



Growing ONE

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



Jonathan Segal at STK Las Vegas (left); STK in Midtown Manhattan (above)

EDITORS' NOTE Jonathan Segal has over 35 years of experience working for family owned hospitality companies, including The Modern Group. With his father, he created The International Travel Group in 1991, 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 The ONE Group (togrp.com) develops and operates upscale, high-energy restaurants and lounges and provides "ONExperience," a turnkey food and beverage service for hospitality venues including boutique hotels, casinos, and other high-end locations in the United States and Europe. The ONE Group's primary restaurant brands are STK and STK Rebel. STK is a unique steakhouse concept with locations in major metropolitan cities throughout the U.S. and in London. STK artfully blends two concepts, the modern steakhouse and a chic lounge, into one offering a high-energy, fine-dining experience with the superior quality of a traditional steakhouse. STK Rebel offers the same vibe-driven steakhouse with a slightly broader selection targeting both lunch and dinner guests with a more accessibly priced menu. The ONE Group's food and beverage hospitality services business provides the development, management, and operations for premier restaurants and turnkey food and beverage services at high-end boutique hotels and casinos.

What makes this brand work and will much of the growth come from overseas?

The idea for STK originated in the U.K. and its high-energy vibe and focus on the social experience is something that I believe transcends cultural boundaries. It doesn't matter who you are or where you live – everyone loves a good time. As we look to expanding into the United Kingdom, Europe, and other major international markets, like the Far and Middle East, the success of STK London is encouraging evidence that the STK brand will resonate with a global audience. Personally, bringing STK to England was less like a foray into the global market and more like coming home.

To elaborate on what makes STK uniquely STK, it isn't a branded concept that is identical from city to city. There will always be certain aspects of the STK DNA that remains the same everywhere you go. STKs are built around emphasizing the social experience so we focus on the bar and on booth dining, lounge dining, and bistro dining. Every venue has a DJ to create an infectious, high-energy vibe, and the typical music playing on any given night is '70s or '80s lite rock.

Outside of that, we will adapt aspects of the actual menu – 70 percent will be staple but 30 percent will be adapted to the community we're operating in. We believe in providing a superior guest experience and how our staff interacts with each guest will also vary to fit the idiosyncrasies of each city.

As much as we want to introduce everyone to the STK brand, we feel it's important that we are respectful of the community, the customs, and the different operating styles of the cities we are a part of.

Is the customization applied to the music and entertainment as well as the food?

The music base will always be 70's, 80's lite rock but we will interlace that with popular locally based music styles or genres. The DJ is reading the room anyway, so if he feels a different style is relevant one night, he'll play that music; the point at STK is to enhance the guest experience and provide an engaging night out.

What expansion plans do you have for STK?

Pre-IPO, we positioned ourselves that we would open a maximum of 50 STKs worldwide, of which maybe 12 to 15 would be in America.

STK Rebel, which we're in the process of rolling out as an STK with a broader lunch and dinner menu, has a slightly more accessible price point because it's opening in smaller cities and, therefore, has a smaller footprint.

We feel we can open 125 Rebels in the U.S. alone as an under brand of STK rather than being its own concept. The concept is identical, but it's positioned to appeal to a wider demographic.

Have you put as much of a focus on the food as the entertainment and how important is that?

It's vital. The reason I don't position ourselves solely from a food standpoint is because I don't want people to come just for a meal. It's a given that the food has to be great. A modern dining experience delivers three things: incredible food, world-class service, and the perfect atmosphere.

Is the ONE Group's growth primarily within the STK brand?

The ONE Group is split into two divisions: we have the restaurant division, which focuses on STK, under which we have two price points – STK and STK Rebel.

The other division of our business model is focused on hospitality services, where we partner with hotels and manage their entire food and beverage operation from the minibars, catering, rooftops, pools, and bars. This is becoming a fast-growing and increasingly important part of our business.

Hoteliers are more apt to partner with a third-party food-and-beverage contractor who can demonstrate a wide range of expertise in hotel experience, operational experience, and quality restaurant experience. It's our diverse hospitality management expertise that places us in good stead as we move forward with hotel partnerships.

It used to be that we had more inquiries for STKs than we had for hospitality – now, we're getting as many inquiries from companies to help them with their food and beverage as we are from developers or landlords looking for an STK.

Are you able to find the right people and keep them as they build careers?

I have a lot of fantastic STK wait staff that I would like to move into management but they don't want to do that because they're doing so well working the floor.

We have tremendous loyalty, it's a great work environment, and people have fun at work because we're as engaged with the atmosphere as our guests are.

The most important resource for any organization is your people, and talented people are one of the hardest resources to find. As long as we keep growing and we provide a good ladder, then people can see there is mobility and growth opportunities within the company.

Working at The ONE Group is about taking what you learn here and excelling within the company; there will always be great opportunities.

As you grow, can you maintain an entrepreneurial culture?

We can be more entrepreneurial because instead of having a small group of people doing everything, we have a large group of people specializing in what they're doing.

I'm less immersed in the operational side of our business because we've built a top-tier team, which frees me up to be entrepreneurial and to focus on the expansion and development of the company. ●