

On-Premise Report: Insights from Restaurant Consultants*How the pros take wine programs to the next level.**By Liza B. Zimmerman*

Tiny adjustments can add a lot to a restaurant's bottom line, and sometimes only years of experience will help you detect them. I will never forget when **Michael Bonadies**, who once handled the consulting side of the **Myriad Restaurant Group's** business for 15 years, and now is the president of New York City-based consultancy **21c Museum Hotels**, told me the sight lines were off in a restaurant he was working on. The chairs were the wrong height so guests couldn't get a good view of the dining room. He fixed the problem and sales increased dramatically.



Andrew Freeman

If adjusting chair height can make wine sales take off, just imagine what in-depth training programs and a good wine mix could do for a restaurant's beverage sales. That's why so many on-premise establishments are turning to consultants for expertise when creating new concepts, solving problems and striving to increase sales. Almost all the major chains and hotel groups have always used their services, but now even smaller, boutique operations are getting savvy, and specialty high-end consultants are out there to help them.



Clark Wolf

"Sixty to 70 percent of new operations are working with consultants," estimated **Charlie Arturaola**, president of the Miami-based **Grappolo Blu**, who works with eight restaurant clients, including **Providence** and **Temple**. In my experience covering the wine business, I would actually be hard-pressed to think of a chain restaurant or hotel group that isn't working with multiple consultants.

Consultants help overworked sommeliers and food and beverage directors address aspects of their wine programs that they might not have the time or skill set to deal with on their own. "Most hotels don't have the internal ability to create programs," noted **Don Stanczak**, president of the Pittsburgh-based **Food & Beverage Solutions**. He works with 10 restaurant concepts in four different hotel groups, including **Wyndham** and **Interstate Hotels & Resorts**, where he worked in-house for 23 years.

For the same amount of money that a less-experienced staff hire might cost, a consultant is likely to bring in a higher level of expertise. "When you work for one company you are a prisoner of that culture. I work with a number of companies so I benefit from the best practices of all of them," said Stanczak. **Clark Wolf**, president of the New York-based **Clark Wolf Company**, equated it to "using a lawyer or an accountant. The better you are at using those people the more success you will have." He works with 20 restaurants, resorts and hotels, including **Affinia** and **Destination Hotels**.



Michael Green



Patrick Henry

It's often a bargain, in more ways than one, that consultants aren't part of the restaurant staffs with which they work. "If you are unhappy, it's easier to get rid of a consultant than an employee," noted **Andrew Freeman**, president of the San Francisco-based **Andrew Freeman & Co.** He is currently working with six different restaurant concepts, including **The Palms** and **Kimpton Hotels**, where he worked in-house for 10 years. Another advantage is that if an idea doesn't work "they have someone to blame," said Bonadies.

Services Galore

Consultants offer a range of duties, from creating or rebranding a concept to staff training and creation of wine programs and promotions for an existing establishment. The cost, which can range from thousands to hundreds of thousands of dollars, depends on how many issues the consultant is going to tackle and how large the restaurant or hotel group is. Usually work is billed out either on a retainer or a project fee. Some consultants, like Freeman, bill out at \$150 to \$250 an hour; but once a project fee or retainer is assessed, they will include those hours in the project price. "Pricing could be from \$20,000 to \$300,000 depending on the scope of the work," said Bonadies, who prefers to work on a fee basis.

"We can come in on a project basis under \$50,000," said Stanczak. He added that the range per diem on retainer was between \$1,500 to \$3,000 for his services. Arturaola charges \$2,500 for an initial meeting and \$12,000 to \$15,000 up front per project.

If a restaurant brings in a big-name consultant, prices can soar. Bringing in a chef like **Todd English** or a restaurateur of the caliber of **Drew Nieporent** can cost hundreds of thousands of dollars on a

project basis, said Stanczak. "You are buying a name." And in turn you are giving the individual in question the right to control the image.

Regardless of the cost, finding the right person to pump up your bottom line may be well worth the expense. "There might be money attached to hiring a consultant, but it can be realized in months," said **Michael Green**, owner of the New York-based **Michael Green Wine** consulting business, which currently works with two hotels, three restaurants and the **National Restaurant Association**.

And proof of return on investment can be seen in the results that top consultants achieve. "It never fails that their beverage sales go up 5 to 14 percent in 60 to 90 days," said **Patrick Henry**, president of Houston-based **Patrick Henry Creative Promotions, Inc.** He is currently working with approximately 20 restaurants as well as six hotels, including **Hilton** and **Interstate**. Stanczak added that he "saw a 10 percent revenue increase annually every year in several resorts."

Don Billings, president and CEO of the Atlanta-based **iMi**, which works with hotels, sports stadiums and 10 restaurant chains, including **Outback Steakhouse** and **Ritz-Carlton Hotels & Resorts**, said that restaurants can see an 18 to 38 percent sales increase in 30 to 60 days after refreshing or introducing a new beverage program. "Sales tripled in the first year at the **San Diego Hotel del Coronado**," said Wolf about the results of the gutting and reconceptualization he did of the hotel.

So What do These Guys Really Do (Besides Take Your Checks)?

Consultants offer innovative ideas, practical advice and cost-effective approaches honed from many years of experience in the wine business. Simply put, "consultants help clients prevent making more mistakes than necessary," said Bonadies. His company focuses on "everything from troubleshooting recommendations up through conceptualizing. We can help design, staff and manage [a restaurant]." In Proof on Main, the restaurant in the **Museum Hotel** in Louisville, Kentucky, which is 21c's first property and features contemporary art, Bonadies worked with the community to make it easier to park and drive downtown. As a result, "we tripled our original projections in the first year."

"We do everything, from selecting people to bringing in architects and designers," said Wolf. He added that his company also writes menus, does tabletop programs, designs tableware and can even manage the quality of the overall experience (for those clients who can afford it).

"The major part of what we are doing is training and food and beverage development," said Henry. "We bring our experience of traveling and going into so many concepts [to our clients]," he said, noting that in a given week he might visit 15 to 20 different restaurant concepts in different markets.

Consultants can help iron out problems and make the whole dining experience more cohesive. "Generally there's a disconnect between the restaurant experience and the wine experience," noted Green. Consultants can integrate the wine and food programs and increase revenue by developing wine lists, training staff and repositioning brands through a beverage program, according to Green. "We work closely with the client to isolate problems and challenges and generate solutions that will result in increased sales, marketing and public relations opportunities."

"We provide marketing and concept direction," said Freeman. He explained that when going into a new account he addresses "all the guest touch points," from marketing programs and menu mix to look, feel and salability.

"We analyze external and internal pricing," said Stanczak. He also looks at a company's buying process and reviews its contracts.

For consultants who work with large chains, creating consistency of pricing and sourcing across locations is also a key goal of their work, according to Billings. iMi also designs branded promotional material and "brings in programs to help them analyze their pricing."

What's In a List?

Creating or revamping a wine list is a multi-step process, and consultants can become the go-to source for all of a restaurant's wine list needs, taking stress off a busy beverage director. "More restaurant groups are going to a one-person wine guru who'll create training programs and work with them on a wine list," said Freeman.

"A good consultant will take wine, which in many people's minds is a commodity, and put it in a context that truly adds value," said Green. One of the ways of doing that is creating a separate, dedicated space for wine in the menu. "Wines used to be at the back of the beverage menu; now we are putting them on the front because it's such a big profit margin," said Henry.

Consultants will often carry out initial staff training and may come back at regular intervals to go over changes or additions. "Staff training is rarely ongoing, consistent and empowering," said Green. So consultants may also work with managers and create materials to keep the educational ball rolling in their absence. Henry has put together training manuals that have maps, flavor profiles, labels and the history of the wines.

Their Take on Your Dining Room

Consultants are on the pulse point of national trends as their businesses keep them active in multiple concepts and markets. Henry said that he is seeing more restaurants serving flights, increased glass pour selections and more promotions, such as offering discounted wines on certain nights. Stanczak added that "half-off nights work if you have a strong, regular clientele and you think you are going to get them back for an extra meal."

Many say that the dining scene is getting less formal. "Four-star dining is waning; lists are becoming more casualized," Freeman noted. "Dining is no longer a special occasion, it's an inalienable right," said Bonadies. Many places' approach to wine has become simpler and more direct. "Gone thankfully are the days of the gravitas-laden, leather-bound wine list," concluded Green.

Restaurants are even looking beyond flights at more inventive ways to serve wines by the glass. "The quartino is hot now. It fills two roles: it controls the portion, and you can pour a little more, charge a little more and increase sales per person," said Stanczak. Quartinos are also popular, according to Bonadies, because people want to experience more flavors. Green added that they also look good on a

table and "add an additional décor element."

Reaching Out to Consultants

Since most consultants have come out of the restaurant business themselves, they are well acquainted with the top wine producers but may not know all the smaller ones. Henry holds regular wine tastings in his office and encourages producers to meet him and his staff. He mentioned how important it is for wineries to aggressively reach out to beverage directors in order to develop new business. "If I owned a small winery, I would be sending samples to every major buyer."

Billings suggested that producers do their homework about different restaurant chains before approaching them. "See which ones would best fit your portfolio and select wines that would be appealing to them." He encouraged producers to see if chains might try out their wines initially in test markets prior to potentially picking them up nationally.

Green said producers were welcome to reach out to him but are not encouraged to send samples. "Let me know what you are up to, when you are in town and make a 15 minute meeting with me."

Many consultants also stressed, once again, how important it is to choose a solid distributor who is a good match for your winery and then actively support them and their accounts in different markets. "Be persistent and don't just rely on distributors. Come in with some interesting promotions," said Freeman. Stepping up to the plate to become an active partner with restaurant accounts can make a difference. "If we are going to serve your wine, how are you going to help us promote it?" he asked.

As the restaurant world becomes more dynamic, it will only become more competitive. That's all the more reason for establishments of all sizes to start thinking how they can maximize their profits by working with consultants. **wbm**

Liza B. Zimmerman is a San Francisco-based wine writer and consultant. She also served as managing editor of *Market Watch*, associate editor of *Supermarket News* and associate editor of *Wine Enthusiast*.

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