

The Vision of One

**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, a privately held hospitality group established in 1967. 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. He was also the Co-Creator of WorldPay, the world's first Internet payment company and the predecessor to PayPal.



Jonathan Segal

COMPANY BRIEF Founded in the U.S. in 2001, the vision of The One Group (www.togrp.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 and partners in a number of venues including STK, One, Coco de Ville, Tenjune, Bagatelle, RDV, Kiss & Fly, and The Collective. The company operates venues in New York, Miami, Turks & Caicos, and Los Angeles, and is opening venues in Las Vegas and Atlanta, as well as additional venues in New York City.

How did the The One Group come about?

The One Group opened its first venue in January 2004. Prior to that, I was working in the United Kingdom, and involved in three fairly substantial companies. But I saw greater opportunity in America, so I came to New York in November 2001. I spent the next year working on my U.K. businesses in the morning, and in the afternoon, learning about New York.

I was introduced to the meatpacking district by a friend of mine and immediately saw an opportunity, because I believed the area was going to explode.

Our first venue, One, was a restaurant/lounge that captured the imagination of New York. We have since built up a portfolio of owned, operated, or invested in properties that, by the end of 2010, will total 28 venues spun into three main divisions: restaurant/lounge, hotel/hospitality, and casino hospitality.

By the end of this year, our revenues in six years will have grown from zero to \$110 million, and we will employ over 1,500 people across the U.S.

We operate out of four principal cities: Los Angeles, Las Vegas, New York, and Miami. We

are in the process of putting together a project in Atlanta, but there are only a limited number of cities we will operate in at the moment. At present, our focus is on first- and second-tier cities.

Without having much footing in New York when you came over, how did you build the awareness for the brand?

The company is successful because we are young, energetic, and enthusiastic, we are not scared to ask, and there is no ego.

When I first came to New York, I wasn't so arrogant to believe that I could reinvent hospitality here without first learning the American way. America is great at hospitality, particularly New York.

So I brought onboard some strategic partners in the early days to help with operations, marketing, and design, while I provided the business direction.

I was able to work alongside this expert team while bringing to the company some of the philosophies and business practices that we have used to help build our hospitality company overseas.

New York is known for its steakhouses. How challenging was it to create a new product like STK?

I had barely opened the doors to my first venue, One, and was looking around for the next venue. I wanted to stay in the meatpacking district and came across the venue where STK is located. Having secured the location, I then needed to decide what to do there.

There are three things in America that are sacrosanct: the flag, Las Vegas, and steakhouses. I wasn't going to mess with the flag, so I left that aside; we didn't have enough experience in the U.S. to venture into the Las Vegas market yet; so I opened a steakhouse.

The One Group does everything with women in mind. So we did a survey of about 20 women who said they like steakhouses because they're good places to meet successful guys, but that the decor, menu, and overall vibe of most steakhouses is intimidating. Taking this into consideration, we ensured that the design, menu, and general feel of STK would appeal to the female market.

A female-friendly steakhouse doesn't mean that you have crab cakes; instead you have crab salad. It means you don't just have medium and large steaks; you have small, medium, and large. It means that you don't just have salmon

or lobster, but you have a selection of other fresh fish and salads. There is nothing in an STK that remotely looks like a steakhouse, except for the longhorns that are a signature design feature. The waitstaff is a good combination of men and women dressed in designer outfits. Since STK opened in 2006, there have always been more female than male customers.

We are not scared to take a gamble, as we always want to be edgy, and believe in what we're doing.

The STK brand has built strong awareness. What are your plans for its growth?

In America, there will not likely be more than 10 STKs. There are two in New York, and one in Atlanta, Miami, Los Angeles, and Las Vegas. Other cities on our radar include Chicago, Boston, San Francisco, Dallas, or Houston. If there are too many STKs, it takes away from its aura and mystique.

So as not to compromise our ability to expand the brand, we are creating an under-brand, which is a daytime, light-dine dine-in, or take-out operation that becomes a cool nighttime venue.

This is consistent with the STK mantra, "our endless days last all night long." We want you to come for dinner and stay for the night. I can put these in 200 cities across America.

Now that you've branched out into different cities, is it difficult to let go of the control?

No, because I'm only a very small cog in a very big wheel. We're not paid in relation to how important we are in a company; we are paid in relation to how much damage we can do to the company. I can really mess it up – so they give me a decent salary.

If I don't come to work today, my restaurants and lounges will still open; if my waiters, cooks, and busers don't come in, we're shut down. Because we think like that, we have an amazing steel ladder in this company and it's only going up. And the majority of the people that are anywhere near the top of this ladder started at the very bottom a few years ago.

We owe as much to them as the guardians of the spirit of the company as to myself as the creator. The management and staff have helped make this business what it is today. We could never have built a business in hospitality in this recession without the commitment of everybody in the company.

This company is a combination of very young, enthusiastic, and committed people. That is our biggest challenge as well as our biggest strength. ●