

# CHECKERS DRIVE-INS

## *Maintain Fast-Track Construction as Modular Restaurant's Success Takes Off*



*Fire-resistant steel studs and track are installed in each Checkers building.*

**I**n the fast-food restaurant business, if you want to be a success, you have to find the right niche and move quickly. McDonald's did back in the 1950s. Later did rivals Wendy's, Burger King and countless regional franchises.

And just when America thought the market was over-saturated with hamburger chains, there's one more newcomer that's keeping the competition as well as its building material suppliers, on the fast track. Checkers Drive-In Restaurants, Inc., a nostalgic 1950s-style, drive-

through franchise operation, has zoomed past its break-even first year in 1989 to a take-notice \$73 million in 1991 and now plans to go nationwide.

Within the next 12 months, Checkers and its manufacturing subsidiary Champion Modular Restaurant Company, Inc., both based in Clearwater, FL, expect to build more than 100 of these flashy art deco-style, modular buildings at a rate of eight or nine per month. Already in its short history, Check-

ers has doubled the number of restaurants every year for the past four year and expects to have 213 in operation by year-end.

Behind the scenes, this surge in growth has meant fast-paced construction schedules and tough demands on Champion.

To Checkers, it was important that its building be quality constructed using high performance products as well as be essentially noncombustible. Checkers buildings are built primarily of fire-resistant steel studs, prefinished gypsum wall panels, gypsum ceiling panels ceramic tile, glass block, concrete and stainless steel. As company officials have often commented, Checkers drive-ins "might melt, but won't burn."

In June 1990, Checkers formed Champion Modular Restaurants specifically to handle the modular construction of these self-contained, fire-resistant buildings--whose fully integrated design and marketing concepts are an important part of the Checkers rising success story.

The move to modular construction has allowed the company to more tightly control product quality and consistency, production costs and schedules. Essentially, all units are identical, unless local health departments dictate otherwise, and distinguished curbside



*Highly durable fiberglass-reinforced prefinished (FRP) gypsum wall panels are installed in each unit.*

by their black-and-white checkerboard tile exterior, shiny red columns, neon and stainless steel trim and the company's red, black, yellow and white logo.

### ***Prefinished Panels Save Unnecessary Production Costs***

On the interior, Checkers' decision to use prefinished gypsum wall and ceiling panels enabled the com-

pany to realize the highest cost savings since the panels eliminated unnecessary production steps and product waste.

Checkers was convinced that a highly durable, prefinished gypsum panel was the ideal solution for its walls and ceilings, Champion's Co-

***This surge in growth has meant fast-paced construction schedules and tough demands on Champion.***

General Manager Greg deCelle explained. The company experimented for a while with a process of field-applied vinyl onto gypsum wallboard blanks, but the quality results were inconsistent, "During transportation of the units to locations, the vinyl wall covering would

sometimes delaminate or bubble," he said.

Factory laminated panels shipped ready to install are a more reliable and cost-effective solution, saving measurable production time and money in installation and factory clean-up. Product waste was also minimized. According to deCelle, using these products now saves Checkers \$500-600 per unit." For every 100 units, this translates to at least \$50,000 savings.

In addition to the cost-savings advantage, Checkers and its indi-

vidual franchisees have found that a hard, fiberglass-reinforced panel surface is exceptionally resilient and easy to wipe clean. These panels also resist dents and scratches, which makes the prefinished concept "ideal for restaurant environments," deCelle pointed out.

The interior of each 720 sq ft Checkers restaurant is all white, with the exception of its stainless steel food service equipment, and requires 50 4' x 8' panels of the .020 mil thick, white, pebble texture 5/8 in. fire-rated wall panels.

Within each building, the panels are finished off at ceiling level by a white painted aluminum ceiling grid system and at floor level with quarry tile. Panels are fastened with adhesive and screws directly to the 18 and 20-gage metal studs, which are installed 16 in. on-center.

### ***Ceiling Panels Replace Adapting Wall Panel Substitutes***

Champion was manually cutting the wall panels on-site into 2' x 4' ceiling panel sections. As Champion's deCelle explained, this

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initial, labor-intensive process may have provided a quality ceiling, but was costly and created significant product waste and debris. Prefinished, pre-cut panels eliminated this production step and installed more quickly within Checkers' standard ceiling grid system. The selected panels have a 1/2 in. gypsum core and are fire and impact resistant. Well suited for food service areas, the ceiling panels' vinyl-laminated surface cleans easily with soap and water.

One of Checkers' greatest selling points to new franchisees is that the buildings are ready for operations

15 to 30 days after arrival at site—from its beverage and food service equipment to its computerized point-of-sale system. Once a site is selected, Checkers handles all site preparation and then utilizes its own hauling system—two 14-foot wide, 12-wheel “bogies,” as deCelle calls them—to transport the main section, with the twin-drive-through extensions and roof-top equipment shipped on a low-boy trailer.

Upon arrival, a crane hoists the main section onto its poured-in-place concrete foundation. Its roof-top system and twin drive-through sections are then attached. Afterwards, crews connect utilities, install trim components, and add outdoor concrete tables, umbrellas, landscaping the Checkers’ trademark American flag. As deCelle confirmed, “Once we have the building permit, unlike site-constructed restaurant buildings, we can be open in 21 days.”

Every Checkers modular unit utilizes Gold Bond’s new fiberglass-reinforced prefinished (FRP) Durasan Gypsum Wall Panels, Gridstone Gypsum Ceiling Panels, Wonder-Board Cementitious Underlayment Panels, Fire-Shield Gypsum sheathing, 18 and 20-gage steel studs and track and Owens-Corning Kraft-faced, R-11 Fiberglass Insulation.

Checkers founder Jim Mattei likes to call the Checkers operation the “Wal-Mart of fast food.” Already Checkers is taking on the competition in 12 states—Florida, Georgia, South Carolina, North Carolina, Alabama, Tennessee, Louisiana, Maryland, Illinois, Wisconsin, Michigan and Missouri. Immediate plans include new permits in Pennsylvania, Texas, Delaware, Indiana, Washington, DC and Virginia.

In the financial media, Checkers is called “one of the most dynamic restaurant issues in the market.” The company went public last year on the NASDAQ stock exchange at \$16 per share, and since then has split stock 3-for-2 with present common stock selling at nearly double the initial public offering. □