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ZAXBY'S FRANCHISE – COSTS, FEES & EARNING STATS



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Liquid Capital: \$500,000

Net Worth Requirement: \$1,000,000

Investment: \$501,700 - \$950,200

Franchise Fee: \$35,000

Units in Operation: 912+

Founded: 1990

Franchising Since: 1994

Zaxby's is a fast-casual restaurant franchise and was founded in 1990 in Statesboro, Georgia, by childhood friends Zach McLeroy and Tony Townley.

The pair opened their first restaurant near Georgia Southern University and quickly gained a following among students who loved their chicken fingers.

Zaxby's is known as a quick casual dining restaurant and its menu features a variety of chicken finger meals, wings, salads, and sandwiches. The franchise (<https://wolffranchises.com/what-is-a-franchise/>) also offers a wide selection of sides, including coleslaw, chips, and toast.

In this article, we will discuss the franchise opportunities available with Zaxby's, including the costs and fees associated with opening a franchise.

IS ZAXBY'S A FRANCHISE?

Zaxby's began franchising in 1994 and Zaxby's franchises are typically owned by local businesspeople who have signed a franchise agreement (<https://wolffranchises.com/franchise-agreement/>) with the company and have been awarded a franchise in their community. Franchisees typically pay a percentage of their sales to Zaxby's in royalties, and they must also adhere to the company's standards for menu offerings and customer service. As a result, customers can expect the same level of quality whether they visit a Zaxby's restaurant.



HOW MANY ZAXBY'S FRANCHISES ARE THERE?

As of the start of 2022, there were over 910 Zaxby's franchise locations in the United States. The first Zaxby's restaurant opened in Georgia in 1990, and the franchise has been expanding steadily ever since. Today, you can find a Zaxby's location in the southeastern United States and the company shows no signs of slowing down. In addition to its traditional chicken wings and salads, Zaxby's now offers a variety of kid-friendly meals and catering options. It's no wonder that Zaxby's has become one of America's favorite fast-food franchises.

HOW MUCH DOES A ZAXBY'S FRANCHISE COST?

One of the most frequently asked questions by prospective franchisees is (<https://wolfffranchises.com/what-is-a-franchisee/>), "How much does a Zaxby's franchise cost?" The answer, unfortunately, is not a simple one. Owning a fast food franchise business can be a lucrative investment, but it's important to do your homework before taking the plunge.

One popular franchise option is Zaxby's, a franchise of fast-casual restaurants that specializes in chicken wings and salads. So how much does it cost to open a Zaxby's franchise? The answer depends on a number of factors, including the location of the restaurant and the size of the building.

However, the estimated initial investment ranges between \$501,700 and \$950,200. This includes the initial training, ongoing coaching, equipment, signage, inventory, and working capital.

While this may seem like a lot of money, keep in mind that franchise ownership is a major commitment. In addition to the initial investment, you'll also need to pay a 6% royalty fee on gross sales and a 1.5% brand fund fee on gross sales.

But if you're up for the challenge, a Zaxby's franchise could be a great opportunity.



WHAT IS ZAXBY'S FRANCHISE FEE?

For those interested in opening their own Zaxby's franchise, the initial franchise fee (<https://wolfffranchises.com/franchise-fee/>) is \$35,000. This fee grants the franchisee (<https://wolfffranchises.com/what-is-a-franchisee/>) the right to use Zaxby's name and logo. In addition, Zaxby's requires a minimum of \$500,000 in liquid assets and a net worth of at least \$1 million.

With its proven business model and its emphasis on excellent customer service, Zaxby's is an attractive option for those looking to enter the fast-casual dining industry.

With that said, if you are looking to start a Zaxby's franchise, it is important to have a significant amount of capital available.

HOW MUCH DOES A ZAXBY'S FRANCHISE OWNER MAKE?

While many people are familiar with the restaurant's signature dishes, fewer are aware of how much a Zaxby's franchise owner can make.

Let's dive into the numbers. Over 700 locations reported income in the fiscal year 2021. As you can see in the table below, the average gross revenues of 727 locations were \$2,544,000 with the median being \$2,497,295 and the highest being \$5,331,733 and the lowest being \$839,494.

However, it's important to keep in mind that these figures can vary depending on factors such as the location of the restaurant and the size of the operation. For example, a franchise owner who runs a large restaurant in a major city and has 15 years of business experience is likely to make more than someone who owns a small location in a rural town and is just starting out in the restaurant business.

Quartile	Restaurant Count	Average EBITDA from Operations	# of Restaurants in Quartile Above Average EBITDA for Quartile	% of Restaurants in Quartile Above Average EBITDA for Quartile	Median EBITDA from Operations
Top Quartile	182	\$700,943	87	47.8%	\$691,596
Second Quartile	182	\$471,511	85	46.7%	\$460,423
Third Quartile	181	\$337,235	91	50.3%	\$345,126
Bottom Quartile	182	\$175,765	89	48.9%	\$170,020

TABLE 2
SUMMARY OF GROSS REVENUES OF MEASURED RESTAURANTS
IN FISCAL YEAR 2021

Quartile	Restaurant Count	Average Gross Revenues	# of Restaurants Above Average Gross Revenues	% of Restaurants Above Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
Top Quartile	182	\$3,468,473	68	37.4%	\$3,340,541	\$2,986,849	\$5,331,733
Second Quartile	182	\$2,724,487	89	48.9%	\$2,718,075	\$2,497,295	\$2,981,959
Third Quartile	181	\$2,274,123	94	51.9%	\$2,280,973	\$2,045,015	\$2,496,077
Bottom Quartile	182	\$1,708,846	110	60.4%	\$1,773,573	\$839,494	\$2,043,866
All Measured Restaurants	727	\$2,544,354	344	47%	\$2,497,295	\$839,494	\$5,331,733

THE WOLF'S TAKE

Zaxby's is a very impressive franchise! Chick-Fil-A and Raisin' Canes get all the headlines, but Zaxby's isn't that far behind!

With an average unit volume of \$2.5M, and roughly \$421K in average EBITDA (<https://wolffranchises.com/what-is-ebitda/>), Zaxby's offers one of the strongest unit economics of any fast-food franchise. It's certainly regional to the southeast area of America, but as a brand, it clearly has the potential to support more franchisees.

I spoke to the owner of 14 locations on the Franchise Empires podcast, and he happened to own the top-performing location in the entire country. If you want to listen to that conversation and learn more about the Zaxby's franchise, check out the episode here! (<https://wolffranchises.com/episodes/s2-ep13-zaxbys-franchise-how-ben-little-learnt-his-trade/>)

ENDING SUMMARY

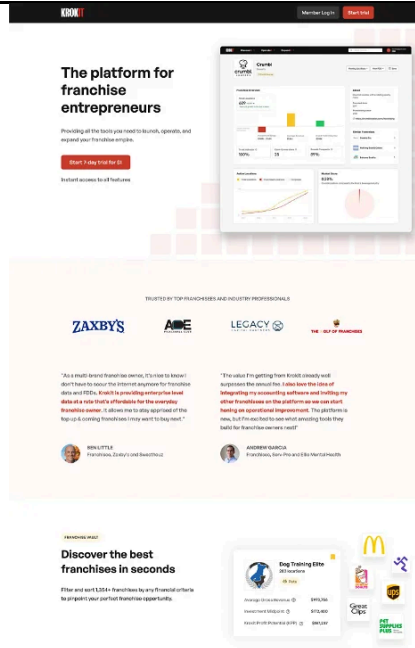
If you're looking to enter the franchise industry, Zaxby's is a great option. With its affordable franchise fee and its emphasis on customer service, Zaxby's is a well-established brand that can be to be profitable for its franchisees.

This is not investment advice. As always, look at the franchise disclosure document (<https://wolffranchises.com/franchise-disclosure-document-fdd/>) and do your own research and due diligence before investing and realize any investment may go to zero.

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The Wolf

The Wolf of Franchises is an industry insider who's sharing the secret sauce of how lucrative the franchising industry can be. He offers expert insight to help both new and existing franchise owners reach success.

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