

FishNChips Express

Small-Box Franchise & Master Brand Business Plan

The \$500K Small-Box Model

Own a 250-500 sq. ft. FishNChips Express designed to produce \$500K+ annual sales and \$100K+ store-level operating income - without the cost structure of a traditional restaurant.

Core Target	Business Model
Footprint	250-500 sq. ft.
Target initial investment	Approx. \$84,500 all-in
Average customer ticket	\$16
Mature sales target	87 orders/day
Target annual unit sales	\$501,120
Franchise royalty	4%
Franchise fee	\$25,000
Primary formats	Food courts, food halls, gas stations/c-stores, small strip malls, campuses/hospitals, ghost/commissary kitchens

The business is built around a deliberately small footprint, a focused menu, lean staffing, existing foot traffic and a standardized supply program. The franchisee earns from efficient store operations; FishNChips, as master brand owner, earns from franchise fees, a 4% royalty, technology revenue and recurring supply-chain economics.

1. Format & Location Strategy

The original non-traditional strategy remains central: use existing infrastructure and traffic rather than build a conventional restaurant. The optimized model adds small strip-mall stores below 500 sq. ft. while retaining food courts, food halls, gas stations, convenience stores, ghost kitchens, university campuses and hospital food courts.

Format	Typical Size	Why It Works
Food Court / Food Hall	200-400 sq. ft.	Common seating and existing traffic reduce dining-room and occupancy burden.
Embedded Express	150-350 sq. ft.	Gas station/c-store traffic, utilities and potentially cross-trained staff lower operating complexity.
Micro Strip-Mall Store	300-499 sq. ft.	Standalone visibility and delivery access without traditional restaurant square footage.
Campus / Hospital	200-400 sq. ft.	Captive demand and predictable meal periods support throughput.
Ghost / Commissary	200-400 sq. ft.	Pickup/delivery model with minimal front-of-house expense.

Operating Design

The kitchen should be standardized around compact commercial frying, refrigeration/freezer capacity, prep and holding equipment, a lean POS and a short production line. The target is 1-2 people per shift, with cross-training where the unit is embedded inside another retail operation.

Menu Architecture

Keep the menu intentionally focused: fish & chips, fish sandwich, fish salad, fish nuggets/tenders, fries or side salad, beverages, sauces and limited add-ons. Combos, beverages, family meals and add-ons support the \$16 blended average ticket without requiring a premium-priced core meal.

2. Mature Franchise Unit Economics

The profitability matrix below measures recurring store operations only. The initial franchise fee, equipment, buildout, deposits and opening costs are shown separately in the investment section and are not deducted from store-level operating income.

Annual Operating P&L;	Target Case
Orders/day	87
Operating days/year	360
Average ticket	\$16.00
Annual sales	\$501,120
COGS - \$5.84/meal	(\$182,909)
Gross profit	\$318,211
Labor	(\$90,000)
Occupancy	(\$30,000)
Royalty - 4%	(\$20,045)
Utilities	(\$12,000)
Insurance / admin / POS	(\$10,000)
Local marketing	(\$10,000)
Repairs / waste / misc.	(\$12,000)
Store-level operating income	\$134,166
Operating margin	26.8%

Built-In Wiggle Room

The target case produces approximately **\$134,166** of store-level operating income. Even if another **\$25,000-\$30,000** disappears through higher wages, rent, waste, delivery fees, repairs or other operating pressures, the franchisee can still be around **\$104,166-\$109,166 per year**. This buffer is important: the goal is not to engineer a model that reaches \$100K only when every expense is perfect.

3. Sales Volume: The Path to \$500K+

At a \$16 average ticket, the model reaches the \$500K annual sales level through throughput rather than premium pricing.

Orders / Day	Annual Sales	Position
55	\$316,800	Ramp / developing unit
70	\$403,200	Healthy developing unit
80	\$460,800	Approaching target economics
87	\$501,120	Target \$500K+ unit
100	\$576,000	Strong unit

Throughput Requirement

Eighty-seven daily transactions is intentionally modest for a compact QSR when spread across lunch, dinner, pickup and delivery. The operating system should be built to comfortably handle 100+ daily transactions so the target case does not represent maximum kitchen capacity.

The franchise proposition therefore depends on three disciplines: selecting sites with sufficient traffic, keeping the menu fast and repeatable, and maintaining a \$16 blended ticket through combos and add-ons rather than simply raising entree prices.

4. Initial Franchise Investment

The target is to keep the complete opening investment in the mid-\$80Ks, making the small-box economics a core competitive advantage.

Initial Investment	Target
Franchise fee	\$25,000
Compact fryer / kitchen equipment	\$20,000
Counter / light buildout	\$12,000
Refrigeration, freezer & smallwares	\$7,000
Signage / branding	\$4,000
POS / technology setup	\$2,000
Permits / licenses	\$2,000
Opening inventory	\$2,500
Lease / security deposits	\$3,000
Opening marketing / training	\$2,000
Initial working-capital reserve	\$5,000
Target total investment	\$84,500

Investment Discipline

The model should resist expensive custom construction. Favor second-generation food spaces, food courts, embedded retail and locations where power, sinks and other required infrastructure already exist. The economics weaken quickly if a 300-500 sq. ft. concept is treated like a full restaurant buildout.

5. Franchise Structure

Item	Structure
Initial franchise fee	\$25,000
Royalty	4% of gross sales
Technology fee	\$150/month
Required supply program	Core approved food/supply program at modeled \$5.84 per meal
Brand marketing	Lean/local-first; system-wide fund can be introduced as scale warrants
Target footprint	250-500 sq. ft.
Target total initial investment	Approx. \$84,500

The previous elevated 54% earn-out structure is removed entirely. There is no 50% revenue carve-out in this business plan. The recurring royalty remains 4%, keeping the franchisee economics understandable and allowing FishNChips to benefit primarily from successful unit growth and supply volume.

6. FishNChips Master Brand Economics

The master business is designed to make money repeatedly from successful units rather than relying on franchise-fee sales. At the target unit volume, each location sells 31,320 meals per year. Modeling a 30% supply profit on the \$5.84 per-meal program gives FishNChips approximately \$2 per meal of supply gross profit.

Per Mature Franchise	Annual Master Economics
Supply-chain gross profit	\$54,873
4% royalty	\$20,045
Technology fee	\$1,800
Recurring master economics	\$76,717
Initial franchise fee - separate, one-time	\$25,000

The recurring economics are the strategic engine. The \$25,000 franchise fee supports acquisition, onboarding, training and launch. Long-term enterprise value comes from royalties and supply-chain contribution across an expanding installed base.

7. Master Growth Model - Five New Franchises Per Year

The table below shows the recurring annual run-rate once the listed number of locations reaches the mature target economics. New franchise fees are shown separately.

Locations	Supply GP	Royalty + Tech	Recurring Master Economics	Annual New Fees*
5	\$274,363	\$109,224	\$383,587	\$125,000
10	\$548,726	\$218,448	\$767,174	\$125,000
15	\$823,090	\$327,672	\$1,150,762	\$125,000
20	\$1,097,453	\$436,896	\$1,534,349	\$125,000
25	\$1,371,816	\$546,120	\$1,917,936	\$125,000
50	\$2,743,632	\$1,092,240	\$3,835,872	\$125,000

*Assumes five new franchise sales in the year at a \$25,000 franchise fee. This is separate from recurring installed-base economics.

At **25 mature locations**, FishNChips has approximately **\$1,917,936 of annual recurring master economics** before corporate payroll, field support, warehousing/logistics, franchise sales expense and other master-company overhead. At 50 mature locations, that recurring figure approaches **\$3,835,872**.

8. Why the Economics Align

Customer: receives an approachable meal at a roughly \$16 blended ticket rather than requiring a premium \$18-\$22 average check.

Franchisee: gets a compact footprint, an approximately \$85K opening target, a 4% royalty and a mature model engineered around \$500K+ sales and \$100K+ store-level operating income.

FishNChips: receives a \$25K initial franchise fee plus recurring royalty, technology and supply-chain economics. The master makes more money when franchisees sell more meals, aligning both sides around transaction growth.

Operating Scorecard

Metric	Target
Footprint	250-500 sq. ft.
Average ticket	\$16
Mature transaction target	87+ orders/day
Mature annual sales	\$500K+
Store-level operating income target	\$100K+ with operating-cost buffer
Royalty	4%
Target all-in opening investment	Mid-\$80Ks
Master expansion pace	5 quality franchises/year

Expansion Principle

Prove the operating model first, then replicate it. Site selection, food cost, throughput, labor hours, waste, ticket mix and franchisee cash flow should be measured relentlessly. Five strong franchise openings per year are more valuable than rapid expansion into weak locations.