



# A bigger slice of the action

**Alhassan Goussous explains how his London pizza delivery company has continued its journey of expansion in the face of a challenging economic landscape.**

Pizza delivery business MSAJ Pizza, launched just months before the pandemic, is about to start a whole new chapter in its development.

Having more than doubled the number of takeaway shops it operates since 2019, the London-based Pizza Hut franchise is set to expand into the burger restaurant market.

The company has recently sealed a deal to be a franchisee for upmarket international burger chain Wendy's and is currently scouting locations to open its first quick-service restaurant for the global, US-based fast-food business, which is expanding the UK operation it launched in 2021.

MSAJ began trading in the final weeks of 2019 when owner and MD Alhassan Goussous, a highly experienced international investment banker, came out of retirement to purchase a small franchise of 10 family-run Pizza Hut delivery shops via his private equity company Goussous Holdings.

Alhassan had retired in 2018 as CEO of an Islamic investment bank in Saudi Arabia, but missed business life and set himself the challenge of running an altogether different company. Fond memories of times spent in Pizza Hut restaurants in 1980s and 1990s London drew him to the brand for his new venture.

## Rapid expansion

Alhassan quickly acquired new outlets – either at new locations or pre-existing Pizza Hut shops – ultimately expanding to an impressive 23 delivery shops plus a totally new quick-service restaurant and delivery outlet in Ilford.

Turnover of the Brentford-headquartered business has grown from £5m in 2020 to a projected £15m this year, while employee numbers have more than trebled to over 400. Currently the firm delivers over 25,000 pizzas every week.

“From the outset I wanted to transform a family-run business into a professional organisation with a family feel,” says Alhassan.

Unlike previous franchisees, he employed specialists to head departments and appointed an operations and development manager with two decades' experience at Pizza Hut.

## Big challenges

Almost as soon as MSAJ Pizzas began trading it faced the challenges posed by the pandemic, and more recently, the cost-of-living crisis.

“There was significant disruption to the business in the early days of the pandemic. Fortunately, the delivery business was allowed to stay open. However, our supply chains were under stress, with many suppliers seriously considering handing in the towel, and it was hard to find and retain employees” Alhassan says.

“If anything, supply chain challenges became worse as the pandemic threat receded. We saw a shortage of key items like dough, cheese and chicken wings, while prices of what we could get increased. Deliveries to our sites would simply not arrive, and our own delivery costs rose due to the high price of petrol and diesel.

“Credit must go to our management team and staff who worked like crazy to find alternative suppliers and

wholesalers, picking up supplies wherever they could – albeit at inflated prices – and that got us through.”

This year has been even more challenging thanks to inflation pushing up the cost of labour, quadrupling energy costs and driving up ingredient prices by over 20%.

“The Pizza delivery business is highly price-competitive, so if costs rise we have to absorb it and reduce our margins. But you can only cut costs so far and our strategy has been to acquire outlets to expand our customer base so we can sell more meals at lower margins.”

Expansion comes at a price though, and profitability suffered somewhat last year, although the company still has cash reserves built up during the pandemic to see it through.

## How Shipleys helps

“Shipleys has been working with us from the outset, advising on tax issues, carrying out audits and the necessary due diligence, and we see them as a valued partner,” Alhassan says.

Shipleys' support has also been invaluable in helping the company seal its Wendy's franchise deal, handling critical number-crunching, and preparing the balance sheets and projections required by banks.

Alhassan concludes: “Overall, I'm really happy with where we're heading, and the commitment of our people. We're in a really strong position to benefit when the economy improves and I'm excited about the new opportunities our move into burger restaurants offers.”



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