquisition, development and operational improvements. He was later promoted to president and COO of the international division of PepsiCo Restaurants, which owned KFC, Pizza Hut and Taco Bell at the time. Zwain then became CEO of Boston Market in 1996. Zwain became senior vice president-marketing North America for McDonald's, in 1997. He owned, and later the divested of 84 Papa John's restaurants in Colorado and Minnesota. Restaurants are in his blood—he even worked at a restaurant in high school, and went to work for the General Mills Restaurants, Red Lobster division, right after he graduated Dartmouth's Tuck School of Business.

While Zwain has extensive experience in marketing and operations, Partner **Mike Cullom's** expertise is in finance and development. Cullom crossed paths with Zwain while the two worked at Boston Market. At Boston Market, Cullom led various price/value initiatives. Working with future Partner John Adams, Cullom was vice president and primary financial officer with automotive aftermarket franchisor Big O Tires, where he also led company-store operations. As CFO of Qdoba restaurants, he led the sale of that company to Jack in the Box, adding to his M&A experience. Cullom began his career in restaurants and franchising at Burger King, focusing on the acquisition and refranchising of BK restaurants.

**Dean Haskell**, also a partner, is the self-described "macro economist" for National Retail Concept Partners. "I provide the strategic industry and corporate analysis and support, with an eye towards operational execution," he said. Haskell was a Wall Street restaurant research analyst for 13 years, and a consultant who has worked on IPOs, secondary offerings, convertible equity offerings, debt offerings and private M&A transactions. He also was CEO of Real American Restaurants/Tomatina International, an independent operator of multiple concepts, where he led a successful operational and financial turnaround for the company.

Finally, partner **John Adams** has spent the last 25 years of his career in franchising, including eight years as CEO of aftermarket franchisor Big O Tires, where he led over 200 M&A transactions, raising over \$300 million for franchise financing and organic growth. He also focused on turnaround operations at company and franchise

operations. Adams led the company through a public offering, and later, the sale of the company to TBC Corporation in 1996.

The four partners are focused on middle market companies, and have prioritized their efforts on strategizing and implementing growth strategies, turnaround situations, M&A work and strategic and tactical project management. "We put our heads together, and we all have different viewpoints we bring to the table," said Haskell. "That leads to a much better analysis of the surrounding environment, the identification of the actual problem and determining the optimum solution."

The partners have worked with or are currently working with businesses ranging from a start-up renewal energy company, a tourist-centered sports-themed casual dining restaurant, several beverage companies, a franchisee in the automotive aftermarket services industry with more than 100 locations, to a 500-unit franchise company.

They are currently working with management teams, lenders and private equity firms that are looking for those solutions that will best fit their situation. "We've had a lot of interaction with private equity firms and lenders that have to step in and take a more active role in their investments," said Cullom. "Lenders don't run concepts. So we are trying to help them with their challenges."

One area of interest for the firm is emerging concepts, said Zwain. "They want to expand, but being a successful franchisor is very different from running your own business." National Retail Concept Partners assists franchisors with strategic direction as they grow. That includes taking management positions on an interim basis, if need be.

"If the private equity firm requested it," said Haskell, "or a client asked us to come in on an interim or full-time basis, we could do that—we could come in and analyze and help build the business. We're operators at heart."

And, if the opportunity arose, the group would make an investment in the right company and run it themselves. "It is quite possible that we could buy a concept or participate in the acquisition of a concept," said Zwain. "There are plenty of opportunities out there right now in the franchise sector."

"We understand what our clients need, and we can help them get there," said Cullom. "They may be too close to a situation, and we can open up their views to the situation. We want to create value and drive results. We can help them do it, or if the opportunity comes up, we can partner with funding sources to work as a team to drive value."

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