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Foreman throws weight behind healthy dining concept

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George Naddaff, chairman and co-CEO of **KnowFat Franchise Co.**, is losing the fat -- again.

Having taken over KnowFat, a healthy food quick-serve concept in 2004, Naddaff and Eric Spitz, co-CEO and president of KnowFat, are evolving the concept into a new company. They are changing the name to **UFood Grill**, updating the menu items, restructuring the franchise offering and redesigning the KnowFat stores to capture a larger audience.

To help market the UFood Grill franchises, Naddaff has signed a deal with former heavyweight champ George Foreman, co-chairman of Pennsylvania-based **George Foreman Enterprises Inc.** (OTC: GFME).

The new concept and the Foreman endorsement agreement come at a time when quick-serve restaurant sales continue to climb and consumers are increasingly looking for more healthy dining options.

The first UFood Grill opened in Naples, Fla., last week and beat company sales expectations. The KnowFat stores in Boston's Downtown Crossing and Landmark Center, as well as the five other locations in Massachusetts, will close for two days this summer to be converted to UFood Grills. The 74 KnowFat units slated to open under eight area developers nationwide will open as UFood Grills. In August, the company name will officially change to **UFood Franchise Co.**

UFood Grill plans to have 800 franchises sold and under development by 2010. The Newton-based company is in its third round of financing and is looking for \$10 million to \$20 million. It has raised \$1 million so far.

"Branding is really the key," said Naddaff. "It became glaringly apparent the name KnowFat was working against us, not for us."

The menu items, all without trans fats and many low-fat or no-fat, will remain largely the same with name changes for some of the products -- KnowFat AirFries will become UnFries, for example. Efreem Cutler, the former executive chef at Ritz-Carlton Hotel Atlanta, is the vice



From left, Eric Spitz co-CEO and president of KnowFat Franchise Co., and George Foreman III, executive vice president of George Foreman Enterprises, join boxing great George Foreman and George Naddaff in celebrating the new concept UFood Grill.

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president of food development.

The average check at the stores will be \$8.50.

The company is selling three franchise models: a two-in-one food and retail store at about 2,500 square feet; a smaller, 2,000-square-foot model without retail; and a 1,000-square-foot mall food court model. Many of the KnowFat stores have a retail component already to them and can account for 20 percent of a store's sales. The initial franchise fee is \$35,000.

"The underlying consumer passion for utilizing freshly prepared food away from home only continues to grow," said Hudson Riehle, senior vice president for research and information services at the **National Restaurant Association**.

The fast-casual segment has been averaging 15 percent to 20 percent growth over the past few years, according to food service research firm Technomic Inc.

Naddaff -- known for creating the highly successful **Boston Market** franchise concept -- and Spitz decided to change the concept after months of focus groups and research led them to believe they were already reaching the fitness-minded consumer and needed to drop the word "fat" from their name to reach a broader audience. The new tagline is intended to attract that audience: "Feel great. Eat smart."

In the agreement, the legendary boxer will lend his smiling mug to UFood Grill and franchises in return for an undisclosed number of shares in the company, according to Naddaff.

Foreman, a devout Christian, does not drink, so the no-alcohol-served, healthy food concept fits his image.

"I had been searching for a restaurant to invest my energy in," said Foreman in an e-mail response to questions. "And UFood is perfect for me ... since UFood's mission of promoting healthy eating is consistent with my goals."

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