

Mister Sheik Is Part of Arab Fast Food Boom in Brazil

Contributed by Marina Sarruf
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Mister Sheik, a fast food franchise specialized in Arab food that already has 33 shops in São Paulo and Paraná, should open another eight shops in the country and abroad. By the end of the year, the capital of the northeastern Brazilian state of Maranhão, São Luís, and Angola are going to get a shop each.

"We are going to export our entire line of products," stated the chain director, Renata Nogueira.

To supply this new demand, Mister Sheik is building a new industrial kitchen to have double the production capacity. Currently, the organization consumes 35 tons of beef a month for the production of its safihas, which are the cash cow.

According to Nogueira, the franchise chain was recently restructured, and, starting now, the new kitchen is going to supply the shops.

"Previously we did not have a chain identity, each shop operated as it liked," stated the director. Now the products are going to leave the kitchen pre-processed and will be distributed to the shops, which are going to fry or roast them at the time of serving.

The same process should take place in the shop in Angola, which will be in a shopping center. The only change, according to Nogueira, should be in the adaptation of some ingredients.

"We are going to adapt the product to their taste," she said. One of the differences, for example, is in the filling of the kibbeh. Whereas in Brazil they are stuffed with cream cheese, in the African country the stuffing should be curds.

With the opening of the new shops, Mister Sheik forecasts growth of 25% in revenues, which should reach 50 million Brazilian reais (US\$ 31 million) by the end of the year. "That is not counting the new shop in Angola," stated Nogueira, who believes that sales should grow even further.

To open a Mister Sheik franchise the total investment should be 600,000 reais (US\$ 370,000) for a street shop or 300,000 reais (US\$ 185,000) for a shop in a shopping center.

The franchise fee is 60,000 reais (US\$ 37,000) for a street shop and 45,000 reais (US\$ 28,000) for a shop in a shopping

center. Average revenues for a street shop are 250,000 reais (US\$ 155,000) a month and 100,000 reais (US\$ 62,000) a month for a shopping center shop.

The first Mister Sheik shop was opened in 1991 in Campo Belo neighborhood, in São Paulo. The owners are Portuguese and not of Arab descent.

"We noticed that Arab food was a very well accepted dish in the market and that our competitor sold very well," pointed out Nogueira. That was how the idea of opening an Arab food shop arose. After safihas, the most sold foods at the chain are fried kibbehs and Beiruts, sandwiches developed in Brazil.

The competitor mentioned by Nogueira is Habib's, another Brazilian fast food chain specialized in Middle Eastern food with close to 300 outlets throughout Brazil. Like Mister Sheik, Habib's was also founded by a Portuguese.

In this case, Alberto Saraiva, a baker, who started the franchise in 1988. Habib's had plans to enter the US market just before 9/11. The terrorist attack, however, derailed the project.

The Mister Sheik menu also includes 11 kinds of safihas, from savoury to sweet, four kinds of stuffed kibbehs, six kinds of Beiruts, pastels, as well as Arab specialties like babaganush, humus, curds, tabule, cabbage rolls, Moroccan rice and khafta.

Service

Mister Sheik

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