

CASE STUDY: FIVE GUYS BURGERS & FRIES

When partners with advanced degrees from top schools and backgrounds in high technology and advertising became area franchisees for one of the country's hottest food concepts, they thought simple procedures, like paying their bills on time, would be a breeze. But that was not the case when Peter Biro and three friends opened their first Five Guys Burgers and Fries restaurant in Marlborough, Massachusetts, three years ago. *"We had paper flying everywhere,"* Biro said, *"and overpaid some vendors while missing others. It seemed the only solution would be spending \$1,000 a week to hire a bookkeeper."*

Biro was an unlikely franchisee. He had an engineering degree from Duke, an MBA from Stanford and an early career in Silicon Valley high tech companies. He'd moved back to Massachusetts in the early 2000's, where he was running a database consulting company and lecturing on entrepreneurship at a Babson College when he *"fell into franchising,"* Biro said. *"A friend called and said he was getting a group together to invest in a new Washington, D. C. burger concept called Five Guys."*

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"He wanted us to buy the rights to open Five Guys restaurants in Massachusetts and operate them ourselves. I wondered, 'How much work could this possibly be?' I figured it was something I could do on the side."

The partners, called themselves Massachusetts Burger Enterprises, LLC, signed on to open 20 Five Guys and agreed that Marc Magerman, who had built two media companies into multimillion dollar enterprises, would be CEO with Biro as CFO. *"When we started out, we had no office,"* Biro said, *"and Marc put all outstanding bills into a folder he carried everywhere. Sometimes we paid the same bill twice; other times we missed a payment and were scrambling to Fed Ex checks to vendors before they were overdue. It was chaos."*

While the partners debated hiring a bookkeeper, Biro looked for solutions online. *"We needed something that my partner would be comfortable with and our store managers could access easily. Bill.com's online financial network was the only solution that fit our needs."*



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The partners integrated Bill.com's bill paying system into their QuickBooks accounting program three years ago and haven't had to Fed Ex a late check since. *"It only took one billing cycle, or a few weeks, to get everyone trained,"* Biro said. *"We can't even measure the Return on Investment, because we're comparing we \$30 monthly fee and 49 cents per transaction, to a bookkeeper's salary."*

The partners now have four Five Guys open, with several more under construction or under contract and Bill.com travels with Biro and Magerman as they drive from site to site. *"I use it mainly on my iPhone and iPad,"* Biro says, *"and can easily pull up an actual invoice on my iPad and show someone it's been paid. I recently checked something with a supplier while sitting in the stands during my twin daughters' swim meet."* The partners have approval chains for each payment that include people throughout their growing organization. *"Our store managers are the only ones who know when the onions get delivered, for example,"* Biro says, *"so they enter that bill into the system."*

Those swimming twins led Biro to a second franchise concept. *"I'm proud of our food at Five Guys,"* Biro said. *"It's all fresh - we don't even have freezers - and cooked from scratch. But a burger and French fries are still an indulgence. Now that franchising's my full time endeavor, I wanted to find a concept that my kids would like, something with a healthy twist on a familiar original."*

About a year ago, Biro read a newspaper article about Naked Pizza, a carry out business started in New Orleans in 2006 by an evolutionary anthropologist and a real estate investor who wanted to prove that pizza made with all natural ingredients could taste good. They were joined by a branding expert - who wisely changed the name from World's Healthiest Pizza to Naked Pizza - and started franchising. Biro brought together another group of investors, called this business Third Slice LLC and signed on to build 50 Naked Pizzas in Massachusetts and New Hampshire. Bill.com will be a prime ingredient there, too, right along with the whole grain crust, hormone-free meats and premium vegetables.

"We're opening our first Naked Pizzas in Brighton and Brookline, in eastern Massachusetts, but when we're finished, our stores will run from Cape Cod to the Canadian border," Biro said. *"Bill.com will travel right along with us."*

