

One of the Chesa Nyama branches will soon be gracing the streets of the US in the form of a sit-down restaurant in Nashville.



Local braai brand heads to the US

IT ALL began in 2012. This was when Stelio and Praxia Nathanael identified a gap in the market for traditional flame-grilled meat in a fast food format.

"There was no other similar offer which included South African braai favourites," Stelio recalls. "American-style burgers and chicken were common, but to get prime A-grade meat cuts, the only option was steakhouses. For those that want quick service and value-for-money pricing, the braai offering was a big gap in the market."

And so began Chesa Nyama. The first store opened at Witwatersrand University in 2012 and enjoyed immediate popularity among the student market longing for the braai flavours of home. Yet this might not have been the case without the right branding.

"The Butchers Grill was actually our first store, but the name didn't really catch on," Stelios says. "We tapped into township culture for a name for braai that could readily become a household name and developed Chesa Nyama. Every store since then has been Chesa Nyama."

At first, because Chesa Nyama was not yet a recognised food franchise, it was challenging to negotiate with retail landlords. It was also hard to prove that the concept would bring customers, so it was difficult to get the brand into its preferred locations. But through hard work and refusing to give up, Stelio and Praxia can now demonstrate Chesa Nyama's popularity. Landlords recognise it as a food court asset, which makes it easier for the brand to negotiate and get the best sites.

Chesa Nyama, the fastest-growing franchise in South Africa, has signed an agreement that will see the country's favourite braai brand head to the US. Eugene Yiga spoke to co-founder Stelio Nathanael to find out more

"We learned to never give up the dream," Stelio says. "We are also constantly looking to innovate. For example, we recently decided to create our own chakalaka meal and call it Chesalaka. So we held a competition in our central kitchen for the staff to create their own recipes."

"We've 'taste-driven' the recipes ourselves and, with a bit of adjustment, we hit on a winning Chesalaka sauce that has gone into production. It just goes to show that innovation is in our blood."

From its beginning four years ago, the brand is now in over 320 locations across the country (primarily in Kwa-Zulu Natal, Eastern Cape, Mpumalanga, Limpopo and Gauteng). This makes it the fastest-growing franchise in South Africa.

"We are a proudly South African brand and are committed to building the rainbow nation," Stelio says. "We listened to South Africans and developed brands that satisfy and deliver exactly what they want culturally. We are not retrofitting a foreign menu to our nation; we are taking our nation's favourites and delivering them in everyday convenience. And besides that, our portions are already generously up-sized so we don't need to offer an up-size option to satisfy the South African appetite."

All the brands were previously housed under Gold Brand Franchising to Africa (Pty) Ltd. But to list the group on the JSE AltX, a holding company vehicle titled Gold Brands Investments Ltd was created to house the brands.

Currently, these brands include 1+1 Pizza (with an average of four to five new stores opening nationally a month); Pitaland (specialising in shawarmas and healthy Mediterranean food); Chicken Wild Wings (grilled or fried, with a few burger options thrown in for good measure); and Blacksteer (providing South Africans with meaty meals since 1963).

"Consumers love our brands," Stelio says, adding that Chesa Nyama was voted Best Fast Food Restaurant Brand for 2015 in the Restaurant Association of South Africa's (RASA) Rosetta Awards. "Chesa Nyama and Gold Brands are so successful because we offer all-round great value for money. All our brands under the Gold Brands umbrella are proven concepts. And we are the brands for the people."

But it's not just South African people. Blacksteer has interests in Zimbabwe, Israel, Indonesia and Mauritius, while Chesa Nyama has stores in neighbouring states including Namibia, Zambia, Zimbabwe, Swaziland and

Mozambique. And if all goes according to plan, there will also be Chesa Nyama in the US before the end of October this year.

Red Hornbill (Pty) Ltd (a South African-based industrial holding company with investments in property and the food sector) and The White Family Partnership (represented by Dr Ray White, a well-known businessman in the US) recently concluded an agreement that allows for the establishment of Chesa Nyama Holdings USA LLC in the US, with Gold Brands as a partner in the joint venture. The goal is to start with a sit-down restaurant in Nashville (Tennessee) and then franchise Chesa Nyama across the country if the concept is a success.

"As an African-American with a great love of Africa and having done so much work in and made investments in Africa, I love the South African braai culture and we are very excited to bring a brand such as Chesa Nyama to the US," White says. "It truly is a South African success story, due to its traditional menu and great value-for-money offer: Having grown from one store to 300 in just three years, it has become South Africa's best loved take-away. We hope for the same success in the US."

The capital investment to pay for the set-up costs will come



Co-founder Stelio Nathanael.

from Red Hornbill (who will hold 40 percent) and The White Family Partnership (who will hold the remaining 30 percent). Gold Brands Investments will hold 30 percent of the company and provide logistical support in developing the product lines, branding, menu, costing and strategic support.

Stelio says the company will also continue to identify franchisees and store locations in South Africa. And as they identify further new master licence operators for African countries, they will continue to expand into the continent too.

"South Africans are to be found in many countries these days and the increasing tourism into South Africa means South African concepts have markets outside our borders," he says. "We will consider all potential markets."

For more information, see www.chesanyama.co.za and www.goldbrands.co.za