

Duff on Hospitality Law

Making the Most of Hotel Food and Beverage Operations

By Greg Duff on 5.21.10 | Posted in Food and Beverage

On Thursday, May 20, the second installment of the quarterly seminar was held on issues facing clients in the hospitality and tourism industry at Seattle's Hotel 1000. For those of you that were able to attend the presentation, I am sure you would agree that the panelists provided an informative and often entertaining presentation.

Our panelists included the who's who of the Northwest restaurant scene:

- [Arnold Shain](#), founder of [Restaurant Group, Inc.](#)
- [Ken Batali](#), President [Batali Associates](#)
- [Tom Douglas](#), owner of several Seattle area award-winning restaurants including [Lola](#), [Dahlia Lounge](#) and [Serious Pie](#)
- Greg LaMothe, Vice President, Concepts and Hospitality, [Kimpton Hotel and Restaurant Group](#)
- Rick Braa, founder of Braa Associates

Starting with the premise that hotel restaurants have historically been viewed as an amenity or a means to secure a needed third or fourth star, Greg provided a great overview of the history of Kimpton and its operating philosophy of treating the hotel and restaurant as separate businesses, each responsible for its own financial performance.

The discussion then turned to branding hotel restaurants and the importance of establishing a restaurant brand separate and apart from the hotel's brand. Tom shared some of his experiences with Lola and how he took Lola (and its Greek influences) in an entirely different direction from [Hotel Andra](#) (and its contemporary Scandinavian look and feel). A successful hotel restaurant brand consists of several elements including, the restaurant's facade, color, location, access, execution and yes, the food. Rarely does the periodic presence of a celebrity chef (without the operational commitment to back up the celebrity status) make a successful restaurant.

The panelists unanimously agreed that every successful hotel / restaurant relationship (whether a lease, management agreement or consulting relationship) requires a great deal of forethought and planning. Whether the use of common facilities (storage areas or kitchens), responsibility for returning needed glassware to the kitchen after being used for roomservice, or coordinating the sales efforts of the hotel's and restaurant's respective sales teams, all must be thought through and (preferably) documented.

The morning's presentation ended with a discussion about restaurant finances and a debate among the panelists as to whether a hotel restaurant should be expected to turn a profit while paying the same costs and expenses (e.g. rent, utilities) incurred by a stand alone, independent restaurant. Regardless of whether such an expectation is realistic, the panelists did agree that the financial expectations for a hotel restaurant (whether an agreeable level of losses or profits) need to be clearly established by both the hotel and restaurant.

If you would like more details from Thursday's presentation, including typical restaurant build-out costs and timelines and recommended marketing strategies, let me know. Similarly, if you did not attend Thursday's presentation but would like to attend future similar presentations, [let me know](#).

Greg

Tags: Events, Food and beverage