



The Evolution of the Next Emerging Chicken Chain

Started in 2011, PDQ has grown to 55 units and has plans to nearly double that number by the end of 2018.

WEB EXCLUSIVE > DECEMBER 8, 2016 > BY DANNY KLEIN



PDQ's customer service made it one of the standout brands in this year's QSR Drive-Thru Study.

It's not often in the foodservice industry that you will hear a restaurant concept described in this manner (and by its owner, no less): "We like to affectionately refer to ourselves as that kid in high school who maybe wasn't the coolest kid, but everybody liked. We can get along with anybody."

Yet those are the words of Nick Reader, CEO and cofounder of PDQ, the fast-casual chicken chain that's on the heels of its fifth birthday. It's this inclusivity and universality that Reader believes is propelling the concept to new markets across the country. Started on October 30, 2011, in Tampa, Florida, PDQ (People Dedicated to Quality) has grown to 55 units in eight states (Alabama, North Carolina, Florida, Georgia, New Jersey, Nevada, South Carolina, and Texas). Reader says 2017 will see PDQ enter four new ones—Illinois, Oklahoma, Utah, and Arizona—for certain. A fifth market, in Long Island, New York, could also happen, but isn't finalized. By the end of the following year, PDQ projects there will be 100 total locations throughout the U.S.

"Our customers tend to be grandkids to grandparents. ... We don't necessarily have a set parameter of what a new site needs to look like, and that helps us. We have sites in small towns. We have sites in bigger cities. But, predominantly, we're in a lot of what I call 'Anytime USA' locations. The brand works everywhere."

Reader and Bob Basham, the cofounder of Outback Steakhouse, cultivated PDQ's relatable vibe during two years of research prior to the first store opening. Reader was the chief financial officer of the Tampa Bay Buccaneers—the NFL's youngest at the time—before becoming CEO of MVP Holdings, a private investment firm. As he puts it, he had the financial side down pat while Basham thrived in operations. They didn't spend much time developing the brand's personality, electing instead to let it mature over time.

That evolution is just now starting to materialize. And the ordinary high school student, as Reader describes PDQ, is now showing up to his reunion in a Rolls-Royce.

In September, PDQ launched a new website and unveiled its rebranded image: A Fresh Take on Fast Food.

"We always say you have to be great at what you can be and apologetically bad or average at the other things until you can focus on them," Reader says. "We didn't want to be too focused on branding until the personality really came out of the brand."

Candidly, Reader says that part has come pretty easily. PDQ is not a complicated concept, and it doesn't try to be, which is something people have responded to. The restaurant has a check average around \$7, tries to serve food in two minutes or less, and keeps the menu simple, with the staple being chicken tenders. It also serves sandwiches, salads, and hand-spun shakes, as well as a variety of sides, including zucchini fries and blueberry coleslaw. Everything is prepared in an open kitchen with guests looking on. There are no preservatives or chemicals, and the chicken is never frozen and is free of added steroids or hormones.

"When you have a very focused menu like us and you're trying to cook from scratch in two minutes or less, you can't have 10,000 things on your menu," he says. "You've got to know who you are."

In [*QSR's 2016 Drive-Thru Study*](#), PDQ was one of the brands that caught the attention of Steven Maskell, partner at SeeLevel HX, saying, "PDQ is on a number of companies' radars, and it's for a reason. While still a small player in the space, it's done well with both food quality as well as solid execution on drive-thru service. I'm looking forward to watching this brand progress."

At 97.4 percent, PDQ topped the 15-brand study for employees who "made eye contact." Coming in at the same clip, PDQ was also No. 1 for "pleasant demeanor," even besting fellow-chicken chain Chick-fil-A, often cited as the benchmark for customer service in this field. It was second behind Chick-fil-A in the "smiled" metric at 84.6 percent, coming in ahead of Panera Bread and Starbucks, and said "thank you" 92.3 percent, which, again, trailed only Chick-fil-A.

The results, Reader says, were a company highlight in 2016. He drafted an email to all employees and thanked them for their hard work.

"It's one thing to talk about and hope for it," Reader says. "But to see that it's actually working? That meant a lot to us. When you have that many employees you're always nervous. Are you setting up a good environment? Are you breeding a culture where people seem to like working there? Are they being courteous and polite and looking people in the eye? Even where we put our menus was focused on that. We talk about it so much."

Reader says PDQ's strategic approach to the future remains flexible. Around a quarter of the units are owned in partnership with other parties. They're technically franchised units, but Reader doesn't refer to them that way because it's not something the company outwardly courts. The company doesn't sell franchises or promote the business model online. But it will work with other groups on opening new stores if it makes sense.

"You kind of say never say never with stuff. So when you're raising capital, it's just sitting with someone who wants to put an investment in PDQ and saying, 'OK, what's your hold period? What's your goal? What's your return? And what makes sense for them for investing in the company?' We don't really have a one-size-fits-all approach and it's not like we're selling off markets or anything. It's more of a partnership," Reader says.

PDQ has around 3,800 employees, and Reader says it always aims to promote within whenever possible, especially when it comes to penetrating new markets. He says it can sometimes take two years to open a new store. Regardless of the process, though, Reader doesn't see any roadblocks ahead. He believes PDQ can work in any city, in any state, and that it all comes back to something he believes will carry past time zones and demographics.

"The reality is that your people and hospitality never change," Reader says. "We always looked at it like this: Can we come to our restaurant every day and be proud of what we're serving and who's serving it? And if that's good enough for us we always felt that was a recipe for success."