

So, You Want  
**RESTAURANT**

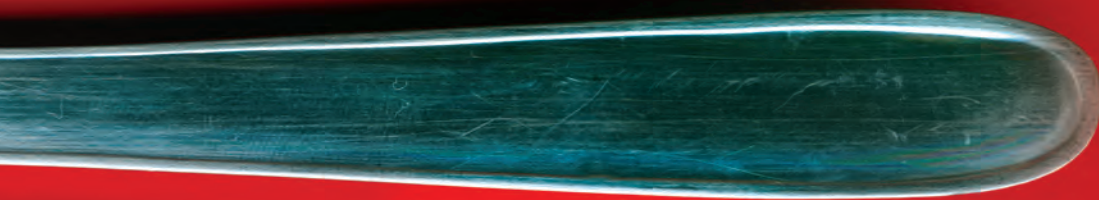
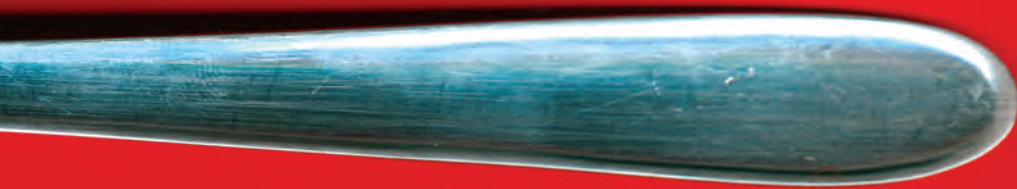


**BREAKFAST** ♦



# Anna Own A RESTAURANT

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# **EVERYBODY HAS AN IDEA FOR A RESTAURANT**

**But conceptualizing one and running one are two very different things.**

**With some estimates ringing in at a hard ninety percent of new restaurants that die within the first two years, we wanted to know:**

## **What does it take to run a restaurant successfully?**

**So, we went to our local restauranteurs – guys who have been in the business for years and have proven themselves in the industry. Five of them took us up on the offer to sit down and chat.**

## **Here is what they told us.**



## Jimmy Rogers

Founder, Fatz Café  
Partner, Copper River Grill

First job in the industry: Selling produce with his parents at a stand in Spartanburg County.

**"My first day I had on a little sport coat and nice shoes. I thought I would greet people at the door and seat them. Well, that lasted about 10 minutes. So, I went back to the kitchen and spent the day there. Right after lunch, I went down [to Waccamaw] and bought a pair of tennis shoes. I basically spent the rest of the day trying to survive."**

## Dan Angell

Partner, Copper River Grille

First job in the industry: Shucking oysters at a restaurant, as a freshman in college.

**"Boy, I could shuck them oysters...but the bar was right next to the oysters, and I couldn't wait to tend bar. So, I ended up going from station to station and really enjoying each one. I have since worked for a large, national, successful chain that had a great training program. That's where I cut my teeth as a very young general manager for them. I thought I knew what I was doing, but I really had no idea. I learned along the way."**



## Larkin Hammond

Owner, Larkins on the Lake, Lake Lure, N.C.  
Larkins on the River, Greenville, S.C.

First job in the industry: Cleaning beer coolers and ovens in her grandmother's restaurant in West Virginia.

**"One day, [my husband, Mark] came home and said 'I'm really tired of this. I don't want to do this anymore.' And I said, 'Fine, let's quit. What do you want to do?' He said he wanted own a restaurant on a lake and he wanted to ski to work...to this day, we are still waterskiing to work all summer long."**



## Carl Sobocinski

Owner, Table 301, Greenville, SC

First job in the industry: busing and waiting tables (unless you count working the register at his grandfather's Polish market at the age of six)

**"As a Clemson student, I realized that I was running out of money and needed to find a job...I found a job busing tables and waiting tables. All along, I was studying architecture, thinking I would get out of school and become an architect. But...the business gets in your blood and is very rewarding...after college, I realized this was the career path I wanted to take."**



## Rick Erwin

Owner, Rick Erwin's West End Grille  
Nantucket Seafood Grill, Greenville, S.C.

First job in the industry: a dishwasher.

**"This thing I remember most about my first job was how hard the work was, but how much fun it was. To see the satisfaction from the guest, to see the management and staff so successful and create that success is very, very satisfying."**





**Business Black Box: Remember back, if you will, to when you were ready to take the plunge. Whether your very first restaurant, or any more recent opening, was the point that you decided to open a restaurant?**



**Jimmy and Dan, you're a little different in that you have a larger chain of restaurants. How was that decision made whether to go with a single entity or a larger chain?**

**Jimmy:** We've come beyond and will probably never franchise. What Dan and I talked about is that it will stay company-owned.

**Dan:** When we developed Copper River Grill, we had the intention of creating a national chain. We wanted to make sure that every step of the way we did it in a manner that didn't dilute the quality of service and people. You have to have the personnel, you have to have the best talent, and we have worked hard to try and attract the motivated people component. You have to pay them a lot, without question, but that is one of the most important things. You have to give them an ownership piece. When I met Jimmy and had the opportunity to start something and be owner, that was real important to me, even to the point of risking a lot of money and taking a big chance out of my comfort level. Jimmy and I believe there are a lot of people out there like that, and we sort of incorporated that into our program. This allows them to shake hands with a customer and look them in the eye because they are part owner.

**Larkin:** One thing I have learned in the restaurant business is that you don't want to strangle your manager. You want to give them their own legs to stand on. It's hard as the owner to do that because the restaurant is your baby and you want to hold on to it as long as you can. But holding on to a restaurant too long can strangle it. I had managers for five years that were running it, numbers were great, and everybody loved them. It was getting to the point where nobody knew my name, and I liked that. I didn't have to go in there anymore. They thought the manager was Larkin, and that was the best compliment that I could have ever had. That's when I looked at it and said, okay. Now we can move on. And it was a great decision because that is when we decided to buy [the location in] Greenville.

**Carl:** Part of our growth from Soby's to Restaurant O and Lazy Goat and other concepts came from the fact that we had a lot of people who had developed over the years. They were either going to go out and open their own places and be our competition or we could open up something with them and give them an opportunity with managing partnerships and partial ownership. So, that is definitely part of the trigger that says, it's time to go do something else.

**Larkin:** Everyone says to me, "Oh, another restaurant's opening. Are you scared?" Oh, no. It's so exciting to see because if you go to any big city, if you go to Charleston, there is a restaurant on every inch, and that's okay. You want the masses to come to Greenville, and you want to help create that. We don't want people to go elsewhere. The more the merrier. Then all of our businesses grow.



**So, how do you decide when to expand, and how to expand?**

**Jimmy:** There are not a lot of fresh concepts in the market right now. Concepts usually die down once they are 20 or 21 years old. There is a time clock on any business, whether you are in the restaurant industry or doing something else. [You have to be sure] it can grow safely, and what we were talking about earlier about making the right deal going in and not killing yourself with the lease. One store can break you down—two, especially. You have to go in and negotiate the right kind of deal.

**Carl:** Probably in the room, there are five different trains of thought. We are all individuals, and if you look at the various concepts, a lot of them have characteristics of ourselves. I had a discomfort with taking this concept and putting it in different markets. I wanted to make sure I was in the right spot and then the concepts evolved from there. It's a different train of thought, but this works for me and is what I enjoy doing.

**Larkin:** We have really diversified, but if you look at our locations, they are only an hour from each other. One thing that I have to stress is that my management makes my life. That is why I can have different restaurants in different locations an hour apart. All I have to do is take a deep breath and know that I can be in constant contact with them when things are going well. And when they are not, they know that if it is four in the morning, I will be there for them. It makes it easy.

**Rick:** When I bought the building on South Main, I spent some time looking at what didn't exist, what this market really needed, and what I was good at. Well, I am good at beef. I had been in the beef business for 23 years, so it didn't take long to put one and one together and come up with two. We are what our management is. And I can assure you that everyone on this panel is where they are today because of the mistakes that we have made. We learn from them and move on.

# Q. So, in light of that, what has been the biggest failure you have had to deal with?

**Larkin:** I call it my missed opportunity, because I wasn't the right person for the place. I decided I wanted to get into the bar business. Well, I go to bed at 10 p.m. at night, so staying up until three or four in the morning and all the loud music and the bands, it's that type of crowd. I am winding down while they are winding up. I thought it was the right thing to do because it was on the other side of town and there was nothing to do in the little town that we were in and thought okay, this is perfect, I will do this. Well, about six months into this, I think, "Oh, my gosh! How do I get out of this one?" I did, I still came out with all the hair on my head, but I learned that you have to find your niche.

**Jimmy:** This is a story with two or three parts...I wasn't an equal partner of [the restaurant]—I only owned about 25 percent of it, and that was the first mistake, because you don't have any control of your destiny...and that's a bad thing. So anyway, we opened this thing, and it was called Saturday Night Prime Rib Disco. We were working our cans off...to get it running. So it was 1979 or '80 and it was supposed to [cost] about \$175,000. So I go in... and they're putting this fabric and these plate glass bridges and stuff in it, and I said "Is this thing running \$175,000? And they say "Yes, no problem."

So we get it open, and I call in this guy who's running it and say "How's it going?" and he says, "About like a forest fire." And I don't know if you remember but at that time the interest rates jumped to 21 percent. Then, it became not about making money but how much money we were going to lose, no matter how many investments.

When it was all over, I asked how much. And, they said it ran \$425,000. I knew we were going to lose because there was no way. So everyone took a little beating. It was a good experience. It was a good lesson.

**Rick:** Mine was where I didn't cross the t's or dot the i's. It was a similar situation where I was with a partner and we just weren't on the same page, and it became very apparent right after opening that he and I were not on the same page. Thank goodness that loss was a very small loss and was a very valuable lesson.

**Carl:** We thought that we needed a bakery downtown. We listened to customers and did some focus groups and we thought that we needed a place that made great artisan bread and pastries and stuff. We thought we could sell them to the consumer out the front door and then wholesale out the back door to our restaurants and hopefully to some other restaurants. I learned quickly that as much as Rick and I and other restaurateurs get along, I wasn't finding many restaurateurs who were wanting to buy their desserts from Soby's and then tell people around town that they were buying homemade desserts and putting them on their menu.

Needless to say, it was a cash drain. Soby's kept it going for several months, but we finally figured out that there was a need for catering.

So we got into the catering market with Restaurant O. I wanted the new restaurant to have the personality of the people running it, the managing partners. At the same time, I didn't want to, because one of our biggest concerns since we were across the street from ourselves, was that we were just going to take the same crowd and move them over to a newer, fresher, more elegant place. So, I made a conscious effort to stay at Soby's and not have people think that we had forgotten about that. I also made some rules that we put in



place, that I since learned that it is not my job or anybody's job in the restaurant industry to tell people how to run things, how they should dress, or how they should act.

All of these things were well thought out but you don't have time to explain all of them to the customer when you are telling them, "I'm sorry but you can't dine with us tonight because you are wearing shorts," or kindly reminding them to remove their baseball cap while they dine. And, I know there are a number of factors why we eventually wound up closing Restaurant O, but some of them were the mistakes that I made as the operator and some decisions that I made early on...we realized that we couldn't tell people no. So some of those mistakes eventually ended up...we could have spent a lot of marketing on restaurant ads that we were welcoming a change. Or, and what we ended up doing, was closing it down. It was a tough time in 2008. And we felt that it was best to shut that down and focus on the other restaurants that we had and hopefully come back and rebrand.

# Q. What about diversification? Do any of you worry about another economic turn? Does that affect your plans for future business?

**Rick:** That is a great point. There could be an event when something could happen that would really devastate the three of us, as far as being in the downtown area. We thought about that. But we don't run our businesses thinking about the negative. The diversification for my restaurants is basically that one is a steakhouse

and the other serves seafood. As far as future growth, I can tell you my next growth will not be in Greenville. It will be somewhere outside this market and hopefully continue to grow concepts that may end up being similar or they may not.

**Carl:** I can tell you that something that is always in the back of my mind is that Greenville was the place to be in the '60s and then the '70s, when everything went out to the suburbs and everything went out to the malls, and then started revitalizing recently. I know that just like the economy, everything is cyclical and that be aware that this could come about. I wouldn't say that this is the reason for any. We created Shop Table 301, which had a whole line of products, gift certificates, t-shirts, chef for a day, cookbooks, and things like that. We tripled our online business in the last nine months since getting into that e-commerce area. So, diversification has helped in a tougher economy and in a newer economy where people aren't just looking for a place to go sit and have dinner, but they want to take something away or they want to make their reservations online.

**Rick:** We are not recession proof by any stretch of the imagination. But what we have in the Upstate is very, very good. I certainly hope that, in my lifetime, we continue to see everyone, not only at this panel and not only these restaurants, I hope that every one of these restaurants continues to grow, continue to flourish, and continue to be very successful. I can tell you that this panel is also interested in all businesses in the upstate of S.C. and hopes that they continue to grow and continue to flourish and continue to build. We like that because it gives us more mouths to feed.



**In business, the best of the best know that sometimes success is just as much about "when to quit" as when to push through; Seth Godin addresses this in his book *The Dip*. How do you know when it's time to quit and move on?**

**Jimmy:** You have to love it to be in [the restaurant industry]. I have seen a lot of people over the years who have gotten in it, gotten back out, and gotten in it again. You have to truly love the restaurant business and hospitality, whether it is a bar or restaurant. You just have to love it and love entertaining people and taking care of the customer, knowing that just one person makes you and that is the person who walks through your door.

**Larkin:** You made a point earlier that 20 years is about what a restaurant can make it. So that is not going to work anymore because that is 20 years old so we go over here.

**Dan:** I think that the 20-year rule tends to apply to national chains or theme restaurants. Because, restaurants like yours are timeless and will always be there.

**Carl:** There are five entrepreneurs here and I don't think that any of us know the meaning of the word quit, but to answer your question, that is something we faced.



**If I came to you and told you I wanted to start a restaurant, what advice would you give me?**

**Rick:** I want to see a clear, clear business plan that is not just about the number of pages that you have. I'm looking for the content—realistic projections and a realistic financial picture of exactly what you're planning.

**Carl:** Generally, the first question I ask them is why do they want to [open a restaurant]? And if it's because they have been told other family and friends that they are a great cook or a good host or hostess, then I send them back to the drawing board and, as Rick said, they need to come back with a business plan. But, for the people who say that it's in their blood and it is something they are passionate about it, I will encourage them all day long and help them to write a business plan or get in front of the right people to do it. Probably, in any business, it is that way it seems more so in this business. You have to be passionate about it. If you have passion for what you're doing, hospitality or all that, then you will be successful.

**Larkin:** After I have done my business plan and have my passion, I go with the four P's: persistence, patience, prayer, and pocketbook. That's how you open restaurant. If you have your business plan then you better have those because that's what you are going to need.

**Jimmy:** I think a big thing is for people to really look at, and I will probably over-exaggerate this because I have been around so long, the bad things that can happen. I have seen it cost marriages where couples who have gotten into the restaurant business, didn't know what they were doing, and got into financial trouble and the split up. I have seen some bad things and I have seen some great things. There's Melehes at the Open Hearth, that has been open for over 50 years. I used to go up and talk to him a lot and the thing that made him was consistency. And anybody that I saw that was getting into the restaurant business, I would send them to the Open Hearth and you look at it. That is the epitome of what success is. He greets you at the door, goes to the back to look at the steak, goes to the table and really makes it an experience. He does a great job. I probably lay out too many bad things that I have seen happen but there are great stories, too. The mortality rate, I think, of restaurants is that nine out of every 10 go defunct. So, be cautious to get into it.

**Dan:** You need to have a good idea. What kind of restaurant do you want to open? Where do you want to put it? An idea isn't good just because you think it is a good idea. Bounce your ideas off people that will tell you the truth. Happens to me all the time. They tell me it is not a good idea, But that keeps you from making mistakes. In addition, the operation is everything. If you can't execute, it doesn't matter how great an idea is or how good your location is. I agree with Larkin almost completely with the location thing but if you have a great location and you don't do a good job with it, then you are going to blow it. If you don't know what sound operations are, or what good execution is, then don't get into the restaurant business because you will have to learn what it is and you will probably go out of business. ■

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