



Bryan McGuire in the '21' Club Bar Room

Maintaining Market Share

An Interview with Bryan McGuire, General Manager, '21' Club

EDITORS' NOTE Bryan McGuire joined the '21' Club in 1988, and held posts of increasing responsibility before being appointed General Manager in 1997. Prior to this, he served in senior management capacities at the Harvard Club of New York and the Russian Tea Room. The recipient of a bachelor's degree in accounting from Manhattan College and an M.B.A. in financial management from Fordham University, McGuire is a recipient of the Ellis Island Medal of Honor. The '21' Club is owned by Orient-Express Hotels.

PROPERTY BRIEF Located in midtown Manhattan, '21' Club (www.21club.com) offers exceptional American cuisine, an award-winning wine list, and first-rate service. The property boasts two restaurants, the renowned Bar Room or the romantic venue, Upstairs. '21' also offers a choice of 10 private banquet rooms including the Prohibition-era wine cellar.

How much of an impact did you see on '21' Club's business in the current recession, and have you seen things coming back?

It has been a difficult 24 months in the hospitality industry for everybody, '21' Club included. We made a lot of tough decisions in terms of cutting back and cost reductions. I think we did a reasonably good job of paring down and being prepared.

What has been a pleasant surprise for us, although we worked very hard to achieve this, is that our customer count in the restaurant in terms of number of people served has actually remained fairly flat over the past three years, and we're very pleased with that.

The important thing for us was maintaining market share – a lot of hard work went into that with marketing plans, adjusting menus, and different things like that, but not necessarily with price reductions in the restaurant.

Our banquet business, which is 60 percent of our revenues, was another story, because you're at the mercy of the telephone ringing or inquiries coming in from corporate America, and there was a lot less of that being done, which did affect our banquet business greatly in 2009.

The first six months of 2010, we did modestly better than 2009, in both the restaurant and

banquet business, and we're not continuing to fall behind terribly from 2008. We have seen things begin to bottom out for us, and if any telltale signs are there, we have guarded optimism towards modest growth. But we see this continuing for a while into the future, because we're only going to do as well as corporate America is doing.

How were you able to make some of those cost reductions but maintain your desired level of service?

We are a unionized environment, so you have somewhat more stringent rules to go by with personnel. But, as any well run business should and must do in times like that, you need to identify loss leaders and take those loss leaders out as quickly as you can.

For example, we stopped serving lunch on Mondays with the advent of people working more from home, taking longer weekends, and leaving the office less often for lunch.

Closing Monday lunch gave us the opportunity to test dinner on Saturdays in the summer. In the past, we had not been open on Saturday evenings during the summer months because we felt clientele were not around on the weekends during this time of year. Opening during this period turned out to be a good thing.

All this allowed us to redistribute staff to focus on better business opportunities and in many cases to work with less staff. We pared down at almost every level. The unemployment reports continue to show much unemployment in the country and the hospitality industry is no different than the others.

Will you talk briefly about the type of banquet venues you offer?

We have 10 private banquet rooms at '21' Club. The room sizes can accommodate from 10 people to 250 people for lunch, dinner, or cocktail receptions, and no two rooms look remotely the same.

The wine cellar is the jewel in our collection. It dates back to Prohibition in 1930 – it's authentic, unique, has a dining room in it that seats up to 22 people, and is available for lunch or dinner. You're surrounded by this great wine collection which has been awarded the Grand Award by *Wine Spectator* magazine – there are only seven of those in New York City. It's a great collection steeped in history.

The '21' Club has strong brand recognition, but it might not be as well known that you're part of Orient-Express Hotels. What are some of the benefits of that relationship?

Orient-Express is a wonderful brand and a terrific global company that owns and operates some 50 unique properties of their own on five continents.

It's great to be associated with this company which is progressive, forward-thinking, and luxury- and customer-oriented. The association with that brand and with the other individual brands within that organization has been a great thing for '21.'

There are cross-selling opportunities worldwide, which has helped in reminding the general public that we're not a private club.

In addition, there are ongoing gatherings of the people who run all of the properties for the exchange of best practices within the company.

How critical is it for you to reach out to the local New York community and to maintain a relationship where you feel part of the New York City landscape?

It's critical for most any company who benefits from the general public dining to communicate with them, because people can choose someone else over you.

We just passed our 80th anniversary last December, and we spent a lot of time brainstorming what to do to celebrate. A lot of people have chosen us over others for 80 years and we felt an obligation to give back to the customers and the city who supported us.

So we've spent 2010 giving back throughout the year to a whole litany of not-for-profits that we normally support anyway. But this year, we reached out to several dozen not-for-profit organizations and donated space for their committees to meet throughout the year, and have hosted breakfasts for them for fund-raising activities. We have allowed them to use our wine cellar for their largest donors. We also started reaching out to organizations we felt were important that we had never dealt with before.

We have always encouraged schools and technical groups who were studying food arts or hospitality to visit or tour '21', and our different management team members might address them on different topics.

We started offering internships in the past few years. And we probably contribute to more silent auctions for fund-raising activity on the outside than anybody in the city.

Being a strong member of the community in New York City and being a resource for organizations that do good for others is something everybody should and must do. ●