



Jonathan Segal at an STK steakhouse

An Opportunistic Operator

An Interview with Jonathan Segal,
Founder and Chief Executive Officer, The ONE Group

EDITORS' NOTE Jonathan Segal has over 34 years of experience working for family owned hospitality companies, including The Modern Group. In 1991, with his partners he created The International Travel Group, a successful merger of two hotel booking companies, Expotel Hotel Reservations and Room Center. In addition, he was also the Co-Creator of WorldPay, the world's first Internet payment company and the predecessor to PayPal.

COMPANY BRIEF Founded in 2001, the vision of The ONE Group (www.togr.com) was to create a global hospitality company that develops and operates luxury restaurants, lounges, nightclubs, and turnkey food and beverage operations for boutique hotel groups. The company currently operates a number of brands including ONE, STK, STK[out], Asellina, Cucina Asellina, Heliot, and Coco de Ville, and partners in nightclub Tenjune and French bistro, Bagatelle. The company operates venues in New York, Miami, Los Angeles, Las Vegas, and Atlanta and is opening venues in Atlantic City, London, and Vienna later this year.

The ONE Group has actively expanded over the past few years. What made you feel the opportunities were there and what are some of the new venues coming onboard?

We've always been an opportunist and expansionist operator and we always take advantage of the economic environment. In terms of our locations, we have tried to focus on the cities that were within our initial target markets – the primary cities. While we continue our expansion in America looking at other locations, we have taken that psychology into the U.K. and we'll be opening six operations within two facilities, both in Central London. And that will be the stepping stone to expand into Europe, the Middle East, and the Far East.

Is most of that under the STK brand?

It varies. The company has two divisions – the hotel hospitality side and the restaurant and lounge side. Our strongest brand to date is STK. We are opening STK in London and STK will be the lynch pin that will drive us into the Far East and the Middle East. But we have other deals.

percent of the hospitality, the table service, and the bars. We're also operating a stand-alone restaurant in a facility called Heliot. In addition, we're opening the ME Hotel with Meliá Hotels where we'll do the entire food and beverage operation. There will be three restaurants in that facility and one will be an STK.

Is it important that when you walk into any STK that there is some consistency or do you adapt to the local market?

We feel that when someone walks into an STK that it should have a consistent look and feel. Having said that, we do try to introduce unique elements into each of the restaurants to help them stand apart.

We recently opened STK in Midtown Manhattan and everyone keeps asking where the horns are because there are horns in the other properties – there are certain features that are unique to us. So when we talk with designers, we make sure we implement those touches but give them a free hand outside of that.

In terms of what our designer iCrave recently did for us in STK Midtown, it looks completely different from all the others but when you're in it, you feel you're in an STK.

How do you avoid becoming complacent when you've been so well received?

If you could go to STK in every major U.S. city, it would take away some of the excitement of going to an STK. But we want to expand and be innovative with our product. So we just created STK Rebel, which is like the younger version of STK – more rock and roll and laid back, but it has a great bar scene and DJ playing in the venues with a lower price point, so it's a product we can roll into multiple cities.

The consistency is more relevant to the food and service. In that regard, our operation is spearheaded by our Senior Vice President, Celeste Fierro. On the food side, we have a newly appointed Corporate Executive Chef Liran Mezan who oversees all cities with Celeste, and then our directors of operations in each of the various regions run point for their city. The innovative areas for us is how we have changed STK in order to make it a more accessible product for a bigger market in America and throughout the world.

In London, we are operating all the food and beverage in the Hippodrome Casino in partnership with Simon Thomas, who is handling all the gaming; we're handling 100 per-

Did you always know your vision would come to fruition?

I was fairly confident because I had done a lot of research to find out what women wanted with their dining experiences, particularly in a steakhouse, but in order to protect myself, I got 15 Wall Street guys to join me in the investment so that if I got it wrong, I could always fall back on the more traditional steakhouse, which is all male, big wines, huge portions, and dark paneling. The truth is, we got it right and caught a wave.

You also have had success with some of your partner brands. What do you look for in a partnership?

First of all, the concept has to work with what we do. Our partner brands are absolutely consistent with the demographic, style of operation, and the quality we're offering in our venues.

Next, you have to find like-minded partners and that's always difficult. We tend to be dominant on back-of-house operations. The ONE Group controls food and liquor costs and expenditures, while others are the face of the place. But we are putting our corporate identity out there more often as The ONE Group now as opposed to an individual brand.

Do you ever take the time to appreciate what you have created?

I rarely go to my openings because my work is done when the deal is signed. The operation is empowered by people like the management, marketing, and PR teams. More importantly, now we are a team with everyone focused on delivering greatness in their area of expertise. By the end of June 2012, we'll employ over 2,500 employees worldwide and will probably do about \$150 to \$160 million of revenue in 2012. So it's more about what the company has created and my appreciation of their excellence.

Is the hospitality industry losing some of its personal touch with all the available technology and how have you kept a balance?

I will be one of the last people to give someone an electronic menu and order system at one of our venues. Maybe in two generations' time, the people that are intimately used to technology will prefer that. But I will fight to keep the human interaction. Dining for the moment has gone back to what it was years ago, and that is a social interaction. It is less now about the chef-driven concept and more about the social environment. So we should embrace the human interaction and not deflate it with technological interaction. ●