



Growing the STK Brand

An Interview with Sam Goldfinger,
Chief Financial Officer, The ONE Group



STK London main dining room (left); STK Midtown New York City main bar (above) STK Chicago main dining room (below)

EDITORS' NOTE Sam Goldfinger has held his current post at The ONE Group since April 2011, having previously served the company as a consultant. Earlier in his career, he was a co-founder and operating partner of Next Course Financial Group and Chief Financial Officer and an operating partner of Fourth Wall Restaurants. From 1997 to 2007, he was the Chief Financial Officer, Secretary, and Treasurer of Smith & Wollensky Restaurant Group, Inc. From 1990 to 1997, he was a practicing CPA at the public accounting firm Goldstein Golub Kessler & Co. where he became a senior manager in the audit department with a focus on the hospitality industry. Goldfinger received his Bachelor of Science degree in accounting from the State University of New York – Binghamton in 1990.



Sam Goldfinger

COMPANY BRIEF The ONE Group (togrp.com) develops and operates upscale, high-energy restaurants and lounges, and provides ONE Hospitality, a turnkey food and beverage service for hospitality venues including hotels, casinos, and other high-end locations, both nationally and internationally. The ONE Group's primary restaurant brand is STK, which is a unique steakhouse concept with locations in major metropolitan cities throughout the U.S. and Europe. 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 broader menu targeting both lunch and dinner guests at a more accessible price point.

How do you define your role and is it as much a part of business strategy as it is financial?

Today, a CFO is more engaged in the business and the growth of the company, as well as operations. We can't just provide a strong accounting background.

One needs to have a well-rounded attitude from a business standpoint, especially at The ONE Group, which is a young, growing public company. We have to wear multiple hats.

Since we are expanding rapidly, I'm engaged on a minute-by-minute basis with the

CEO. In order to keep that momentum of growth, I have to be involved in every aspect.

Is it hard to deal with the pressures of short-term while also focusing on long term?

It is. We have a small base of units. This becomes challenging because we're subject to short-term swings, although we believe our investor base is long-term focused. We're not a quick service concept where we can sign a lease and put a cookie-cutter model into a space quickly and

open it up. This whole process usually takes 12 to 18 months.

We just opened our 10th STK in Chicago and will open our 11th in Orlando. These are both big projects so there is a lot of excitement.



What are the market requirements for an STK to work?

There is a debate over how many can be opened realistically.

There are maybe 12 to 15 U.S. cities that can handle them so we are developing a plan beyond North America. We're in London and Milan, and there are opportunities in other markets in Europe, in the Far East, and in the Middle East. We have initiated a search for license deals and we continue to look at opportunities through our food and beverage program.

Realistically, we're not going into some of these foreign markets and putting up a lot of capital. When there is an opportunity to have a management agreement, and when one of our hotel partners can provide the capital for the development of the space, we can then come in and manage it. This is a nice road for expansion.

Once you reach that point, are you concerned about having the quality and concept remain consistent?

The consistency has already been proven in the U.K. and Milan. We see the positive energy and experience we are known for flourishing in those markets.

STK is a bit different. We have some core elements that stay consistent – the DJ, the bar in the center, the culinary experience. We can go into the Far East or Middle East and train people as ambassadors of the brand to continue to execute that experience.

By having 15 STKs open, which will be in the short term, we will have proven that we are able to go into different markets and that the concept works. We have seen success by bringing in people who will operate the STKs internationally, train staff properly, and execute on our experience.

In addition to the draw of the DJ and the bar, how important is it to offer a great food product as well?

STK is known for energy and atmosphere, but the backbone of the experience is providing great food. This matters because consumers today demand more out of their restaurants. STK provides not only a memorable experience but also a first-rate meal.

Is there growth on the hotel side of the business?

Yes. What makes The ONE Group special is that we lead with a strong brand but we also come in with expertise with respect to providing all of the food and beverage services required within a hotel. We can assist the developer from the initial design stages through opening and operating the F&B services. Our goal is to make sure both the hotel guest and the day-to-day consumers enjoy the experience. The hotels aren't necessarily interested in managing the food operations, so they call on us to operate them. Our strength is that we do it from top to bottom and focus not just on driving revenue but on bringing value to the bottom line.

Is it important for a hotel to find the right restaurant partner?

The hotel environment is super competitive today, especially with the boutique style hotels. They can't just sell a room anymore – there has to be added value. For example, the addition of STK or a rooftop bar in a hotel property drives incredible value from a guest experience perspective. For a hotel, finding the right restaurant partner to complement the guests' needs and expectations is extremely important. ●