

In the Zone with MWEB Entrepreneur: The Steers story

Steers is one of the best known and most successful quick-service restaurant brands in South Africa, with a noteworthy presence in a highly competitive fast-food market. But where does its story begin?

Their popularity and success centres on providing a range of flame grilled and value-for-money hamburgers to the consumer, while offering prospective franchisees the opportunity to be part of a lucrative franchise through its holding company, Famous Brands.



Where does the story of Steers start?



The history of the company revolves around the Halamandaris family, whose family members are still part of the executive team today, with extensive experience in the food and franchising industries.

Steers founder, George Halamandaris had a vision to create a successful family run business and the idea for Steers originated while he was on holiday in the United States where he came across

innovative food industry concepts and ideas. He decided to bring these new food industry methods to South Africa, which was the starting point for the creation of a brand that would grow from strength to strength.

Uncle George, as he was affectionately known, created the original Milky Lane ice cream parlours, followed in quick succession by the first South African steakhouse (the Rosebank Golden Spur), the Seven Steers steakhouse in Highlands North and the Black Steer in Yeoville in the early 1960s. He was also one of the first entrepreneurs to bring the franchising concept to South Africa.



After Uncle George died in 1984, leadership of the chain passed to his nephews Peter, Theo and their brother, Perry, as well as to Uncle George's youngest son, John. The three brothers had all been operating their own franchises and John was operating the manufacturing business, supplying Steers outlets and other retailers. Together, they re-engineered the brand and actively sought new franchisees. The early 1980s saw the opening of Steers in Sandton City, which attracted interest from would-be franchisees, and this encouraged the team behind Steers to launch their franchise programme.

There seemed to be no shortage of prospective franchisees wanting to buy into their franchise model, and more than 15 Steers outlets had opened within two years, with this number growing to 250 stores 10 years later.

By the end of the 1990s, Steers started expanding beyond South Africa, and outlets opened in Swaziland, Botswana, Zimbabwe, Kenya, Mauritius, Zambia, Tanzania and Ivory Coast. The name Steers evolved over the years too, starting with Golden Spur, then changing to Seven Steer, followed by Branded Steer and Longhorn Steer, before becoming Steers.

Steers Holdings listed on the Johannesburg Stock Exchange in November 1994, and in 2001 changed its name to Famous Brands. This reflected the diversity of the Famous Brands group portfolio, although Steers remained the icon brand within the group.

The brand has continued to prosper and currently has over 546 Steers restaurants worldwide. By attracting new consumers as well as increasing the consumption frequency of existing customers, Steers succeeded in reaching their target of double-digit system-wide sales growth in 2012.

Innovating to suit customer needs



The Steers burger range is dominated by 100% pure beef burgers, and all food is freshly prepared in each restaurant. Steers supplies the core hamburger ingredients, including buns, patties, and sauces, to all its franchisees through Famous Brand Services and approved suppliers. To keep their brand innovative and to cater for a variety of customer needs, Steers extended their range to include breakfast burgers, flame-grilled beef and chicken burgers, as well as vegetarian and Halaal options.

Maintaining a unique and current brand image is important and Steers has gone through various phases over the years, from a cowboy theme in the 1960s, to the introduction of bright orange and purple in the 1980s. The brand has evolved throughout the years, and the current new look has shifted focus back to their core product, which is their burgers. To signify this shift, their slogan changed from 'Real food, made real good' to simply, 'Real Burgers'.

Steers is 100% franchised, as they believe that franchised stores are more successful. Val Bourdos, Steers managing executive says, "It's the best formula because we could never run the stores as well as franchisees do. An owner operator looks after their investment. Unlike in the corporate world, you can't just send out an instruction, you actually have to convince the franchisee of a new plan. They have invested their money in the business, so their commitment is far greater."



The philosophy at Steers is that a profitable and happy franchisee makes a profitable and happy franchisor, and the strength of Steers' growth can be attributed to its franchising model. Their franchising formula is ideal for someone who wants a business opportunity and allows entrepreneurs to invest in a business when they can't do it alone.

Extensive training

Quotes from Famous Brands 2012 Annual Report:

"Our franchisees are our #1 customer and we must unshakably offer them a business model that works."

"We must be consumer driven – always affordable, available and accessible."

"South Africa and rest of Africa are our #1 priority trading markets."

To ensure that all Steers franchises are operated in the same manner, franchisees and their staff undergo an intensive one-month training programme through the Famous Brands training institute, which includes food preparation and presentation procedures, customer relations, marketing, business and financial management. Owners are encouraged to manage their franchises, and according to Famous Brands Non-executive Chairman Peter Halamandaris, "owner-managed businesses always perform better than businesses with a passive or absent investor. It's about the quality an owner will expect from his staff and business, and the quality he will pass on to his clients."

When the quick-service restaurant industry diversified and competitors began specialising in similar segments of the Steers menu by also offering chicken, ribs and breakfasts, Steers chose to continue their focus on the core product which had made them stand out from the beginning: their flame-grilled burgers. Newly-built Steers franchises feature exposed kitchens, which allow customers to watch their food being grilled. This creates transparency as well as allowing for more interaction with staff. The aim of this feature is for customers to see what's happening 'behind the scenes' and become part of that experience, while allowing Steers to make the most of the theatre and drama of flame grilling.

New on the menu today...

To stay competitive and in tune with customer needs, the Steers menu has to remain innovative with its offerings, and they operate various promotions including their well-known 'Wacky Wednesday'. To broaden their customer base, they actively target the children's market (three to eight year olds) with their Steers Brat Pack meal, which offers a specially packaged, single serving child's meal, and a gift to go with it.

Steers identified a lucrative gap in the 12 to 18-year-old age group market, and to target this market they released a series of catchy adverts for their 'Hoohah' campaign. This 'teens and young adults' group is a large market, which has gained global attention as a prime marketing target. This group is often bombarded with the latest trends in fashion, entertainment and technology, and interaction with this sector demands a relevant message and a unique offering geared to the group's particular likes and trends.

Another development in the brand's stable of restaurant concepts is the Steers Diner. In an agreement between Steers and Shell, the Steers Diner offers a take away option, or a fully serviced seating area for sit-down meals at selected Shell garages which are strategically allocated along several major driving routes around South Africa. There are currently 31 Shell Ultra City sites in South Africa, of which 29 of them have Steers Diner Restaurants on site.

Staying innovative, in 2012, the first 24-hour new-look Steers drive-thru was launched in Krugersdorp. This new concept drive-thru allows customers to watch their burgers being flame-grilled without customers having to leave the comfort of their cars.



unique selling proposition.

Steers YouTube videos:

To resonate with their youthful target audience, Steers and advertising agency TBWA\Hunt\Lascaris, released a series of catchy adverts for their 'Hoohah' campaign.

FAST FACTS

- The current number of Steers restaurants is 546, made up of 503 in South Africa, and 43 international outlets, and there is continued expansion on the cards.
- Steers Holdings was listed on the Johannesburg Stock Exchange in 1994.
- In 2001 Steers Holdings changed its name to Famous Brands.
- In 2012 Famous Brands was awarded first place in the Financial Mail Top Companies awards.
- The first UK branch of Steers opened in Clapham, London, on 6 July 2013.



Steers has combined the guidance of a strong and highly experienced leadership team, with a popular franchising model to become the South African fast food franchise success story it is today. The Steers vision of creating and offering customers the perfect burger has made it successful over the years, and by mastering the art of consistency and staying true to their distinctive flame-grilled taste, and the unique seasoning on their hand cut chips, they've been able to maintain their

Local comedians Riaad Moosa and Joey Rasdien appear in a comedic situation for the Steers 'Boykies' ice-cream advert.

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