

December 18, 2020

5 quick questions with Grove Bay Hospitality's CEO



Ignacio Garcia-Menocal is CEO of Grove Bay Hospitality Group, which has eight restaurants in the Miami area. Perhaps there's no industry that has been more directly impacted by the pandemic than hospitality. From hotels to restaurants, not only have owner/operators had to worry about bringing in enough business to keep their operations afloat, but they've also had to quickly adapt to comply with the many safety-oriented regulations and limitations set forth by state and local officials.

One of Miami's most recognizable restaurant groups is Grove Bay Hospitality Group, whose eight restaurants are in Miami Beach (Stiltsville, Stubborn Seed); South Miami (Mi'talia, Public Square, Root & Bone); Coconut Grove (Glass and Vine); Overtown (Red Rooster); and Brickell (Los Chinos).

I sat down with Ignacio Garcia-Menocal, Grove Bay's CEO, at the recently opened Red Rooster location in Overtown, and posed five quick questions about how he has shepherded his restaurants through this tumultuous time.

Q: How has COVID-19 affected your restaurants?

A: All our restaurants were severely impacted by COVID-19. For about three months, none of our restaurants were able to earn any revenue. Even once we were permitted to reopen at 50% capacity, we were still struggling to turn a profit. Thankfully, we've been able to survive because our company is well capitalized, and we received PPP [Paycheck Protection Plan] funding, which was enormously helpful.

Q: An issue a lot of restaurants have run into is how to pay your rent, especially during the shutdown. How have you navigated this issue with your various landlords?

A: Look, the best kind of landlord is the kind that is empathetic, flexible and wants you around long-term. We've had a mixed bag, with most landlords being kind and understanding. But unfortunately, we also went through an experience where a landlord in one of our locations used our request for rent assistance to leverage and renegotiate better lease terms for themselves.

At the end of the day, the more personal relationship you have with your landlord, the better. When there is not a human element, and it's merely a transaction where the landlord can't actually see the struggle you're going through, it's tough.

Q: Looking back over the past six months, what lessons have you learned about how to operate a restaurant in today's "new normal"?

A: A lesson that wasn't necessarily learned, but that was re-emphasized during the pandemic is that you should always put people over profits. When we received the PPP funds, we decided to pay all our team members immediately, even though our restaurants were mostly closed or only doing "take-out." We paid our team members for a period of eight weeks to stay at home during the shutdown.

You hear stories of other businesses holding on to their PPP funds until they were allowed to reopen. We made the decision to pay our people immediately because we knew they were hurting and needed it the most. We made the decision early on to put our team members ahead of our bottom line, and we don't regret it for a second.

Q: Have any "silver linings" emerged in terms of how you've adapted your operations as a result of the pandemic?

A: The pandemic has forced us to look at our operations and expenses in a completely different manner. We quickly learned how to "cut the fat." For example, we've made significant changes to our labor model and became much more efficient at operating our restaurants while still maintaining the guest experience.

Q: If you could give any advice to a restaurateur looking to open during the pandemic, what would you say?

A: We view each of our restaurants as a community gathering place for that specific part of Miami. You'd be pleasantly surprised to see how restaurants in Miami can bring the community together.

Although times are certainly different, I urge young restaurateurs not to be afraid. Our industry will be back.

Grove Bay is not wasting any time doing its part to get our industry back to where it was pre-COVID and providing much-needed jobs in our community. We're actually opening three restaurants during the fourth quarter of 2020. Public Square in South Miami recently opened, and we've opened Red Rooster in Overtown this month, with Los Chinos in Brickell set to open soon.