

## Amy talks with FiltaFry Chief Operating Officer, Chad Walker

**Amy:** Hi everybody. Thank you joining us on this podcast. I'm Amy Greene from FranchiseOpportunities.com. This is my fourth interview in a series with franchisors and company executives about their concepts and how they operate. Today I have the privilege to interview Mr. Chad Walker of FiltaFry. He is the Chief Development Officer. Chad, how are you doing today?

**Chad:** I'm well. Thank-you.

**Amy:** Good. Well thank you for taking the time and I will get us going. For starters, tell me and our listeners about your mobile filtration and fryer concept.

**Chad:** Well FiltaFry developed a unique system through a manufacture that we used exclusively in the UK that provides under high pressure and high suction, a filtration of oil where we're able to extract oil from fryers at cooking temperature and allow the machine to basically go into a dialysis mode that removes any of the impurities that are in the oil so that it extends the life of the cooking oil for the restaurant and or the kitchen. The process itself takes anywhere from 15 to 20 minutes dependant on the amount of oil. We see fryers come in different sizes...35 lbs, 50 lbs, 75 lbs, 100 lb fryers, etc. So based upon the amount of oil that is being filtered at any one times usually determines how long it needs to be filtered for. Generally speaking, while that dialysis process is occurring, the actually franchisees maintain their fryers, calibrating the temperature, cleaning out the fryers themselves. And once the oil has been filtered, it is pumped back in at cooking temperature back into the fryer. So there is very minimal downtime for the kitchen themselves.

**Amy:** How do restaurants that use FiltaFry benefit over restaurants that do not?

**Chad:** Well the FiltaFry service itself not only extends the life of their cooking oils and that can be benefited based upon, usually, how the quality of oils fluctuates from kitchen to kitchen. The better quality of oil, the better results we see. Typically, a kitchen that is utilizing the FiltaFry services is usually going to see four key advantages: Productivity improvement because they're not long going to have to have staff do boil outs or chemical clean outs of chemical fryers. Obviously it reduces the risk of staff injury and liability to the establishment where we take that on. We're the one servicing their fryers. We're calibrating the temperature in their fryers. Generally if there's a problem with their equipment, we're going to catch it before their kitchen staff. Improved food quality. We work with their kitchen staff with best frying practices to ensure that they're not doing simple things like overloading the fryer baskets so that they're getting even quality... also the better the quality of oil, clearly the better the quality the product when it comes out. And most importantly the cost

savings associated with throwing out the oil less frequently, and being able to utilize the oil for a longer period of time. So over all, all of the services that we bring to a kitchen are very, very beneficial. Generally speaking, we're able to show a cost savings of anywhere from 30-50 %. And as the cost of cooking oil continues to increase week over week, that cost savings is becoming more and more of an issue for all kitchens around the US.

**Amy:** That service sounds extremely advantageous to any restaurant...anywhere...operating with a fryer. When did this concept of recycling oil and FiltaFry kind of taking over that responsibility originate?

**Chad:** 1996. The concept was actually started by the CEO, Jason Sayers. Actually, through a personal friend that was in the restaurant business and was burned while they were trying to clean out a fryer late in the evening. Generally, most fryers are very similar to that of emptying an oil pan in the bottom of a car. Where the oils, once they're actually done for the process of cooking for that period, are extracted usually through a drainage mechanism. Where they just literally undo the bottom of the fryer themselves and drain it out into a bucket. Very (laughs) nontechnical. Unfortunately, obviously when you're frying food, you have batters, you have pieces of potato chips and food particles that will actually trap that drain. And the general practice is that people will actually poke a coat hanger or something that archaic to try to release the particles so that they can actually continue to drain out the cooking oil. Well, oils are designed so that they retain heat over a long period of time. Obviously. So people don't like to wait around at the end of a shift, especially on a Friday or Saturday evening, when they've been there all evening or all night. So they poke it up there and try to drain it out. And that hot oil spilled all over that person's hands. And he had serious burns on his hands. Jason had the concept of saying, "Well why are we taking it out from the bottom when we could suck it out from the top?" We went to a company that actually was doing something very similar with air crafts, where they were reprocessing hydraulic fluid in airplanes. And we asked them if they could adapt their technology and manufacture it for us to be utilized in a cooking application. And that's how we started with our first generation machine back in 1996.

**Amy:** And I'm sure that Jason's friend and cooks around the world today are extremely glad that you guys have such a mechanism. Tell me a little bit about your niche market. Is there a certain type of restaurant that just really needs this service?

**Chad:** Actually restaurants are only about half of the FiltaFry business. Many of our customers are people that you normally wouldn't typically think of when you think of fryers. But we have very large establishments with contract caterers, school systems, universities, colleges, public schools, private schools, malls, all of the food courts that you see in shopping malls, airports, sports stadiums, and venues of such. Obviously when they're playing sports, that's a no-brainer, but there's a lot of activities that take place during the off season there, and between home games such as concerts and monster truck rallies and things of that nature. Those are big customers for us. Nursing homes...hospitals...grocery store chains. So beyond restaurants, we have quite a few other types of customers that we provide services to.

**Amy:** Okay, definitely more than what I thought was just restaurants. But tell me a little bit about how your company...your brand...stays green...doesn't have too harsh of an impact on the environment.

**Chad:** Yeah it's interesting that we've kind of taken a marketing stance that we've been green for 12 years. We really have. Everything that the FiltaGroup provides is an environmentally friendly solution. All of our current products, all of our future products are eco-friendly. The Filta product itself and FiltaFry, by prolonging the life of the oils, obviously, and reducing the amount of oil that's being thrown out, clearly is something that impacts the environment. Many, many restaurants and or services, they take these materials, they treat them with a chemical so that they can try to make them as neutral as possible. And in a lot of states, they're actually put into a landfill. The FiltaGroup is able to reduce the amount of oil that is being consumed. It's able to save money, obviously, for the restaurants themselves and the kitchens in general. But then, when the oil no longer has a useful application for cooking purposes, the FiltaGroup actually is able to certify by the collection of that material that 100% of it can be made into bioalternative fuels.

**Amy:** Well it definitely sounds like you guys are doing your part to leave a lesser carbon footprint. Let me have you, without getting too technical, explain some terms I read about FiltaFry. First: microfiltration.

**Chad:** Microfiltration refers to the level which we are able to reprocess the cooking oil. Oils are broken down through temperature. Obviously, in foreign bodies that come in through those areas. Flour, for example, breaks down oil very, very quickly. Batter breaks down oil very, very quickly. Many fryers that are on the market have built-in filtration systems in them. Those are some of our best customers. The reason why is that it doesn't remove a lot of the impurity down to the carbon level. And things like flavor transference. All of us have experienced at a restaurant in some point in our lives where the fish tasted like chicken and the chicken taste like fish because they're fried in the same oil in the same fryer. The actual filter that we utilize is able to remove the impurities down in the oil below 3 microns. Most built-in filtration systems are not below 200-250 microns. So we're removing it down over 100 times greater than even the best filtration systems that are out there. A lot of restaurants and kitchens utilized a cone filtration simply to remove the actual contaminants...the batters, etc. that are floating in the top of the oils. Again, this does nothing to prolong the oil life. The removal of all of those chemical transferants, carbons, etc, down that you're able to obtain below 3 microns, is also going to remove the flavor transferants and extend the life of the oil.

**Amy:** Okay. And I have one more for you: Vacuum-based cleaning.

**Chad:** The actual FiltaFry machine, through high pressure, is able to suck out the cooking oils from a fryer at cooking temperature. Once those oils are in the machine and it goes on to a dialysis mode where the oils are running through the filter through a high-pressure pump, we actually have specially designed vacuum systems that were made special by a manufacture for the FiltaGroup that are able to suction out any of the particulant and any of the foreign bodies that are in the fryer that are obviously hot. So it's not like your Hoover that's at home. So we're actually able to suction all of that out. We have special eco-friendly chemical called FryChem. It's proprietary

technology that's able to remove the carbon build up and any of the foreign buildup on the outside of the fryer. So the franchisees provide a thorough cleaning of the fryers while the oil is filtering. Typically in the time that the franchisee is suctioning out using high pressure as well as vacuum-based cleaning, and preparing the fryers by cleaning the carbon build-up is the same duration as the oil being filtered. When they finish their part, they put the oil back in, they roll the machine back out, load it on their van and they're off.

**Amy:** Okay. And I know that a lot of people...maybe even some listening...may have their own deep fryer at home. Especially here in the south, deep frying turkeys for Thanksgiving is becoming a trend. Give us one or two frying tips that help for safe frying practices.

**Chad:** Well number one is not to overload the fryers when you're talking about food quality. Obviously you're spending good, hard-earned money on buying something and you want to make sure that it tastes the way you want it to taste when you're done. A lot of times what we find is people will load up too much batter, too much flour, and quite frankly just too much material. Generally speaking, anything that you're deep frying shouldn't exceed 50% of the actual size of the frying basket or contained in which it's being fried in order for it to be optimally cooked and properly cooked. People don't understand the chemical changes that go on when you take something that is either cold or frozen and you put it into something that's at a frying temperature which is typically around 375 degree Fahrenheit. The second biggest safety tip is that making the oil too hot. And that's why one of our services is calibrating our cooking temperatures through high-technology temperature gauges and probes that we utilize so that we make sure restaurants are not running their oils too hot from a safety perspective where they can actually reach the flash point and cause a fire. So making sure that you're keeping your oils at 375 degrees. There are a lot of different stainless steel temperature thermometers that you can use at home for cooking to ensure that when you're doing your stove-top or your counter-top frying or you're frying your turkey at Thanksgiving time that you're not getting your oil too hot.

**Amy:** Now we're going to switch gears and talk more about the entrepreneurial side of FiltaFry. This concept is world-wide. Tell me about the growth.

**Chad:** Well, again, we started the system off, actually, the FiltaGroup started off where we looked at actually selling machines to restaurants. And at the end of the day, what we realized was obviously, the machine at the end of the day, is only as good as the person who uses it. But really the foundation of our company and our business is a fryer management service. It's the ability to go in there and teach them about their frying practices, managing their equipment, using the machine to perform the service itself and ultimately providing a saving of value to the customer. We started it in the UK in 1996. We provided very large territories which we brought that same concept here at approximately 2005 is when we were really up full steam. 2004 is when our first franchisees came on, and 2005 was our first full year out there. We've been able to provide master licenses in several countries around the world. Our office in the UK handles most of the world. Our office in Orlando handles Canada, North America, Central America, South America and the entire Caribbean Ocean. So the ability for people to have a territory that's exclusive to them in their area and the US and Canada, people that are in countries outside of the US that want to act as a

franchisor. Basically they want to have the ability to sell franchises in their country which they live and operate in. We provide opportunities for all of those things to happen.

**Amy:** I know you just mentioned this, but will you clarify for our listeners, is this a franchise, business opportunity, license agreement, etc? And what qualifies it to be such?

**Chad:** The franchise agreement for anyone that is going to be operating a FiltaFry franchise in the US or Canada provides a unique territory that's exclusive to their area. It also protects all of the customers that are in their territory. We provide a 25 year agreement and we have the opportunity to extend those agreements beyond that period of time. For anyone who is interested outside of the US or Canada and would like the opportunity to act as a franchisor, we actually sell the rights in those countries as a master license agreement which enables an individual that is entrepreneurial that they act as the franchisor which enables them to sell regions of that country. We get approached quite frequently by people that want the ability to do that. So we provide both avenues both domestically and internationally.

**Amy:** Okay. And what kind of relationship does your franchisee have with the restaurant or the certain venue, or other customers that they work with. What do they think when they see the FiltaFry man walk through the door?

**Chad:** Well it's interesting because it's a double edged sword when you have product that doesn't have any competition. We are unique in our concept, but there's a reason that we've done very well for the last 12 years and continue to do well. It's not a conceptual sell. When our franchisee walks into a kitchen, typically they're simply asking to provide a free demonstration. It's more of the mentality of the Missouri Show me State motto, which is let me know you what this does. Because to explain it to someone is very, very difficult for them to conceptualize. So the relationships usually between franchisee and a kitchen operator are going to be that they see them as part of the team. The staff, after we've started the service, absolutely loves our company. Once they no longer have the requirement to be the ones that are cleaning out the fryers and changing out the oil, it's not a job that people really like to do in a kitchen. Typically, it's the person who's the low person on the totem pole that ends up getting selected to manage the fryers. And they really don't like doing it. Also, a lot of the folks that are performing these jobs are the people typically managing the fryers, they don't often get the attention that they deserve and that some of the other people in the kitchen are provided by the vendors. We truly take the time to explain what happens chemically when that food is dropped into that oil. Just so they can understand and take some pride in what they're doing.

**Amy:** Okay, and what is the first step someone can take when they say, "Hey. This sounds cool. I think maybe I want to try to be a FiltaFry franchisee."?

**Chad:** Anyone that enquires will be contacted will be contacted via a DVD that's going to be sent to them in the mail. It's an hour and 46 minute long DVD that provides as much information that we could possibly compile to answer all of the potential franchisee would ask about the business. From that, if that part is interested in taking the next steps at learning more about the area where they live in or would

like to operate a business within the availability of territories, there are links that are sent to them automatically from their inquiry through my franchise development management staff that will provide them detailed maps of the territories and the availability in and around where they live. Then the final phase that we ask people to go through once they've had the opportunity to review all of that information and have spoken to the franchise development managers...we ask that everyone come down to our corporate offices in Orlando, Fla. to meet us. Conversely, I don't know many people that would feel comfortable with buying any types of a product or service or particularly a business if they haven't seen the people that they're doing business with and met us. When they come down to our offices in Orlando, we give them a full day to see the service itself in a commercial kitchen. We taken them on a tour of our office, our training facility, our warehouse. They will meet myself, my entire executive staff, the franchise development managers that they've been working with. And we plan a comprehensive day of questions and answers for everyone in the franchise department, operations department, everyone to do with the business. And we ask that they take all of that information and go away, that we don't even speak with them for at least 2 week. We really want them to take the time and examine whether or not this is a business opportunity that they can see themselves doing. More importantly, during that period, we want to make sure that they're going to be a good corporate partner for the FiltaGroup. We're very selective in the people that we bring in to this and we want to grow with the right people long-term.

**Amy:** Finally, Chad, what makes your concept the most attractive to potential franchisees?

**Chad:** Well, anyone that's looking at buying any type of franchise, generally speaking, the reason that you buy a franchise is because you're buying the mistakes that business has made. No one is perfect out there, and anyone that started their own business understands how you generate business, where you spend your marketing dollars, who do you outsource for vendors, etc. So with buying a franchise, you're buying a proven system that you know works. We've got 12 of success behind us. Number 2, you're buying something that has no competition. The FiltaGroup has been successful for a long time. We've had rapid growth. We've had very successful franchisees. We've had very satisfied customers. So what's setting it apart besides those two things? Relatively speaking, anyone that is interested in investing into a franchise, generally, in a food service particular, you're spending several hundred thousand, if not a million dollars. This business opportunity, including the van, is less than \$80,000. Gives you unique territory, give you your marking, machinery, everything that you need to go out there to generate revenue. So cost to entry by comparison is very, very low and a very fast return on investment. And the fourth component is the training and the services that we provide to our franchisees. We have an extensive training program with the FiltaGroup that's a one-month process. We bring everyone to Orlando for a week of classroom training to learn everything about the business, about cooking oils, about how to sell a FiltaFry business. The new franchisee has business on their van, and they're off and started.

**Amy:** Okay. Chad Walker, thank you so much for your time today.

**Chad:** Thank you, Amy. I appreciate yours as well.

**Amy:** And ladies and gentlemen, if you'd like to learn more about FiltaFry. Check out the information page at [FranchiseOpportunities.com](http://FranchiseOpportunities.com). You can do that by searching for the key term "FiltaFry." While you're there, fill out the short form at the bottom of the page for additional information that Chad was referring to. That's all the time we have for today. I'm Amy Greene. Thank you for tuning in and I'll see you on the next pod cast.