

In world of fake meat, steakhouses still rule



Dennis Monroe

TEAKHOUSES HAVE BEEN AROUND in the U.S. since the mid-1900s and they've become a staple of our eating and dining experiences. Every major city has a variety of chain steakhouses, including highend ones like Ruth's Chris, plus its own iconic steakhouses, and the Twin Cities is no exception—Manny's, Murray's, St. Paul Grille, plus old neighborhood standards, such as Lindy's and Mancini's. The true definition of a classic steakhouse is, in my mind, one with a focus primarily on steak in a masculine setting. That doesn't mean they don't have fish and other options, but they always have significant potato options and salads, particularly the wedge salad. And they focus, of course, on cocktails and more recently high-end wines.

It seems steakhouses are separating themselves into three distinct categories. One is the classic steakhouse, which I detailed above. The next is what I'll call the "family-friendly steakhouse." Third is the modern steakhouse. That doesn't mean there are clear delineations for each of the concepts, but they do seem to break down into these three categories.

First is the classic steakhouse and Minneapolis has many. In addition to the iconic ones mentioned above, we have the recent addition of 801 Chophouse in the old Barnes & Noble space in downtown Minneapolis, which



appears to be a classic steakhouse albeit a little overdone. While Ruth's Chris is holding its own, another chain, Morton's, out of Chicago, didn't make the cut here and closed 11 years ago. We also have Capital Grille, another chain out of the classic steakhouse mold.

The reason they still exist is because they have high check averages. Manny's, a Parasole restaurant, maintains check averages of well over \$100 per person, before wine. Some of them, particularly 801, which is a Wine Spectator winner, serve wines well into the \$1,000-plus range. The other thing that benefits these high-end steakhouses is they are able to attract accomplished servers because tips are commensurate with the high check average, and back-of-thehouse labor costs are much lower than a typical fine-dining restaurant. The food cost is also predictable, so they can price dishes accordingly. You don't necessarily have to have "high-end chefs," since the



most important person in the kitchen is the grill person and he or she should be the highest paid kitchen staff in the restaurant.

The family-friendly group of steakhouses are ones that don't sell the \$75 steak, and have other options, particularly some specialized, such as great burgers. These are becoming more and more popular. Their check averages are usually \$30 to \$40 less than the classic steakhouses. Those would include 65mith, Baldamar and Pittsburgh Blue. A steakhouse that falls into the middle of these two categories is P.S. Steak, a Jester concept in the old La Belle Vie space.

I'd consider P.S. Steak, along with Baldamar, as two of the recent shining stars. But the one that has been successful for awhile in this niche, is Parasole's Pittsburgh Blue, with two locations in the Twin Cities and one in Rochester. The family-friendlier check averages are more in the \$70 range. Both P.S. Steak and Baldamar also have significant private dining spaces, which is key.

Mancini's is the granddaddy in this category and on any night you can see three generations of families gathered at its big tables.

The last group, modern steakhouses, have some of the elements of the other two groups, but add a bit more light to the dining rooms and fun. I think the most prominent of that category in town is Isaac Becker's Burch. In addition to having a number of different cuts of steaks, they have everything from wagu to a more basic cut. They also have interesting appetizers and a pizza menu, presenting more reasons to dine there than steak. On a broader meat-approach, another candidate is the Butcher & the Boar, with its meat-centric menu.

In terms of the profitability, obviously the most profitable are classic steakhouses, but the key here is to have the right location, have reasonable rent and have high volumes and to be able to attract the kind of servers who want to serve at a steakhouse with a little bit of attitude.

I talked to a veteran of the steakhouse world, Randy Stanley, whose two concepts, Baldamar and 6Smith, are both designed for their local demographics.

I asked Stanley what the enduring qualities of steakhouses are and he said the classic steakhouse is really exempt from change. People want the nostalgia, they want the tradition and they also want to know exactly what they're going to get and if the steakhouse holds true to its tradition, it will provide that experience for them. Additionally, Stanley sees the whole world of steakhouses evolving and his concept, Baldamar, is really an example of this. All the restaurant we've been talking about are large compared to the more boutique restaurants the Twin Cities has a plethora of.

Stanley said that larger size creates higher volumes and with the check averages, they have a certain level of profitability which isn't available in other restaurants, unless you're in New York.

All that being said, the steakhouse is alive and well—even when trends are pointing toward more plant-based foods. It is evolving and will continue to evolve, because even with the health conscious things going on, we are still a very meatcentric restaurant community and protein rules.

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