

# The Galito's growth story - from Mpumalanga to Kenya and Kazakhstan



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Working from a spicy flame-grilled chicken recipe he'd developed in his family's garage, Louis Germishuys opened the first Galito's fast food outlet in Mbombela (formerly Nelspruit) in 1996.



Louis Germishuys

Bravely, he located his first store next to a Nando's, an already established chicken brand in the local market. "People said I was crazy to compete so directly with an established player selling Portuguese chicken. But it was a calculated risk: I decided to go fishing where the fish were. I didn't have their marketing budget, but I knew I could benefit from it - all I had to do was lure people my way.

"In the early days, I would actually put the grill outside and let the smell of the marinade coax people over, and I differentiated myself by offering dishes like pap," says Germishuys.

Turns out there was method to his madness, as interest in the Galito's brand grew so much that Germishuys decided to open his business to franchising in 2003.

The piri-piri chicken chain now boasts a 183-strong store presence in 16 countries, including South Africa, Zambia, Kenya, Malaysia, Pakistan, the UAE, Kazakhstan, India and Canada. There are also plans to expand to Russia within this year.



# Building an accessible brand

Galito's has diversified its restaurant format in recent years, opening drive-thru outlets and introducing container 'Galipods' for outlying areas. Launched in 2016 as a more affordable franchise investment, Galipods are full-service stores built in a container that can be placed anywhere, including rural areas.

"We wanted to provide an opportunity for entrepreneurs who couldn't open a full store, or where there's no mall to do so. With the Galipods, you can throw down concrete anywhere, put down the container, and you're in business. There's also less risk for the franchisees because we can buy back the containers to deploy elsewhere should things not work out," explains Germishuys.



Despite significant expansion, he says Galito's still operates on the principles of a family business, with staff members who have remained by his side for over 25 years.

While the brand has enjoyed success abroad, Germishuys says international domination is not necessarily his vision. "It's certainly a highlight and something of which I'm very proud. I'm amazed that our small brand from Mpumalanga has managed to do so well in such varied markets. But my vision is to remain accessible to everyone, from businessmen to the guys in overalls off the street."

The plan is to have 300 Galito's stores open by 2025, with 200 of them located in South Africa.

Here, Germishuys chats about Galito's impressive growth, the quick-service restaurant landscape and the merits of franchising.

## III Tell us a bit about life before Galito's, and what inspired you to start your own fast-food franchise?

Growing up in Nelspruit, Mpumalanga I spent loads of time at my best friend Francisco's house watching his parents cook delicious homestyle Portuguese food and sharing those meals together. That's really where my love of food began. After I got my first job, I used to visit a small restaurant called Chickenland that did amazing grilled chicken, and when they franchised, I decided I had to get in there. Chickenland later became Nando's, and the rest is history.

I've always believed in giving the customer what they want, at a fair price. At the heart of it all, I never had any intention of franchising, it just took off. Fundamentally Galito's hasn't changed much - our marinades and sauces are still made the same way by hand in Nelspruit, and our core offering is still very similar to what it was in 1996.

**##** Franchising has been pinpointed as an important job generator and contributor towards the SA economy. As a business owner, what would you say are the main benefits of this model?

Definitely the support from head office as well as the brand recognition. Anyone can go and open up a 'Joe's Famous Chicken' restaurant and they will learn the hard way, the way I did, on how to run and control that business to make it profitable. Aligning with a franchisor removes all those trial and error situations, reducing your risk.

We've been doing this for 24 years; we have the experience, the systems and the knowledge to help owners avoid costly and unnecessary mistakes that independent restaurant owners often make.



**III** You've impressively expanded beyond South Africa into 15 other countries. Which markets have been the most challenging to crack, and which are showing the most growth?

Each country has its own unique set of challenges, from supply to the customer himself or herself. Finding the correct partner with the same vision as us is definitely the most challenging aspect of opening a brand outside of South Africa. Right now our growth focus is definitely on South Africa – we are planning on having 300 stores by 2025.

# How have you noticed the quick-service restaurant landscape evolve since you opened the very first Galito's branch?

Customers are definitely more time-pressed than what they used to be. Nowadays it's all about speed of service and getting it done quickly. There are more competitors in the market and more choices for customers. Technology has made it easier for customers to compare, make decisions and even order on the go. The things that haven't changed are the expectations of a really good experience and the perceptions of value.



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### **III** Looking back, what has been the most valuable lesson you've learned on your entrepreneurial journey?

Roll up your sleeves and get it done. The biggest advantage an entrepreneur has is the ability to make decisions quickly and implement them, which gives them an edge over the competition. As an owner, you can't be afraid of the dirty work, you need to get stuck in, understand all aspects of your business, and if need be, man the grill to get the job done.

## What have been the highlights on your Galito's journey thus far, and what is your ultimate vision for the brand?

Every new country we've opened in has been a highlight, really. I never planned to franchise Galito's locally, let alone internationally and the uptake and response really has just been humbling.

Our vision really remains the same, 'to rule the roost' by welcoming customers into our stores to experience great service, great food and to make great memories. Our goal in South Africa is to expand our footprint to 300 stores by 2025 and grow our international footprint, both with new territories and new locations within existing territories.

#### ABOUT LAUREN HARTZENBERG

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