

CASE STUDY:



# TEACHERS GUIDE

HOW A 17-YEAR OLD  
BUILT THE #1 RESTAURANT CHAIN  
IN THE WORLD\*  
THROUGH FRANCHISING



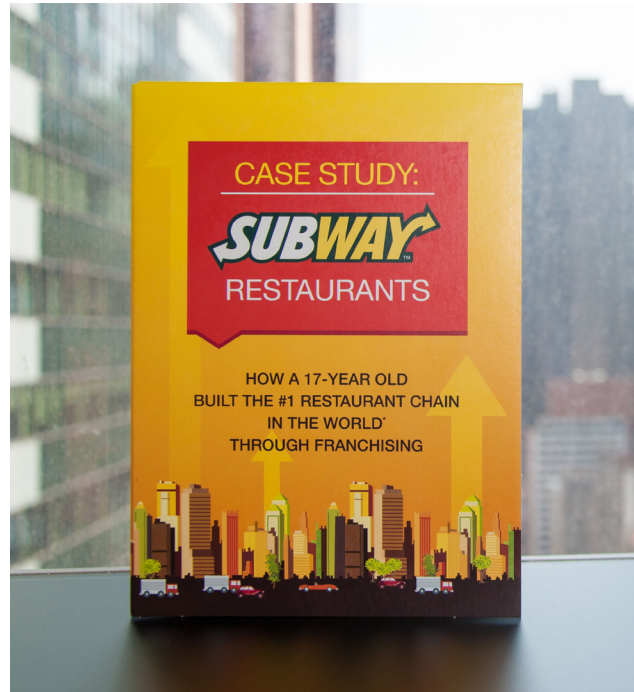
# Teachers Guide

The SUBWAY® Case Study is the first corporate documentary to explore a myriad of fundamental concepts critical to understanding business, entrepreneurship and franchising using SUBWAY® Restaurants, the largest restaurant chain in the world, as a case study.

Containing 60 interviews with the founding team at SUBWAY®, the “Sandwich Artists” and franchisees who run the business, and the C-level executives leading global growth, this documentary will enthrall, inspire and awaken students to new possibilities in their own lives and careers.

This guide is intended to be used in conjunction with the documentary and to provide supplementary instruction materials for professors so that it may be studied in sections, as a lesson plan.

Each chapter of the DVD and guide will act as a different instruction segment that can be used independently or in order.



*SUBWAY® Restaurnt Case Study DVD*



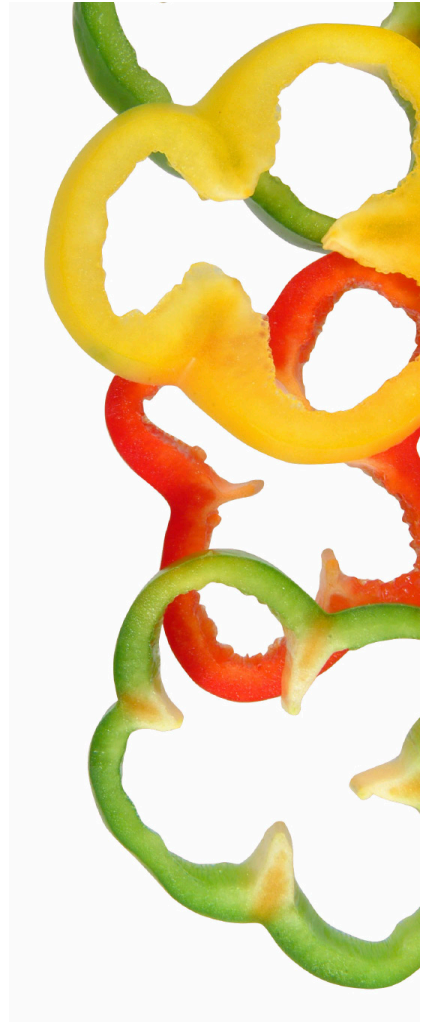
*\*SUBWAY® is the #1 restaurant chain in total restaurant count with more locations than anyone else in the Quick Service Restaurant (QSR) industry.*



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*Sandwich Artist™ is a registered trademark of Doctor's Associates, Inc.*



1968 The SUBWAY® name is used for the first time.

## CHAPTER 1

# What is Franchising?

Chapter 1 introduces the concept of franchising, explains the fundamental theories that govern the franchise business model, and shares the entrepreneurial history and current work of the International Franchise Association (IFA). This chapter also examines what it takes to become a franchisee and the benefits of venturing into franchising for younger entrepreneurs.

**View online at:** <http://www.youtube.com/watch?v=oZXx7fKM7Lg>

## Featured People

**Victoria Conte** - Media representative for Franchising Today, USA Today

**Scott Lehr** - Vice President of U.S. and International Development, IFA

**Nancy Weingartner** - Executive Editor, Franchise Times

## Key Concepts & Terms

**Franchising** - a long-term cooperative relationship between two entities—a franchisor and one or more franchisees—that is based on an agreement in which the franchisor grants the franchisee the right to do business using the franchisor's concept in return for a fee. This includes the right to use the franchisor's brand names and trademarks; production, service and marketing methods; and the entire business operation model. The franchisee provides the capital, time and desire and uses the brand, operating system and ongoing services provided by the franchisor to build a franchised business.

**Franchisor** - The company that owns and controls the rights to grant franchises to potential franchisees

**Franchise Disclosure Document (FDD)** - A legal document required by the Federal Trade Commission (FTC) that must be provided by the franchisor to the potential franchisee at least 14 days before any agreement of sale is signed or finalized. This document is intended to provide prospective franchisees with enough information to help them make an educated decision about buying the franchise.

**International Franchise Association (IFA)** - The oldest and largest global franchising organization, the IFA is a nonprofit trade association that was launched more than 50 years ago to promote ethical operating standards and encourage the growth of the nascent franchise industry. Its mission is to promote, protect and enhance franchising by establishing and monitoring best practices to enforce uniformity and fairness within the franchising industry. The IFA currently represents more than 1,300 franchise systems and over 10,000 franchisees.

**Point-of-Sale System (POS)** – A system typically used in restaurants and hotels where a computer replaces a cash register. In addition to recording transactions, a POS accepts debit and credit card data, usually with a barcode, and can track inventory and record employee hours.



## Questions for Discussion

1. What are some of the differences between owning a franchise and starting your own business?
2. What are some of the similarities?
3. What is the purpose of signing a Franchise Disclosure Document?
4. What business skills are most important to a potential franchisee's success and why?
5. Why is franchising a viable career option for young people?
6. What are some of the benefits of the IFA's involvement with franchisees and franchisors?

## External Resources

For more information about franchising and a free course in franchise basics, visit the IFA at [www.franchise.org](http://www.franchise.org)

For an interactive database of franchise advisors and suppliers that are committed to the franchise community and already know the inner workings of business format franchising, visit the Franchise Times Vendor Directory at

[www.franchisetimes.com/Vendor-Directory/index.php](http://www.franchisetimes.com/Vendor-Directory/index.php)

For an index of business opportunities, visit Entrepreneur.com at [www.entrepreneur.com/bizopportunities/index.html](http://www.entrepreneur.com/bizopportunities/index.html)

For the IFA's in-depth academic guide An Introduction to Franchising, visit [www.franchise.org/uploadedFiles/Franchise\\_Industry/Resources/Education\\_Foundation/Intro%20to%20Franchising%20Student%20Guide.pdf](http://www.franchise.org/uploadedFiles/Franchise_Industry/Resources/Education_Foundation/Intro%20to%20Franchising%20Student%20Guide.pdf)



## 1974 - FAST FORWARD TO FRANCHISING

*DeLuca and Buck decide that franchising is the best way to kick-start the chain's growth. The first franchised SUBWAY® restaurant opens in Wallingford, Connecticut.*



## CHAPTER 2

# The SUBWAY® Story

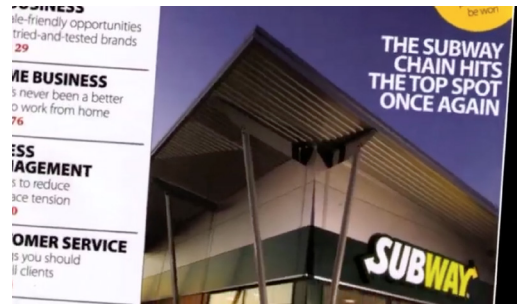
Chapter 2 provides a history of the SUBWAY® restaurant chain started in 1965 by then-17-year-old Fred DeLuca who, in order to earn money for college, took a \$1,000 loan and opened a submarine sandwich shop that eventually grew into the number-one restaurant chain in the world. This chapter also provides a glimpse into the foundations of SUBWAY® as a company and the events that led to its global success.

### View online at:

<http://www.youtube.com/watch?v=APzOv2jyIY8>



*Fred DeLuca*



*The SUBWAY® Franchise Grows*

## Featured People

**Fred DeLuca** – President and Co-Founder, SUBWAY® Restaurants

**Dr. Peter Buck** - Co-Founder, SUBWAY® Restaurants

**Elizabeth DeLuca** - “First Lady” of SUBWAY®

**Suzanne Greco** – Vice President Research and Development, SUBWAY® Restaurants

**Richard Pilchen** - Profit Building Consultant, SUBWAY® Restaurants

**Don Fertman** - Chief Development Officer, SUBWAY® Restaurants

## Key Concepts & Terms

**Fred DeLuca** - Frederick “Fred” DeLuca is an American businessman who is best known as the co-founder of the SUBWAY® franchise. DeLuca is an alumnus of the University of Bridgeport and Central High School in Bridgeport, Connecticut.

**Food Service Industry** - This industry includes restaurants, hospital and school cafeterias, catering companies and various other businesses, institutions and companies responsible for any meal prepared outside the home.

**Quick-Service Restaurant Business** – A quick-service restaurant (sometimes known as a QSR or fast-food restaurant) is a specific type of restaurant characterized by both fast-food cuisine and minimal table service. QSRs are typically part of a restaurant chain or franchise operation, which provisions standardized ingredients and supplies to each restaurant through controlled supply channels.

**Vendor** - A person or company offering something for sale.



## Questions for Discussion

1. What is so unique about the SUBWAY® story?
2. What ingredients did Fred DeLuca have to make his business so successful?
3. DeLuca borrowed \$1,000 from a neighbor to start SUBWAY®. What are some methods entrepreneurs today commonly use to fund startup businesses?
4. How did the marketing methods used by Pilchen and Fertman contribute to the early growth of SUBWAY®?
5. How did DeLuca keep going even when he didn't have the money to grow? Could that strategy of vendor management work today?
6. Do you think DeLuca could have succeeded in another business?
7. What other businesses that you know of have had similar startup stories?

## External Resources

For a SUBWAY® history timeline, visit  
[www.subway.com/subwayroot/about\\_us/timeline/default.aspx](http://www.subway.com/subwayroot/about_us/timeline/default.aspx)

For a complete listing of each of the countries in which SUBWAY® operates, visit  
[www.subway.com/subwayroot/exploreourworld.aspx](http://www.subway.com/subwayroot/exploreourworld.aspx)

For information on opening your own SUBWAY® franchise, visit  
[www.subway.com/subwayroot/own\\_a\\_franchise/default.aspx](http://www.subway.com/subwayroot/own_a_franchise/default.aspx)

### 1966 THE DREAM TEAM

*Partners DeLuca and Buck form Doctor's Associates Inc. The name is derived from Dr. Buck, who holds a Ph.D., and the fact that DeLuca hoped to earn enough money in the sandwich business to pay his college tuition and eventually become a doctor.*



## CHAPTER 3

# Becoming the Largest Restaurant Franchise

Chapter 3 reviews the early growth and subsequent explosive success of SUBWAY®. It emphasizes the importance of the company's goals and communications that allow it to provide high quality standards both at headquarters and globally. This chapter focuses on the franchising strategy SUBWAY® employs and how they develop the individuals working within their company and extending opportunity worldwide.

### View online at:

<http://www.youtube.com/watch?v=u5LL597qa4s>



*Celebrating 500 Stores*



*Celebrating 2400 Stores*

## Featured People

**Fred DeLuca** – President and Co-Founder, SUBWAY® Restaurants

**Steve Lawrence** - Technology Product Manager, SUBWAY® Restaurants

**Joe Chaves** - Chief Operations Officer, SUBWAY® Restaurants

**Elisabeth Medaris** - Manager, e-Learning, SUBWAY® Restaurants

**Don Fertman** - Chief Development Officer, SUBWAY® Restaurants

**Robert Wilker** - Director, Profit Building and Local Marketing, SUBWAY® Restaurants

**Linda Rizzo** - Director, Franchise Services, SUBWAY® Restaurants

**Ralph Piselli** - Franchise Sales Manager, SUBWAY® Restaurants

**Murad Fazal** – SUBWAY® Franchisee, Illinois

**George Estep** – SUBWAY® Multi-Unit Franchisee, Indiana

**Rebecca Petterson** - Development Agent, Denmark

**Gur Gal** - Development Agent, Israel

## Key Concepts & Terms

**Profit** - The positive gain from an investment or business operation after subtracting for all of the expenses that running the business costs. Profit is the opposite of loss.

**Store Growth** - A figure used to determine what amount of sales growth is attributable to new store openings, based on sales made by stores that have been open for longer than one year (*continued*)





**Mom and Pop Shop** - A term for a small, independent, and often family-owned business. The “shop” could be any type of business, such as an auto repair garage, bookstore or restaurant.

**Development Agent** - A Development Agent (DA) is a local, on-site representative of the SUBWAY® concept. A DA is a franchisee’s primary contact in a given local area and will be able to provide local support not only throughout the application process but continually as the restaurant is operated.

## Questions for Discussion

1. What factors enabled SUBWAY® to become the world’s biggest restaurant franchise?
2. Why aren’t there many other franchise companies that have scaled this large?
3. To what degree does promotion affect the success of the brand? To what degree does the quality of the product affect success?
4. SUBWAY® has been able to fund its own growth through cash flow. How common or difficult is that?
5. Could SUBWAY® have become the world’s largest restaurant chain without franchising?
6. Many chains are company owned. What are the pros and cons of being company owned vs. franchised? Can expansion happen as rapidly without franchising?
7. How big a factor was depending on other people’s money (OPM) in the growth of SUBWAY®?

## External Resources

For an explanation of how and why franchises go global, visit [www.franchising.com/howtofranchiseguide/how\\_a\\_franchise\\_goes\\_global.html](http://www.franchising.com/howtofranchiseguide/how_a_franchise_goes_global.html)

For an in-depth look at the ties between franchising and entrepreneurship, visit [www.forbes.com/sites/actiontrumpseverything/2012/09/19/franchisees-are-entrepreneurs-let-the-debate-begin/](http://www.forbes.com/sites/actiontrumpseverything/2012/09/19/franchisees-are-entrepreneurs-let-the-debate-begin/)

For a look at the SUBWAY® Global Challenge simulation’s promise as a franchise tool, visit <http://www.qsrmagazine.com/exclusives/subway-s-virtual-reality>

### 1981 PICKING UP SPEED

*The development of the SUBWAY® chain picks up,  
with the 200th restaurant opening  
in Renton, Washington.*



## CHAPTER 4

# How the System Works

Chapter 4 provides an overview of the corporate structure of SUBWAY®, Fred DeLuca's leadership, and how the corporate headquarters assists SUBWAY® franchisees all over the world. It provides a description of each department at SUBWAY® corporate headquarters and highlights the duties of those who play key roles in the company's evolution. This chapter also introduces SUBWAY® University and how it trains and develops employees potential worldwide.

**View online at:** <http://www.youtube.com/watch?v=DUpNJS1vgSgA4>

## Featured People

**Don Fertman** – Chief Development Officer, SUBWAY® Restaurants

**Joe Chaves** - Chief Operations Officer, SUBWAY® Restaurants

**Elizabeth Rolfe** - Director, New Business Development, SUBWAY® Restaurants

**Duane Thomas** – Restaurant Manager, New York

**Suzanne Greco** – Vice President, Research and Development, SUBWAY® Restaurants

**Thys Van Hout** - Chief Technology Officer, SUBWAY® Restaurants

**Raghu Marwaha** - Development Agent, California

**Rohit Marwaha** - Development Agent, California

**Elisabeth Medaris** - Manager, e-Learning, SUBWAY® Restaurants

**Kaloni Arcidiacono** - Trainer, Worldwide Training, SUBWAY® Restaurants

**Len Axelrod** - Director, Legal, SUBWAY® Restaurants

**Janet Gschliesser** - Director, Legal Compliance, SUBWAY® Restaurants

**Brian Marino** - Regional Director, Latin American and Caribbean SUBWAY® Restaurants

**Fernando Kohler** - Operations Manager, Latin America and Caribbean SUBWAY® Restaurants

**Jan Risi** - President and CEO, Independent Purchasing Cooperative (IPC)

**Dennis Clabby** - Vice President, Independent Purchasing Cooperative (IPC)

**Paul Armour** - SUBWAY® Multi-Unit Owner, Washington

**Rebecca Pettersson** - Development Agent, Denmark

**Paul Landino** - Development Agent, Connecticut

**Mike Weber** - Field Consultant, Wisconsin

**Emmanuel Toubreau** – SUBWAY® Franchisee, France



## Key Concepts & Terms

**Operations** - A company's operations segment is the unit that manages and supports the company. It is often referred to as the "back office" because these employees take care of all of the background activities that keep a company running efficiently. Operations employees typically don't come into direct contact with customers, although they are responsible for helping to ensure that customers receive the product or service that the company promises.

**Chief Development Officer** - A high-ranking position alongside the CEO. The Chief Development Officer is expected to have a broad and comprehensive knowledge of all matters related to the business of the organization, with a focus on identifying new sales prospects and driving business growth and requirements for product development.

**New Business Development** – Business development teams help find and manage new growth opportunities by seeking new partnerships, new customers and new markets. Subway's new business development department focuses on bringing new franchisees into the SUBWAY® system and overseeing every aspect of developing new business, including seeking out unique locations, such as airports, colleges and universities, stadiums and arenas, in which to open SUBWAY® stores.

**Research and Development Department** - Research and development (sometimes called R&D) departments research and develop new products for a business.

**Legal Department** – A business's legal department is responsible for ensuring that the company complies with local, regional, national and international laws, customs and ordinances.

**Regional Director** - A middle manager that is responsible for an employer's business operations within a specific area or location

**Supply Chain** – The network of people, companies, activities, information and resources involved in moving a product or service from a supplier to a customer

## Questions for Discussion

1. What is the relationship between the SUBWAY® corporate headquarters and the field staff, and what makes it successful?
2. How does SUBWAY® corporate headquarters ensure quality on the ground in the individual stores around the world?
3. How does SUBWAY® manage to run such a robust operation globally out of one central location in Milford, Connecticut?
4. Would SUBWAY® have been able to expand as rapidly without its extensive field staff?
5. How have the methods of communication used throughout the SUBWAY® franchise system evolved over the years?
6. How important is the Development Agent system to the growth and success of SUBWAY®?



## External Resources

For an examination of “The SUBWAY® Effect,” visit [www.qsrmagazine.com/executive-insights/subway-effect](http://www.qsrmagazine.com/executive-insights/subway-effect)

For a look at how SUBWAY® stays ahead of the game, visit [www.sbnonline.com/2013/01/how-larry-feldman-keeps-subway-ahead-of-competitors/](http://www.sbnonline.com/2013/01/how-larry-feldman-keeps-subway-ahead-of-competitors/)

For a discussion of why franchising can be a good option for young adults, visit [www.allbusiness.com/franchises/buying-a-franchise/12603527-1.html](http://www.allbusiness.com/franchises/buying-a-franchise/12603527-1.html)



### 1983 FRESH OUT OF THE OVEN

*SUBWAY® restaurants introduce freshly baked bread at U.S. locations. People begin to notice the remarkable growth of the chain since the first shop opened, with Entrepreneur Magazine® ranking SUBWAY® restaurants “Number One” in the sub sandwich category for the first time.*



## CHAPTER 5

# Sandwich Artist™

Chapter 5 describes the role of a Sandwich Artist™ at SUBWAY® and how this position can lead to further opportunities within the company. It focuses on how an entry-level position at SUBWAY® often evolves into in-depth company involvement. Further, the chapter explains the coursework required to be a Sandwich Artist™ and emphasizes that as an employee for SUBWAY®, there is always room to learn more and expand your educational and financial horizons.

### View online at:

<http://www.youtube.com/watch?v=60-Nd7tIO3M>



*SUBWAY® Sandwich Artist™*



*A SUBWAY® Sandwich*

## Featured People

**Don Fertman** – Chief Development Officer,  
SUBWAY® Restaurants

**Paul Armour** - SUBWAY® Multi-Unit Owner, Washington

**Sherri Easley** - Restaurant Manager, Alabama

**Byron Shea** - Sandwich Artist, Arizona

**Steve Lawrence** – Technology Product Manager, SUBWAY® Restaurants

**Jessi Leigh Polk** - Sandwich Artist, Florida

**Efrain Lozada** - Store Manager, Florida

**Murad Fazal** – SUBWAY® Franchisee, Illinois

## Key Concepts & Terms

**Sandwich Artist™** - As the first people SUBWAY® customers come in contact with, the Sandwich Artists™ who make the sandwiches play a crucial role in the SUBWAY® brand. Their job requires multitasking, interacting with customers and training other Sandwich Artists™.

**Customer Service** – The service provided to customers before, during and after their purchase

**University of SUBWAY®** – The SUBWAY® training course for Sandwich Artists™ includes both on-site and online training. Each new hire must take 16 required courses online before beginning on-site training.

*Sandwich Artist™ is a registered trademark of Doctor's Associates, Inc.*





## Questions for Discussion

1. How critical are Sandwich Artists™ to the success of SUBWAY®?
2. What distinguishes them from employees with similar roles in other companies?
3. How is the experience in a SUBWAY® store different than others?
4. Are there opportunities for Sandwich Artists™ to grow in the company?
5. How important and challenging is consistency among Sandwich Artists™?
6. Why does SUBWAY® call them “Sandwich Artists™” instead of employees or sandwich makers?
7. How is working for a franchisee as a Sandwich Artist™ different than working in a company-owned store?

## External Resources

For an in-depth look at the roles and responsibilities of a Sandwich Artist™, visit [www.mysubwaycareer.com/home/jobdescriptions?clt=en-us](http://www.mysubwaycareer.com/home/jobdescriptions?clt=en-us)

For a look at how the Chief Development Officer of SUBWAY®, Don Fertman, learned the art of sandwich making the hard way, visit [www.dailyfinance.com/2010/11/22/undercover-boss-learns-sandwich-making-the-hard-way/](http://www.dailyfinance.com/2010/11/22/undercover-boss-learns-sandwich-making-the-hard-way/)

### 1985 WHITE OR WHEAT?

*The SUBWAY® restaurant chain celebrates the opening of the 500th unit, and the opening of the first restaurant in Puerto Rico. Steak and Cheese and wheat bread are added to the menu.*



## CHAPTER 6

# Franchisees: Owning Stores

Chapter 6 focuses on what it really takes to become a SUBWAY® franchisee. It explains the relationship between the franchisee and franchisor and the importance of the operations manual and franchise agreement in starting your own SUBWAY® Franchise. It also explains the need for an entrepreneurial spirit in the franchising arena and how a wide range of people are attracted to the SUBWAY® business model because store operations are simple and franchisees receive ongoing guidance and support.

### View online at:

<http://www.youtube.com/watch?v=qf97eKDdTPM>



1965 one of SUBWAY'S™ first stores.



An early SUBWAY® Store

## Featured People

**Don Fertman** - Chief Development Officer, SUBWAY® Restaurants

**Joe Chaves** – Chief Operations Officer, SUBWAY® Restaurants

**Murad Fazal** – SUBWAY® Franchisee

**Paul Landino** - Development Agent, Connecticut

**Mike Weber** - Field Consultant, Wisconsin

**Raghu Marwaha** – Development Agent, California

**Rohit Marwaha** – Development Agent, California

**George Estep** – SUBWAY® Multi-Unit Owner, Indiana

## Key Concepts & Terms

**Development Agents** – SUBWAY® development agents work to find franchisees and assess their business background and experience to determine their potential for success.

**Franchise Agreement** - The legal document that governs the relationship between the franchisor and the franchisee for a specified period of time.

**Ease of Operations** – SUBWAY® benefits from ease of operations. With no fryer or grill to operate, a limited menu and no table service, the restaurant system is simple for franchisees to learn and operate. *(continued)*

**Operations Manual** - The detailed document that describes every item of a business' systems and work procedures. The operations manual is closely linked with experience and training elements and should act as the franchisee's personal one-stop "owner's guide" to every aspect of running the business.

**Growth Opportunities** – Franchising offers many growth opportunities for motivated franchisees to expand from owning an initial store to multi-unit ownership.

**Multi-Unit Ownership** - Multi-unit franchising creates the opportunity for the franchisee to open more than one unit. In this type of operation, the franchisee partakes less in the day-to-day operations of the unit. Instead, the franchisee manages all the locations at a higher level. Usually the franchisee will hire managers and staff for each location to perform the daily operations.

**Troubleshooting** – A process for logically and systematically pinpointing the cause of a problem in a product or process, then arriving at a solution to remedy the problem

**Operations Services/Field Operations** – The responsibilities of the SUBWAY® operations department are divided between two divisions: Operations Services, which provides support for franchisees and their staff, and Field Operations, which provides support for Development Agents and Field Consultants

## Questions for Discussion

1. What are the characteristics that make a successful franchisee?
2. How important is it for a franchisee to be an entrepreneur? How much of an entrepreneur?
3. Why do franchised stores typically outperform company-owned stores?
4. How has SUBWAY® created opportunities for multi-unit ownership?
5. What are the benefits of multi-unit ownership to the franchisee and the franchisor?
6. How important are manuals, training and following the system in making franchisees successful?

## External Resources

For information on entering into a franchise agreement, visit  
[www.msba.org/departments/commpubl/publications/brochures/franchise.asp](http://www.msba.org/departments/commpubl/publications/brochures/franchise.asp)

For resources from the SUBWAY® development group, visit  
<http://subwaydevelopmentgroup.com/>

For the top 10 reasons to buy a franchise, visit  
<http://franchises.about.com/od/franchisebasics/tp/reasons-to-buy-franchise.htm>

### 1984 EXPANDING OVERSEAS

*The chain ventures into the international arena and opens in the Middle Eastern nation of Bahrain. Party Platters and the SUBWAY® Club sandwich are introduced.*



## CHAPTER 7

# The SUBWAY® Family

**Chapter 7** provides a closer look at the SUBWAY® brand's popularity as a family business and the family-focused culture of the company. It introduces four families whose members own SUBWAY® franchises and reveals how the franchisor's focus on family helps strengthen both individual stores and the company as a whole. Chapter 7 also examines the appeal of the SUBWAY® business model to minorities and immigrants, and discusses how the next generation of franchisees is influencing the future of SUBWAY®.

### View online at:

<http://www.youtube.com/watch?v=PgcNN98a4NE>



*A second-generation franchisee*

## Featured People

**Fred DeLuca** – President and Co-Founder, SUBWAY® Restaurants

**Curt Dipasqua** - Development Agent, Florida

**Raghu Marhawa** - Development Agent, California

**Ali Saifi** - Development Agent, South Carolina

**Gypsy Saifi** - SUBWAY® Franchisee, South Carolina

**Taylor Saifi** - Local Marketing Director, SUBWAY® Development of South Dakota

**Joe Nonnamaker** - Development Agent, Pennsylvania

**Wayne Nonnamaker** - Development Agent, Pennsylvania

**Will Nonnamaker** - Development Agent, Pennsylvania

**Rohit Marhawa** - Development Agent, California

## Key Concepts & Terms

**Family Business** – A business in which members of one or more families have significant ownership, which may or may not include working in the business on a day-to-day basis

**Diversity** – Embracing diversity means that a business welcomes employees of both sexes and all ages, races, ethnicities, religions, sexual orientations and national origins. Diversity gives a business many different perspectives, which can help it become more successful than companies that take a more homogenous approach.

**SUBWAY Culture** – Although SUBWAY® is a large multinational corporation, its culture doesn't feel corporate. Instead, the culture is close-knit, approachable and family-oriented.

**Second-Generation Franchisees** – Franchisees whose parents are or were also franchisees



## Questions for Discussion

1. How does SUBWAY® create an environment in which families can get so involved and thrive in the business?
2. What are the advantages to SUBWAY® of family business ownership? What are the disadvantages?
3. How important are the family orientation and multi-unit franchising opportunities SUBWAY® offers in helping to attract new franchisees?
4. How is the next generation of franchisees influencing family-owned SUBWAY® businesses?

## External Resources

For a peek into the SUBWAY® community, visit  
[www.subway.com/subwayroot/about\\_us/Social\\_Responsibility/OurPeopleOurCommunities.aspx](http://www.subway.com/subwayroot/about_us/Social_Responsibility/OurPeopleOurCommunities.aspx)

For a look at some families who own and operate franchises together, visit  
[www.franchisesolutions.com/franchise-success-stories/family-owned-franchises.cfm](http://www.franchisesolutions.com/franchise-success-stories/family-owned-franchises.cfm)

For a look at second-generation franchisees, visit  
[www.thefreelibrary.com/Second-generation+franchisees%3A+franchises+run+by+the+next+generation...-a0118417085](http://www.thefreelibrary.com/Second-generation+franchisees%3A+franchises+run+by+the+next+generation...-a0118417085)



### 1988 200th SUBWAY® RESTAURANT

*The Cold Cut Combo is introduced and the chain's 2,000th location opens. Entrepreneur Magazine® lists the chain as the number one franchise opportunity for the first time in their annual Franchise 500 ranking.*

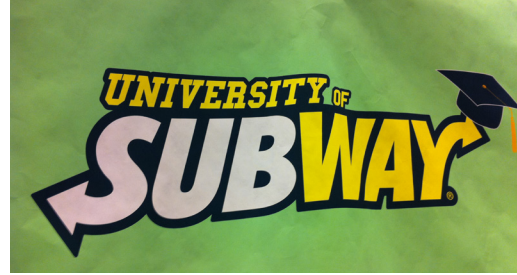




## CHAPTER 8

# Training & Development

Chapter 8 provides insight into how employees at SUBWAY® are trained and the importance of the role of the operations manual. The operations manual provides current information to the training centers worldwide for future franchisees. Training doesn't end there, however. There are many specialized courses that are provided and encouraged, especially when multi-unit ownership becomes an option. This chapter looks at the layers of management and organization that are needed to train and support more people with more education via the University of SUBWAY® and the annual SUBWAY® convention.



SUBWAY® University

**View online at:** [http://www.youtube.com/watch?v=dq8AF\\_Info0](http://www.youtube.com/watch?v=dq8AF_Info0)

## Featured People

**Murray Speirs** - Development Agent, United Kingdom

**Joe Chaves** – Chief Operations Officer, SUBWAY® Restaurants

**Elisabeth Medaris** – Manager, e-Learning, SUBWAY® Restaurants

**Kaloni Arcidiacono** – Trainer, Worldwide Training, SUBWAY® Restaurants

**Thorsten Huetterman** - Development Agent, Germany

**Duane Thomas** – Restaurant Manager, New York

**Don Fertman** - Chief Development Officer, SUBWAY® Restaurants

## Key Concepts & Terms

**Operations Manual** - The detailed document that describes every item of the business system and work procedures. The operations manual is closely linked with experience and training elements and should act as the franchisee's personal one-stop "owner's guide" to running the business.

**Living Document** – A document that is always changing as opposed to static. The SUBWAY® operations manual is kept online as well as in hard-copy format and is updated continually to make it a living document so that users can always go online to find the most current information about procedures and systems.

**Training Centers** – SUBWAY® training centers are located worldwide and provide training on a wide range of topics in several languages. *(continued)*



**Multi-Unit Ownership** - Multi-unit franchising creates the opportunity for the franchisee to open more than one unit. In this type of operation, the franchisee partakes less in the day-to-day operations of the unit. Instead, the franchisee manages all the locations at a higher level. Usually the franchisee will hire managers and staff for each location to perform the daily operations. **University of SUBWAY®** – The University of SUBWAY® provides free training online to enable SUBWAY® to reach more people at all levels of the SUBWAY® system, from Sandwich Artists™ to franchisees, all around the world.

**SUBWAY® Convention** – At this annual convention, everyone from Sandwich Artists™ to field consultants and vendors from around the world meet to network, share best practices and learn from each other.

**Best Practices** – The business procedures that are commonly agreed to be the correct or most effective based upon experience and results

**Multi-Platform Approach** – SUBWAY® uses all available platforms, from in-person instruction and networking to print manuals to online training courses, to provide support, training and career development for its employees and franchisees.

## Questions for Discussion

1. How are the SUBWAY® operations manual and training related?
2. What are the key advantages that training should offer?
3. How frequently should the training of franchisees be required?
4. How does the training required for multi-unit ownership differ from the training to operate a single unit?
5. What are the different ways people in the field are trained?
6. How is the business of training evolving with technology?

## External Resources

For an examination of the top traits successful franchise owners share, visit [www.entrepreneur.com/article/224016](http://www.entrepreneur.com/article/224016)

For stories of young adults operating their own franchises, visit [www.franchising.com/howtofranchiseguide/yes\\_franchising\\_is\\_for\\_the\\_young.html](http://www.franchising.com/howtofranchiseguide/yes_franchising_is_for_the_young.html)

For answers to frequently asked questions on how to become a SUBWAY franchisee, visit [www.subwaydevelopmentgroup.com/faq.html](http://www.subwaydevelopmentgroup.com/faq.html)



### 1997 7 UNDER 6™

*Centered around fresh, better-for-you sandwiches and salads, the brand introduces the 7 under 6™ menu, featuring seven sandwiches with 6 grams of fat or less.*

## CHAPTER 9

# International Expansion

Chapter 9 provides the history of how SUBWAY® has grown outside the United States. It offers a glimpse into the first international storefronts as well as how the opportunities for international expansion grew over the years. Brand recognition, a sharp learning curve and the ability to stay culturally relevant have allowed SUBWAY® to keep growing globally. Understanding the need for strategic planning and cultural adaptations is one key to global expansion for SUBWAY®.

**View online at:**

<http://www.youtube.com/watch?v=WJOEZGI50B8>



*International SUBWAY® Stores*

## Featured People

**Fred DeLuca** – President and Co-Founder, SUBWAY® Restaurants

**Richard Pilchen** – Profit Building Consultant, SUBWAY® Restaurants

**Maria Speirs** – Development Agent, United Kingdom

**Murray Speirs** - Development Agent, United Kingdom

**Karen Eidsvik** - Regional Director, Asia SUBWAY® Restaurants

**Joseph Tabet** - Regional Director, Middle East and Africa, SUBWAY® Restaurants

**Brian Marino** – Regional Director, Latin America and Caribbean SUBWAY® Restaurants

**Patricia Demarais** – Vice President, International SUBWAY® Restaurants

**Don Fertman** – Chief Development Officer, SUBWAY® Restaurants

**Brian Tap** - Regional Director, Australia and New Zealand, SUBWAY® Restaurants

**Irakli Kacharava** - SUBWAY® Franchisee, Russia

**Gur Gal** – Development Agent, Israel

**Fernando Kohler** – Operations Manager, Latin America and Caribbean SUBWAY® Restaurants

**Joe Chaves** – Chief Operations Officer, SUBWAY® Restaurants



## Key Concepts & Terms

**Expansion** – Businesses can expand by adding new products and services, by adding more units or by opening units in new markets. The difficulty of expansion is magnified when expanding internationally, because companies must become familiar with different laws, customs, customers, languages, supply chains and more. Businesses must carefully weigh the potential profits from international expansion against the expense.

**Low Density** – Low density means that a business has few units located far apart from each other. This creates inefficiencies in interaction, communication, supply chain management and more.

**Local Customs** – Companies expanding internationally must either adapt their product or service to fit local customs, educate the local market on the value of the product or service, or both. For instance, expansion to Singapore was challenging for SUBWAY® because at the time, sandwiches were an unfamiliar concept to Singapore's customer base.

**Language Barrier** – Expanding to countries where English is not spoken creates difficulties for U.S. businesses. There may also be language barriers within countries in which multiple languages are commonly spoken.

**Regional Directors** – Providing support on a local level is crucial to successful international expansion. SUBWAY® uses regional directors who are in charge of international regions, often with sub-regions under them.

**Cultural Relevance** – Successful international expansion requires a business to be culturally relevant to the countries where it is expanding by adhering to religious, national and cultural norms. For a restaurant, this can mean adapting menu items to each culture while keeping the basic product the same by introducing new flavors, spices and local dishes to the menu.

**Developing Country** – Developing countries (also called less-developed countries, or LDCs) are non-industrialized or have a smaller industrial base and a lower standard of living than Western nations. While there are some business opportunities in developing nations, companies considering expansion must carefully weigh the opportunities against the costs and determine whether there is a big enough customer base that can afford to purchase the product or service.

### 1987 GROWING, GROWING, GROWING

*Continuing to grow at a rapid rate,  
1,000 SUBWAY® restaurants are now open.  
This year, the chain opens its first locations in the  
state of Hawaii and in the Bahamas. Aloha!*



## Questions for Discussion

1. What is the motivation for companies to expand internationally?
2. What kind of research or due diligence should companies do before expanding internationally?
3. What are the potential pitfalls of international expansion?
4. How do franchisors consider and address differences in cultures, customs and mores in different countries?
5. How does SUBWAY® adapt its menu to suit different tastes and palates around the world?
6. How do religious differences impact menu offerings at SUBWAY®?
7. How important is brand recognition to international expansion?
8. Can you give examples of countries in which SUBWAY® might have difficulty expanding, and explain why?
9. How has SUBWAY® adapted and found success in your country?
10. In America, SUBWAY® is a low-cost dining option. How does this opinion differ around the world? Is SUBWAY® perceived as affordable or as a luxury in your country?
11. SUBWAY® is an American brand. Is that a positive or a negative in your country?

## External Resources

For a map of the countries where SUBWAY® currently operates, visit [www.subway.com/subwayroot/exploreourworld.aspx](http://www.subway.com/subwayroot/exploreourworld.aspx)

For an article on SUBWAY® becoming the world's largest restaurant chain, visit [money.msn.com/stock-broker-guided/article.aspx?post=54c8daba-4967-4140-9026-675d1595c289](http://money.msn.com/stock-broker-guided/article.aspx?post=54c8daba-4967-4140-9026-675d1595c289)

For a look at why franchising is going global, visit [http://www.franchising.com/howtofranchiseguide/why\\_franchising\\_is\\_going\\_global.html](http://www.franchising.com/howtofranchiseguide/why_franchising_is_going_global.html)





## CHAPTER 10

# Supply Chain, Farming & Logistics

Chapter 10 focuses on how SUBWAY® finds the raw materials to meet the demand for its global presence. Because there are tens of thousands of SUBWAY® locations around the world, there is a need for a huge volume of supplies. In particular, accommodating promotions has sometimes required building additional production facilities. This chapter provides a behind-the-scenes look at how SUBWAY® manages its supply chain and logistics, using vertical integration to oversee all aspects of the production process and ensure quality.



**View online at:** <http://www.youtube.com/watch?v=SRq-U1m2dwg>

## Featured People

**Dennis Clabby** - Vice President, Independent Purchasing Cooperative (IPC)

**Jan Risi** – President and CEO, Independent Purchasing Cooperative (IPC)

**Paul Armour** – SUBWAY® Multi-Unit Owner, Washington

## Key Concepts & Terms

**Raw Materials** – Raw materials are the basic materials used to make a product. In the case of SUBWAY®, raw materials include bread, meat, produce and other sandwich ingredients. Raw materials account for 50 to 80 percent or more of the cost of a product in the SUBWAY® system.

**Logistics** – Logistics is the management of the flow of resources from their point of origin to the point of consumption, and typically includes steps such as material handling, production, packaging, transportation, inventory and warehousing.

**Brick and Mortar** – Brick and mortar refers to a physical building or location. In business the phrase is used to distinguish a business with a location that customers visit (as opposed to a business, such as an ecommerce site, that customers never physically visit).

**\$5 Footlong** – One of the most successful SUBWAY® promotions, the \$5 Footlong idea came from a franchise in Florida. But before the promotion could be rolled out nationally, SUBWAY® had to conduct market tests to assess how increased demand caused by this promotion would affect its supply chain. For a large multinational franchise such as SUBWAY®, planning for a promotion on this scale can take up to a year to ensure adequate supply to meet demand. **Approved Vendor** – It is common for franchisors to require their franchisees to purchase materials, equipment and supplies only from vendors that have been approved by the franchisor. This helps ensure that consistent quality is maintained throughout a franchise system. *(continued)*

**Independent Purchasing Cooperative** – To standardize product quality throughout the SUBWAY® system, SUBWAY® created the Independent Purchasing Cooperative to handle all of the purchasing and negotiating for the SUBWAY® system. Because of its size, SUBWAY® enjoys economies of scale by negotiating with suppliers to provide the quality of raw materials it needs at a reasonable price.

**Vertical Integration** - Vertical integration means combining within one company two or more stages of production that would normally be handled by separate companies.

**Gold Standard** – The SUBWAY® Gold Standard is a specification that defines the quality and food safety requirements of each item to ensure consistent quality throughout the system.

## Questions for Discussion

1. What are some of the challenges inherent in distributing food to a chain with 40,000-plus units?
2. What are the most important components in establishing a strong supply chain?
3. How critical is the role of logistics?
4. What factors does a company the size of SUBWAY® need to consider when planning for promotions?
5. How would SUBWAY® manage to provide products to franchisees without the Independent Purchasing Cooperative?
6. How do companies the size of SUBWAY® ensure an adequate supply of key ingredients?
7. How does SUBWAY® ensure that its Gold Standard of product quality is maintained around the world?

## External Resources

To learn how the IPC streamlines the supply chain for SUBWAY® restaurants, visit [www.supplychainbrain.com/content/industry-verticals/food-beverage/single-article-page/article/ipc-streamlines-the-supply-chain-for-the-subway-restaurant-chain/](http://www.supplychainbrain.com/content/industry-verticals/food-beverage/single-article-page/article/ipc-streamlines-the-supply-chain-for-the-subway-restaurant-chain/)

For six key trends changing supply chain management, visit [www.hitachiconsulting.com/files/pdfRepository/WP\\_SCMTrends.pdf](http://www.hitachiconsulting.com/files/pdfRepository/WP_SCMTrends.pdf)

For a global view of supply chain management, visit <http://fisher.osu.edu/supplements/10/831/ABR%20Interview%20with%20Dr%20Lambert.pdf>

**2005....5 DOLLAR...5 DOLLAR FOOTLONG™!**

*The SUBWAY® brand introduces  
its long running \$5 Dollar Footlong™ promotion.  
The 30,000th SUBWAY® restaurant opens.*



## CHAPTER 11

# Sustainability & Global Citizenship

Chapter 11 explains how, as the biggest franchise in the world, SUBWAY® has a sense of responsibility toward the global community and toward the environment. This chapter explains how SUBWAY® takes environmental citizenship seriously by saving money for franchisees and how it works to protect the environment and eliminate waste within the system.



A SUBWAY® Eco-Store

**View online at:** <http://www.youtube.com/watch?v=8C6KvtE46UE>

## Featured People

**Tina Fitzgerald** - Acting Director of Corporate Social Responsibility and Produce, Independent Purchasing Cooperative (IPC)

**Suzanne Greco** – Vice President, Research and Development, SUBWAY® Restaurants

**Liz Stewart** - Director of Marketing and Corporate Social Responsibility, SUBWAY® Restaurants

**Brian Marino** – Regional Director, Latin America and Caribbean SUBWAY® Restaurants

## Key Concepts & Terms

**Environmental Citizenship** – The belief that we are all an integral part of our environment and that each person and each entity has a responsibility to act according to the public environmental good.

**Sustainability** – Sustainability has been defined in many ways, but generally refers to creating systems that have the capacity to sustain themselves both short-term and long-term while maintaining a balance between the environment, society and the economy.

**Water Based Ink** – an environmentally friendly form of ink

**Leadership in Energy and Environmental Design (LEED)** – Developed by the U.S. Green Building Council, LEED is a certification program that provides third-party verification that a building was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

**Philanthropy** – Donation of one's time, money or property to charitable causes.

## Questions for Discussion

1. What responsibilities do franchisees have in ensuring their chains are sustainable?
2. What are some areas in which simple changes can make a big difference, from the store level to a global impact?
3. Calculate the net impact of one small change in a local SUBWAY® store (such as changing to more energy-efficient light bulbs) if adopted across all 40,000-plus stores.
4. How does SUBWAY® comply with local regulations?
5. Reducing consumable waste has been a big focus for SUBWAY®. How much of an impact can these efforts really make?
6. How can giving back to the local community benefit both franchisees and the franchise system as a whole?

## External Resources

For more information on the U.S. Green Building Council and LEED, visit [www.usgbc.org/leed](http://www.usgbc.org/leed)

For more information about the value of a business going green, visit [www.earthshare.org/greening-business.html](http://www.earthshare.org/greening-business.html)

For more about how SUBWAY® prioritizes environmental responsibility, visit [www.kng.com/blog/food-and-beverage-news/subway-goes-green/](http://www.kng.com/blog/food-and-beverage-news/subway-goes-green/)



### 2007 GOING GREEN

*The first SUBWAY® Eco-Restaurant opens in Kissimmee, Florida to incorporate more environmentally responsible operations and to introduce the chain's Eat Fresh, Live Green™ initiative. Eco-elements include low-flow faucets, energy efficient equipment, and solar tubes for lighting. The SUBWAY® chain launches its Fresh Fit® and Fresh Fit for Kids™ meals.*



## CHAPTER 12

# Leading a Nutrition Revolution

Chapter 12 traces the competition and how SUBWAY® saw the opportunity to stand out from other fast-food restaurants by providing nutritious options for customers. Offering new sandwich varieties and expanding available sandwich topping options brought SUBWAY® great results. Continually offering new and healthy products is at the forefront of priorities for SUBWAY®. This chapter also profiles Jared Fogle and his involvement in the SUBWAY® weight-loss initiative, which brought the company global recognition.

**View online at:** <http://www.youtube.com/watch?v=Lgd2Eg46yck>

## Featured People

**Suzanne Greco** – Vice President, Research and Development, SUBWAY® Restaurants

**Lanette Kovachi** - Corporate Dietitian, SUBWAY® Restaurants

**Jared Fogle** - “The SUBWAY® Guy”

**Joe Nonnamaker** – Development Agent, Pennsylvania

**Tina Fitzgerald** – Acting Director of Corporate Social Responsibility and Produce, Independent Purchasing Cooperative (IPC)

**Ralph Piselli** – Franchise Sales Manager, SUBWAY® Restaurants

## Key Concepts & Terms

**Point of Difference** – A point of difference is a feature or benefit that consumers associate with a particular company or brand. Strong points of difference help a company distinguish itself from the competition. For SUBWAY®, providing healthy sandwiches that also taste good is a point of difference.

**Fresh Fit Sandwich** – A sandwich that meets the American Heart Association’s guidelines for a balanced, healthy diet: low in fat, saturated fat and cholesterol

**Jared Fogle** – “The SUBWAY® Guy” lost weight by reading the SUBWAY® nutritional guide and eating low-fat SUBWAY® sandwiches twice a day. In the process, he became an icon for healthy eating and realistic weight loss goals.

**Nutritional Guide** – A guide that lists nutritional information for food or menu items, such as calories, serving size, fat, sodium, carbohydrates and other nutritional components of the item

**Weight Loss Diet** – A diet plan that focuses on eating food in a regulated fashion with the goal of losing weight

**Kids’ Meals** – A quick-service combination meal that is designed for and marketed to children





## Questions for Discussion

1. What obligations does a restaurant chain have to promote good nutrition?
2. How can a restaurant make nutritious food attractive to its market?
3. Healthy, fresh food is not always the most economical to provide to consumers. How does SUBWAY® maintain reasonable pricing to maximize profits, nutrition and health benefits?
4. How important is providing a wide variety of menu choices (gluten free, vegetarian, low-calorie) to a restaurant's success?
5. How significant is Jared Fogle to the success of SUBWAY®? What are some of the pros and cons of having such a high-profile spokesperson?
6. Why are fast-food chains more cognizant of nutrition today than in the past?
7. How has SUBWAY® positioned itself as a leader in the nutrition revolution? How has this benefited the chain?

## External Resources

For the SUBWAY® nutritional data table, visit  
[www.subway.com/nutrition/nutritionlist.aspx](http://www.subway.com/nutrition/nutritionlist.aspx)

For more information on nutritional leadership at SUBWAY®, visit  
[www.subway.com/subwayroot/about\\_us/social\\_responsibility/nutritionalleadership.aspx](http://www.subway.com/subwayroot/about_us/social_responsibility/nutritionalleadership.aspx)

For more about Jared Fogle's journey, visit  
[www.subway.com/subwayroot/freshbuzz/website/jareds\\_journey/](http://www.subway.com/subwayroot/freshbuzz/website/jareds_journey/)

### 2000 JARED THE SUBWAY® GUY

*Men's Health Magazine® reports the story of Jared Fogle, a young man who lost 245 lbs. by eating SUBWAY® sandwiches for a year. He eventually becomes an icon for the brand and appears in a long running series of TV commercials. Fred DeLuca's book Start Small Finish Big--Fifteen Key Lessons to Start--And Run-Your Own Successful Business is published. The SUBWAY® franchise makes the biggest changes to its menu by introducing a line of sandwiches featuring four gourmet sauces and seasoned breads.*



## CHAPTER 13

# Marketing, Advertising & Promoting the Brand



Chapter 13: Although it is one of today's largest and most respected brands, SUBWAY® must constantly work to remain at the forefront of consumers' minds in a competitive fast-food environment. This chapter focuses on the SUBWAY® marketing and advertising team and how the company develops and executes a unified brand message. Because it has a global presence, SUBWAY® must adapt its message and campaigns to suit local, national and international markets.

**View online at:** <http://www.youtube.com/watch?v=G10CSRfV4Oc>

## Featured People

**Chad Caulfield** - Managing Partner, MMB

**Jeff Larson** – Vice President Global Marketing, SUBWAY® Franchisee Advertising Fund

**Ted Wirth** - Vice President Creative Services, SUBWAY® Franchisee Advertising Fund

## Key Concepts & Terms

**Advertising** – Communication used to persuade potential customers to take action on products or services, such as learning more about the product or service or making a purchase

**Campaign** – A series of advertisements that appear in different media during a specific time frame and share a central theme. Examples of SUBWAY® campaigns include the \$5 Footlongs campaign and Jared Fogle's weight-loss campaign.

**Consumer Testing** – By pre-testing advertisements with consumers, companies can get feedback as to which ads are most effective.

**MMB** – One of the advertising agencies for SUBWAY®, located in Boston, MMB works with SUBWAY® to craft advertising campaigns for the brand.

**Analytics Team** – An analytics team analyzes business data in order to help develop business strategy.

**SUBWAY Franchisee Advertising Fund (FAF)** – Each SUBWAY® franchisee is required to contribute a percentage of sales into this collective advertising budget. *(continued)*

**Traffic** – Traffic can refer to both foot traffic (consumers coming into a business location to buy products) and website traffic (consumers visiting a business’s website to look for locations, learn about products or find out about promotions and special offers).

**Search Engine Optimization (SEO)** – SEO is an Internet marketing strategy that improves a website’s ranking in organic search results.

**New Technology** – New technology such as social media and mobile devices is an increasingly important part of marketing and advertising outreach for businesses, especially for those trying to reach younger consumers.

**Brand Personality** – The human attributes that consumers think of when they think of a brand, such as “reliable,” “honest” or “exciting.”

## Questions for Discussion

1. Where do the extensive SUBWAY® marketing and advertising budgets come from?
2. What are the different roles franchisees and franchisors play in maintaining, developing and promoting the brand?
3. How are Development Agents important in marketing and advertising the brand?
4. How does SUBWAY® adapt its messaging and advertising from one country to another?
5. How does the SUBWAY® advertising message vary depending on whether its brand is well-known in a country or whether it is new to the country?
6. How do messages and media outlets vary from one country to another?

## External Resources

For more about the SUBWAY® brand and social media, visit [www.forbes.com/sites/kurtbadenhausen/2013/03/12/subway-google-and-target-are-top-brands-for-social-currency/](http://www.forbes.com/sites/kurtbadenhausen/2013/03/12/subway-google-and-target-are-top-brands-for-social-currency/)

For more about marketing and why it is important to entrepreneurs, visit <http://tenonline.org/art/mm1/9301.html>

For more about the simple marketing message that helped SUBWAY® become the largest restaurant chain in the world, visit [www.businessinsider.com/this-is-the-simple-marketing-message-SUBWAY-used-to-become-the-largest-restaurant-chain-in-the-world-2012-2](http://www.businessinsider.com/this-is-the-simple-marketing-message-SUBWAY-used-to-become-the-largest-restaurant-chain-in-the-world-2012-2)



## CHAPTER 14

# The Next Generation

Chapter 14: Young entrepreneurs are one of the fastest-growing segments of multi-unit franchise owners today. This chapter focuses on young people involved the SUBWAY® system as either store employees, franchisees or corporate employees. The SUBWAY® corporate culture's receptiveness to new ideas makes its franchise system an ideal setting for young people seeking to make a difference in business. As SUBWAY® continues to expand globally, young people will be a driving force in the company's growth and development.

**View online at:** <http://www.youtube.com/watch?v=xHb5hTZi2eE>

## Featured People

**Efrain Lozada** - Restaurant Manager, Florida

**Rebecca Audet** - Director, Worldwide Training, SUBWAY® Restaurants

**Rebecca Pettersson** – Development Agent, Denmark

**Raghu Marwaha** – Development Agent, California

**Rohit Marwaha** – Development Agent, California

**Brian Marino** – Regional Director, Latin America and Caribbean SUBWAY® Restaurants

**Adam Feldman** - Director of Marketing Development, SUBWAY® of South Florida

**Fernando Kohler** – Operations Manager, Latin America and Caribbean SUBWAY® Restaurants

**Elizabeth Rolfe** – Director, New Business Development, SUBWAY® Restaurants

**Julian Dent** - SUBWAY® Strategic Plan Consultant, Via International

**Fred DeLuca** - President and Co-Founder, SUBWAY® Restaurants

**Joseph Tabet** – Regional Director, Middle East and Africa, SUBWAY® Restaurants

**Duane Thomas** – Restaurant Manager, New York

**Jennifer Kushell** – Founder, Young & Successful Media

## Key Concepts & Terms

**Multi-Unit Franchisee** – A franchisee who is given the right by the franchisor to open more than one unit of a franchise within a defined location or territory

**Entry-Level Position** – A junior or beginning position in a company. It is generally open to job candidates with limited experience and offers the potential for advancement within the company.



## Questions for Discussion

1. Fred DeLuca started SUBWAY® when he was just 17. How do young people influence the chain today and how will they continue to do so?
2. What are the different entry points for young people into the SUBWAY® system?
3. What are the arguments for and against young people in franchising?
4. Are young people differently equipped to become multi-unit owners?
5. How will the next generation of leaders impact SUBWAY moving forward?
6. What will it take for SUBWAY® to get to 100,000 stores?
7. What hurdles will it face in reaching that goal?
8. Do you think there are 100,000 viable locations in the world?
9. What factors would inhibit or contribute to the ability of SUBWAY® to grow?
10. What do you think the prospects for SUBWAY® to grow in your country are?
11. What does the competitive environment for SUBWAY® look like?
12. How important will constant innovation in its products, service, brand and technology be to the continued growth of SUBWAY®?

## External Resources

For more about empowering Millennials and building a franchising strategy to attract the next generation, visit

[www.franchising.com/articles/empowering\\_millennials\\_how\\_to\\_build\\_a\\_next\\_gen\\_strategy.html](http://www.franchising.com/articles/empowering_millennials_how_to_build_a_next_gen_strategy.html)

For a list of the top 20 franchises for young entrepreneurs, visit

<http://under30ceo.com/top-21-franchises-for-young-entrepreneurs/>

For more about how young people are transforming the workplace, visit

[www.businessinsider.com/see-how-millennials-are-quickly-taking-over-the-workplace-2012-](http://www.businessinsider.com/see-how-millennials-are-quickly-taking-over-the-workplace-2012-)





A great business and entrepreneurial success story has the power to change lives.

It happened to me. When I first learned that some of the biggest companies in the world were started by young people I couldn't help but want to tell their stories.

Today, YSN - Your Success Now / Young & Successful Media inspires millions exploring their career options.

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Here's to your success!



Jennifer Kushell  
Founder

YSN - Your Success Now / Young & Successful Media

young &  
**successful**  
MEDIA CORP

**SUBWAY**

