

How to grow big by thinking small A private breakfast with Robin Rowland

Launched to critical acclaim in Soho in January 1997 by Simon Woodroffe, a rock 'n' roll stage designer, YO! Sushi was a great concept from its inception. The business was soon rolled out into less successful locations, however, and Robin Rowland was hired to put it back on track. Twelve years on, Robin has long since turned the business around and, last week, in a private breakfast for company founders and CEOs, hosted by The MBS Group, we gathered to listen to his story.

A marriage of equals

Before joining YO! Sushi, Robin had extensive experience in the restaurant business. He had successfully led turnarounds at Whitbread and Diageo, and had developed partnerships for the overseas expansion of The Restaurant Group.

By his mid-30s, the time had come for him to run his own business or, even better, to back a good idea. He was then encouraged to speak to Simon Woodroffe: "I had travelled the world and had never seen anything as innovative as YO! Sushi anywhere else. I was intrigued", Robin admits.

"Simon and I are very different people and my first meeting with him was, without doubt, the shortest interview I've ever had in my life." In this conversation, Robin immediately made his conditions clear, a move he thinks was essential to his success working with such a charismatic founder.

"Simon has an irreverent take on life, and no preconceptions whatsoever about who people are. He has no fear, and is extremely charismatic – he is, in fact, electric." But how do you work with a founder who has such strong vision and charisma? "It was about being open and direct with each other. Of course, we had our points of difference in terms of how to grow the business, but in the end I just said to Simon 'you have trust me'. And he did."

Moira Benigson also met Simon around that time and agrees that he is not the easiest person to convince. Clearly Robin had not only a wealth of experience but also the confidence to stand up to him. "We both needed each other in equal measure. It was a marriage of equal strength and, in hindsight, this was key for the partnership to work."

In the end, although Simon had been looking for area managers, Robin convinced him to over-hire and get someone to run the business who had the weight and experience to move the business forward. After that conversation, Robin joined as Operations Director.

Moira Benigson

EXECUTIVE SEARCH

All change

Not a fan of having lots of meetings, but absolutely passionate about structure, Robin made changes to the team and put in place systems so that everyone knew who was doing what. Once that was done, he set out to find cash to grow the business.

Over the last twelve years, Robin has re-financed the business three times through an MBO, a bank re-financing and a secondary MBO – a record that most would find hard to follow.

“It’s not easy, and you have to remember that no two deals are the same. However, in every case you have to be crystal clear about the bottom-line, about what it is that you want to achieve. I was very clear: I wanted Simon to take some cash out, I wanted a shareholding going forward and I wanted our management to get some equity as a reward for their amazing contribution – and at the same time I wanted an investor to support us along the way.” His plan worked, their investors achieved market-beating returns and both himself and his people now hold significant stakes in the company’s future success.

From the beginning, Robin wanted to keep his management team small, with fast-moving people who can react quickly to their customers’ changing demands. But how has he managed with such a small team? “It’s important to prioritise the speed of change. You need to do certain things in a certain order and recognise you only have a limited bandwidth to make it successful.”

Today, with over 3.5 million customers a year in the UK alone and a million more overseas, YO! Sushi has proven it is not just a fad. “We are a 12-year-old teenager, not totally grown up but big enough to be taken seriously”, he jokes.

What is at the heart of their success?

Where rock 'n' roll meets sushi

Pioneers of the concept of ‘fast-casual’ in the UK, YO! Sushi is what you could call an ‘elegant pit-stop’. “We aren’t a restaurant; we aren’t fast-food; we’re somewhere in the middle.”

The conveyor belt was, and still is, a big idea, not only for its quiriness, but also for what it facilitates in terms of the product and the experience. And, of course, “Simon and his take on life makes YO! like no other business”, says Robin.

Based on the idea of constant improvement and never-ending innovation, Robin’s business attitude is a true mix of humility and confidence, and relationships are always honest and direct. “We don’t work with people we don’t like”, he says. “It might sound trite, but we really don’t. From developers, to suppliers, to our own people, we need to inherently like them to be able to do business with them.” Being irreverent and fun is still very much part of the brand. Quick decision-making is also part of the mix, as there is a good deal of dreaming about the future.

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Growing big by thinking small: the 5 Ps

“Restaurants are a mix of manufacturing, service and retailing”, says Robin. And, over the years, working with businesses big and small, he has always focused his strategy around five key areas: product, property, people, promotions and profit.

1. Product: always get the best you can afford and always innovate your offer
2. Property: find outstanding properties in to-die-for locations. Don't make two restaurants exactly the same, don't become a formula
3. People: without a doubt, the most important element. “At YO! Sushi, we employ by attitude”, says Robin. And, determined to get into the *Sunday Times*' Best Places To Work list, they are improving training and recruitment processes
4. Promotions: YO! Sushi is a “love” brand and, as such, it has to have the finger on the pulse of what its customers want. This insight forms the basis of all their promotions.
5. Profit: measure everything so there are no surprises along the way. Never, ever, let your investors down!

Which of the 5 Ps is the most important? “Without a doubt people are going to be the point of difference in the future. Over the past year the industry has gone for 'discounting prices', but this is not a sustainable strategy. Hospitality is all about the experience, and it is people who make that experience.”

Fast-forward

With plans to expand in the regions and renewed investment in London, 2010 is set to be a magical year for YO! Sushi and for Robin, who can now step away from the 'financial engineering' of recent years and focus again on the core of the business.

After discussing their offer in more detail and how they adapt it to premium locations, Robin recognised how the British public is much more savvy when it comes to food than when they first started, and emphasised how consistently high those demands are across the whole of the UK, not just in London.

When asked about the people he most admires in the restaurant world, he cites the high level of camaraderie among restaurateurs, and mentions Ian Neil, Chairman of Wagamama and Las Iguanas and Mark Derry, formerly of Loch Fyne, as the ones he has been most inspired by. Of Howard Schultz of Starbucks he says: “*There* is a man with a mission – four or five hours of his time will feed you for a year!”

As the time comes to draw our breakfast to a close, many of us could say the same about Robin!

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