

# BIG KAHUNA WINGS

BKW

TM

## Franchise Kit



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Revision Date 1/15/23

# What is Big Kahuna Wings?

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Big Kahuna Wings hails from a long-standing tradition of recognizing the importance of family time, the kitchen, and of course fabulous food. Matt Beeler put this same emphasis in his restaurant, keeping the clutter of big screen televisions and distractions to a minimum and providing their customers with a welcoming, friendly experience while they enjoy a tasty collection of dry-rubbed wings, gourmet hamburgers, fresh-cut chips, appetizers, salads, and more.



Big Kahuna Wings opened their first restaurant in 2014, but they have been in the wing business for over forty years thanks to the BKW Seasonings brand. They continue to delight customers with their unique seasonings, dipping sauces, and commitment to fresh, never-frozen local foods. “We love to bring good food, family and friends together and that is our goal at BKW.”

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## The Original Big Kahuna Wings

The birthplace of Big Kahuna Wings sits in a 2,600 square foot establishment, a converted home in the town of Farragut, Tennessee, a suburb of Knoxville. The restaurant seats seventy-five guests, with sixteen additional seats offered on an outdoor patio, which provides a nice lookout to the city of Farragut and the surrounding upscale buildings.



Since opening in July 2014, BKW has experienced rapid growth, wait times can be as much as forty-five minutes or more, but that has not dampened sales. From month to month, BKW has experienced an increase in revenue and demand for their flavorful foods. The reason is the focus on delivering the highest quality of food.

BKW has become a destination for families in the Knoxville area, with many traveling as far as an hour and a half from home just to get a taste of delicious dry-rub wings. In surveying customers in 2014, it was found that 70% of respondents were repeats and as many as 30% visit two or three times per week.

BKW takes pride in delivering high quality wings unmatched by other wing restaurants. Their specialty is dry-rubbed wings, cooked-to-order. Unlike the competition where wings are fried and placed in a warming cabinet and then refried and sauced to fill an order, BKW wings are cooked-to-order. Using a higher frying temperature, which quickens the cook time and lessens the grease, results in a delicious, crunchy texture

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on the outside which is tender and moist on the inside; a better tasting, dry-rubbed wing. Sauces are served on the side individually or in flights (choice of four) to enhance the flavor of the wings. This contrasts to competitors who serve their wings with the sauce already slathered on. At BKW, you can create a wide range of flavor profiles by dipping your wings in multiple sauces.

BKW created a whole host of homemade sauces to give wing aficionados a unique individualized wing experience. Some of the tantalizing flavors offered include:

- Smokin' Fire
- Honey Sriracha
- Jalapeno Ranch
- Savory Maple
- Sweet Chili Lime
- Smoky Chipotle
- Spicy Garlic



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Standing apart from other “wing shacks” is of the utmost importance to BKW. The focus will always be on flavor-loving food and a family friendly atmosphere. The wings are the true vision of the restaurant. BKW sells delicious food which is complimented by drinks, while other wing shacks sell drinks and compliment them with food.



# “Big Kahuna Wings” vs. the “Other Guys”

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## 1. Quality and Freshness

Big Kahuna Wings is all about quality and freshness. Our poultry is never frozen. The food is high quality and fresh, and the wings are always big and tasty.

## 2. Dry-Rubbed Wings

There is no other restaurant that focuses exclusively on the dry-rubbed wing experience like Big Kahuna Wings. Our wings are a deliberate departure from the traditional wing fare: they are not breaded; they are not tossed in sauce; and, they are never frozen. Big Kahuna Wings stand out since they are always fresh, always meaty, and always served with the dipping sauce on the side. The size and juicy meatiness of the wings, especially the super-size Big Kahuna Wings, beat any other wings feathers-down.

## 3. The Big Kahuna Wings Seasonings

Big Kahuna Wings evolved as a restaurant in order to have a place where the BKW Seasoning collection could be used and showcased. There is no other wing restaurant following this model. The few that have their own seasonings are afterthought creations and the spice blends bear no resemblance to the ones actually used in the restaurant.

## 4. Family Friendly Atmosphere

A Big Kahuna Wings restaurant feels a lot like home to its customers. The owners are always available and encourage conversations with guests. The goal is to have the restaurant feel more like a “second kitchen” than a place of business – not a lot of televisions -- the restaurant is clean and the families are welcome. At Big Kahuna Wings, the atmosphere is directed towards good food and good conversation.

## 5. Taste Variety

With a choice of Original, Fire, or Blazin' Blend seasoning, then adding a variety of homemade sauces, you can have a different taste experience every time you walk through the door. Our unique frying method and cook-to-order practice creates juicy wings; seared in flavor that won't leave your fingers greasy and dripping!

## 6. Wings Take Center Stage

Unlike many traditional wing restaurants, Big Kahuna Wings takes great pride in being a restaurant that sells drinks to complement their food instead of food to complement their drinks. The Wing Bucket, an awesome place to put the wing bones when you have licked them clean, is a great differentiator for the wings.

## 7. Knowledgeable, Friendly Staff

The employees of Big Kahuna Wings are clearly knowledgeable about the offerings and the seasonings and are available to help customers figure out what great combinations to try next. The friendly approach makes it easy for customers to ask questions and always feel like a member of the family.

## 8. Scratch Made Dipping Sauces

We can't say it enough... these dipping sauces are unique and tasty and truly different. The few places that do offer a dry-rub selection typically do not offer the sauces on the side. Combine our dipping sauces with our bigger, meatier, juicier wings for a most excellent experience that keeps customers craving for more.



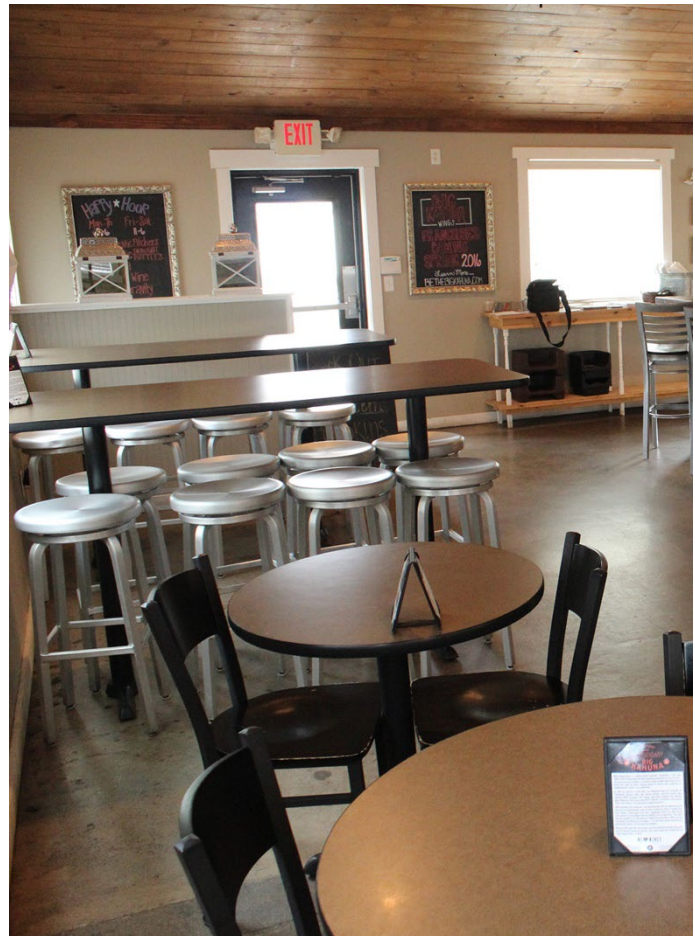
# The Big Kahuna Story

Big Kahuna Wings was not always “Big.” In fact, the concept started before Matt Beeler was ever born. Matt’s mother and her family used the first version of the Original seasoning specifically for wings. As a kid, Matt’s family loved tailgating at University of Tennessee football games. What food goes better with a classic tailgating party than wings? Matt’s dad would setup a tent, start the wings, and family and friends would gather to enjoy a Saturday game with plates piled with wings seasoned to perfection. It was an honor to be invited to the Beeler tent just to taste the wings. After the games, UT football players even stopped by the Beeler’s tent for some tasty, post-game poultry.

Seeing how much others delighted in their food, the thought of a restaurant was not out of reach, so in 1982, Matt’s parents started up a small deli and wing shop where, unfortunately, the wings were not the focus of the restaurant. Little did the family know the BKW brand was already being forged in the kitchen. While the wings themselves never became the signature product in the original deli shop, Matt saw potential in the brand. His continued faith in his family recipe spurred him to create a restaurant that highlighted the family seasoning and big, juicy wings.

Big Kahuna Wings was born in 1997. Located in the heart of downtown Knoxville Tennessee, alongside the University of Tennessee, the restaurant catered to the college crowd and the ever-prevalent wing lover. The restaurant was highly successful until a partnership split forced a closure. The Big Kahuna Wings dream did not die there.

In 2007, Matt approached the family seasoning in a different fashion, through distribution in wholesale and retail markets. During this time, Matt developed a broad spectrum of spice blends and rubs like Barbecue Rub, Steak Rub, and Seafood Rub. The BKW Seasonings brand took off becoming a staple seasoning in large chain stores, and in the kitchens of many families. The brand had come from family and was meant to



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be enjoyed by families. While the brand enjoyed great success, the supermarkets were not quite the “home” Matt wished for his seasonings, so he set out again for another shot at a wing restaurant. In 2014, Big Kahuna Wings was reborn, a place where the family seasonings and sauces take center stage.

Dry-rubbed wings never had a true home or face in the restaurant industry before BKW, and so the new restaurant eased effortlessly into a highly competitive market, finding its niche as a family-oriented, high-quality wing restaurant, unlike any other competitor.



# Wing Trends.

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With today's fast-paced, deep-fried, and increasingly technology driven culture, consumers are beginning to seek out healthier alternatives that allow them to indulge in what today has become a relic of the past—quality time with their families. They want the experience and more importantly service of the new but long for a taste of the old. Big Kahuna Wings shares in this vision, providing their customers with the roomy, open, friendly atmosphere of a second home for their dinners coupled with high quality, never-frozen, locally grown or sourced foods.



Big Kahuna Wings is establishing a new trend. Consumers have the opportunity to indulge in a wide variety of flavor profiles without the inconvenience of having to order multiple types of wet, messy traditional wings. This offers the added bonus of customers having the chance to “try something new,”—one of the many reasons families go out to dine in the first place--which makes for happier dinners and an overall more satisfying experience. Our cooking method puts a healthier image on our wings, which follows the diet trend of the current economy. Customers want their cake, or in this case their wings, and to be able to eat them too; the BKW cooking method turns what is normally seen as a guilty food pleasure into a guiltless, tasty experience.

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### Other Wing Facts

The following are interesting wings facts provided by the USA Chicken Council:

- There is a national wing day and it is celebrated every July 29<sup>th</sup>
- 54% of wing eaters prefer traditional, bone-in wings
- 46% of wing eaters prefer the drumette cut of their wings
- 25% prefer the flat cut
- Ranch is the sauce most commonly eaten with wings
- The top 7 states, barring Arkansas, in the US for broiler production are all in the South (Georgia, Alabama, North Carolina, Mississippi, Texas, Kentucky)
- Chicken wings are so popular that they are now being served on fancy china at white table clothed restaurants



# How Big is the Wing Industry?

## Let's Start with the Restaurant Industry

Food has come a long way since primitive man first took down mastodons with sharpened sticks. Now it is a stand-alone industry and every different type of food has its own restaurant dedicated to its production and service. Food has transformed into an art form, and every restaurant claims their lobster is the best, their steak to die for, or that their desserts are beyond comparison. It is human nature to try to outcompete our fellow man; the restaurant industry has blossomed, fueled by the threat of competition and the hungry mouths of consumers ready to explore the best of the best. This growing, healthy market has risen an astounding 15% over the past five years.

## Full Service Restaurants

Big Kahuna Wings falls into the Full-Service category as defined by the National Restaurant Association. In order to be called a Full-Service Restaurant, the establishment must contain these three practices:

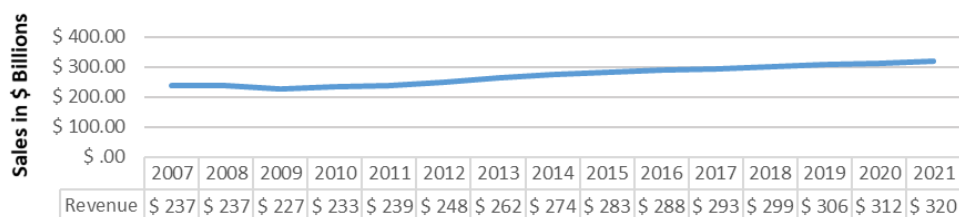
- 1) A waiter/waitress service is provided
- 2) The patron's order is taken after they have been seated
- 3) The patron pays after they finish their meal

According to the National Restaurant Association the Full-Service industry is expected to reach \$320 billion in 2021, a 35% increase from 2007 at \$ 237.1 billion.

### U.S. Full Service Restaurant

Sector Sales 2007-2016\*

(\$ in Billions)



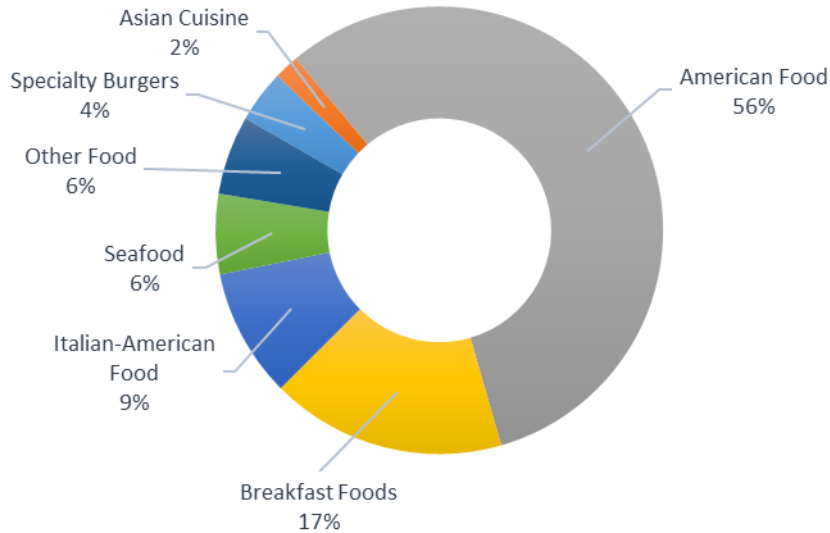
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### Primary Food Types

Big Kahuna Wings serves American Food, which represents 56% of the Full-Service Chain Restaurant market share, a \$60.88 billion annual sales industry.

#### Full Service Chain Restaurant Segment



**American Food = \$ 60.88 Billion in Annual Sales**

# Big Kahuna Wings Franchise Offering.

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## Become The Big Kahuna of Your Community.

New Big Kahuna Wing owners typically need a minimum liquidity of \$200,000-\$250,000 and a minimum net worth of \$550,000-\$750,000. The initial investment level ranges from \$563,000 to \$1,715,000 depending on you site location, condition and lease terms.



The recommended store location is either inline or endcap locations in highly visible areas. With the suggested restaurant size between 2,500 – 4,000 square feet, a franchise owner can offer approximately 100 seats for their BKW WING FANATICS.

The target audience for BKW customers is age 35 plus with HH income of \$65,000 or more. Site selection services are included as a part of the Quickstart package for new franchisees. This is just one of the many advantages of joining the BKW family.

Here is the breakdown of your initial investment level according to the Item 7 of our latest Franchise Disclosure Document.

**FDD Item 7: Estimated Initial Investment**

<b>Type of Expenditure</b>	<b>Amount: Estimated Low</b>	<b>Amount: Estimated High</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be made</b>
Initial Franchise Fee (note 1)	\$39,500	\$39,500	Lump Sum	Signing of Franchise Agreement	BKW Franchising, LLC
Travel/ Living Expenses While Training (note 2)	\$2,000	\$12,000	As Incurred	During Initial Training	Airlines, Hotels, and Restaurants
Leasehold Improvements (note 3)	\$205,000	\$1,050,000	As Incurred	Per contractors' terms	Landlord / Contractors
Furniture, Fixtures and Equipment (note 4)	\$200,000	\$379,920	As Incurred	Per contractors' terms	Suppliers
Opening Inv. (note 5)	\$13,000	\$25,440	As Incurred	Per contractors' terms	Suppliers
Deposits (note 6)	\$7,300	\$32,280	Lump Sum	When you sign your lease	Landlord and Suppliers
Signage (note 7)	\$5,200	\$17,400	Lump Sum	Suppliers' terms	Suppliers
Rent for 2-3 months (note 8)	\$8,500	\$29,880	As Incurred	Monthly	Landlord
Advertising and Marketing (note 9)	\$20,400	\$26,880	Lump Sum	Prior to opening	Suppliers, Media
Insurance (note 10)	\$2,000	\$2,880	As Incurred	Suppliers' terms	Suppliers
Professional Fees (note 11)	\$5,200	\$8,880	Lump Sum	Prior to opening	Lawyer, Accountant
Miscellaneous Supplies (note 12)	\$4,600	\$6,120	As Incurred	Prior to opening	Suppliers
Licenses (note 13)	\$1,400	\$1,680	Lump Sum	Prior to opening	Governing Authorities
Additional Funds – 3mo. (note 14)	\$49,000	\$83,000	As Incurred	As incurred	Suppliers, Utilities
<b>Total Estimated Initial Investment</b>	<b>\$563,100</b>	<b>\$1,715,860</b>			

Please Note: Notes referenced above are included in the Franchise Disclosure Document dated January 15, 2023.



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## Financial Performance.

The Financial Performance Representation, shown herein, comes from the Item 19: Financial Performance Representations section of our Franchise Disclosure Document dated January 15, 2023. The full financial performance representation can be obtained from the franchisor through the Franchise Disclosure Document.

This Financial Performance Representation shown in the following chart is based on the Net Sales experienced at one affiliated Big Kahuna Wings store located in Knoxville, Tennessee for the twelve months immediately prior to the issuance of this Disclosure Document, January 1, 2022, through December 31, 2022.

The store, known as Knoxville, is a 2,600-square foot single story outlet with 75 interior dining room seats and 16 outdoor patio seats, for 91 total seats. The Knoxville store is located in a free-standing building, in West Knoxville, Tennessee. The space consists of a dry-rub wing restaurant, kitchen, bathrooms, and includes a small adjacent outdoor patio. The Knoxville store was opened on July 7, 2014. This outlet offers substantially the same products and services to the public as you will.

Your Franchise will be substantially larger, at 3,500 square feet, than the Knoxville store with approximately 108 interior dining room seats and 28 outdoor patio seats, for 136 total seats. A larger location provides you the opportunity for great revenue, but your costs associated with the operation of your store would increase including, but not limited to: rent costs; food costs; and labor costs.

### Knoxville Store Key Metrics

Presented below are certain key metrics data from our affiliate Knoxville location for the period of January 1, 2022, through December 31, 2022.

**CHART C**

<b>Average Revenue Per Month</b>	<b>\$ 138,940.19</b>
<b>Guest Average</b>	<b>\$ 24.07</b>
<b>Revenue Per Seat</b>	<b>\$ 21,375.03</b>
<b>Labor</b>	<b>24.15%</b>
<b>Rent</b>	<b>3.31%</b>



## **BIG KAHUNA WINGS**

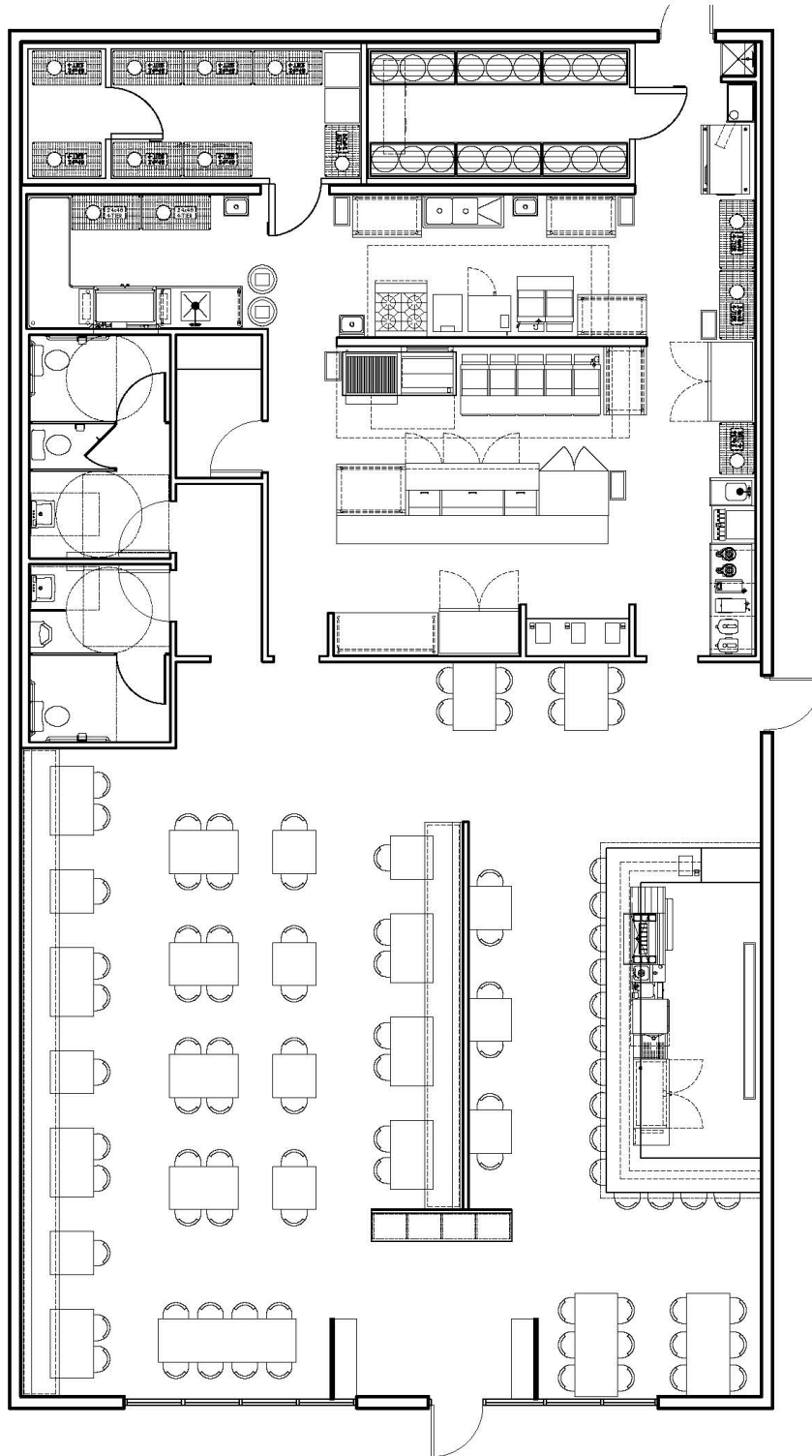
### **Franchise Kit**

#### Notes To Financial Performance Representation Chart C:

- 1) Average Revenue Per Month is based on previously shown Net Sales of \$1,667,282.28 divided by 12 months. Net Sales are based on a six-day week, the store is closed on Sunday.
- 2) Guest Average is based on the average purchase per patron as reported in the Toast POS system.
- 3) Revenue Per Seat is based on the 91 total seats (75 interior seats with 100% utilization and 16 exterior seats with 50% utilization) in the Knoxville store location. Your restaurant is expected to be larger with 136 total seats.
- 4) 'Labor' reflects the cost of wages and withheld taxes for hourly employees. Labor ratio is based on Labor as a percentage of Net Sales less Taxes.
- 5) 'Rent' reflects the cost related to leasing a space, including Common Area Maintenance costs.
- 6) These costs do not include all the costs that you will incur as a franchisee such as royalties, local advertising fee, and bookkeeping and payroll fees.

Franchise Disclosure Document as of January 15, 2023.

Your Big Kahuna Wings restaurant prototype based on 3,500 square feet.



# Being The Big Kahuna in My Community.

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## Do I Need Restaurant Experience?

We love to recruit franchisees who have prior restaurant experience; however, that is not necessary. The beauty of owning a franchise is the turnkey approach to running your own Big Kahuna Wings. From staff training to marketing your business, we covered all the bases. We want people who are passionate about our culture of providing a family-friendly establishment and delivering the highest quality of food.

BKW will train you in all aspects of the business and provide ongoing support. Here is a look at the BKW training program.

**Quickstart Training:** This training starts on day one. These are planned weekly meetings based on a one-to-one basis with the BKW Franchising management team. This is approximately twenty-five hours and includes some self-study hours and action items 'to-do'.

**Fundamentals Training:** This is where you learn everything needed to operate your Big Kahuna Wings restaurant. The training uncovers such topics including policy and procedures, recruiting and hiring your staff, managing your books, and understanding your marketing program. Fundamentals training is provided for three of your team members. You will leave the classroom feeling confident and ready for the next step.

**Practical Training:** The next step is Practical Training, where you and your team members will be immersed in the daily operations of our Knoxville store. You will gain firsthand experience in all aspects of the restaurant operations from opening, to close and everything in between.

**Onsite Training:** The BKW experts will help you get your new store ready to open by spending time at your site.

The key to BKW success is consistency and the key to consistency is having processes in place that are repeatable. Our training program has been developed to build the skills and confidence you need to operate your BKW restaurant.



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## Who Makes a Good Franchise Owner?

The key to success is being 100% convinced that Big Kahuna Wings breaks the conventional wing restaurant mold by providing high quality, tasty dry-rubbed wings with sauce delivered on the side to enhance the flavor experience. To be The Big Kahuna in your community, you must be completely convinced that BKW wings are a game changer in the wing market.

## The ideal Big Kahuna franchisee is:

### Passionate

If you are passionate about the brand and are willing to work hard, then you will make a good franchisee

### Business-minded

Our first class training and support program will teach you everything you need to know from recruiting, to kitchen protocols, to back office operations. Combining our processes and training with your drive and business acumen, leads to an ideal franchisee.

### Community-Oriented

Matt is adamant about this quality. An ideal franchisee **must** be the face of Big Kahuna Wings in their community. BKW supports charities like the Empty Stocking Fund, Second Harvest Food Bank, Boys & Girls Club, Children's Hospital, and The Sunsphere Fund. As an owner, you are not limited to these organizations. The philosophy at BKW is giving begets receiving so by supporting your community you will receive support in return.

## Next Steps

By now, you may be 'craving' the opportunity of being The Big Kahuna in your community. The next step is two-fold. Tell us more about yourself and we will tell you more about us. If you have not already done so, then please fill out our franchise application so we can learn more about you. One of our franchise developers (your Wingman or Wingwoman) will reach out to you to set up an introductory telephone conversation to explore the possibility of a match.

# Big Kahuna Wings Franchise Philosophy.

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You can rest assured that we will always be open and honest in all communications with you. We have a detailed sales process, which will help you and us to determine whether BKW is the right fit for you.

In return, we expect you to be open and honest with us. We look forward to breaking bread with you over a delicious plate Big Kahuna Wings.

**BeTheBigKahuna.com**





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