

Corporate Communique

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BUSINESS LESSONS FROM A RESTAURATEUR

What can a CEO learn from a restaurateur? More than you might think.

Andy Warhol's maxim about everyone getting 15 minutes of fame can be a useful business lesson. Many a new business, product or service gets off to a great start and then turns out to be a flash in the pan. After enjoying great initial success, the challenge for management is to figure out how to continue that success over the long haul.

One man who has figured it out is New York restaurateur Drew Nieporent, founder of the Myriad Restaurant Group which now operates eight prestigious restaurants in New York, San Francisco and London. Beginning with Montrachet in 1985, all his restaurants started successfully and have continued to be so. These are some of the business principles that have enabled him to continue to prosper in a volatile industry.

- **Develop – and keep - top talent.** Running a restaurant is like coaching a football team. Everybody has to work together. The offense can't be telling the defense it's not doing the job and vice versa. Nieporent is known for retaining good personnel. "I keep good people [because] I handle them with respect and work hard earning theirs."
- **Focus on customer loyalty.** He treats regular customers superbly and new customers as if they were regulars. "A good restaurant prides itself on keeping its regular customers. It's the only way to stay in business. But it takes a real effort."
- **Don't believe the hype.** After starting off strongly, some businesses, products or services fail because their initial success was taken for granted. When a restaurant is new, word-of-mouth recommendations are essential. But after the initial hype, it has to continue to earn its reputation. That's when the basics of good management come in.
- **Know when to delegate.** One of his assistants said, "Drew has his restaurants set up so that they run as if he were there even when he isn't."
- **Learn early and keep learning.** Nieporent learned a lot flipping burgers at McDonald's while in high school. "They drill into you service, quality, cleanliness and pride."

You may never dine at one of his restaurants – but the quality of his business principles is as high as the quality of his food.