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Leadership Profile: Danny Meyer

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Background and History

A dynamic leader in the foodservice industry, Danny Meyer was born and raised in St. Louis, Missouri. In 1985, Danny started Union Square Café, a restaurant in New York. In 1994, he opened Gramercy Tavern. In 1998, he opened two more restaurants, Eleven Madison Park and Tabla. Blue Smoke and Jazz opened in 2002 and then came the opening of Shake Shack in 2004. In 2005 Danny Meyer's company Union Street Hospitality Group (USHG) opened a full-service catering business and in 2009 Maialino opened in the Gramercy Park Hotel (Union, n.d.).

The following February, USHG added another business to their portfolio - Hospitality Quotient, a learning and consulting business (Union, n.d.). In March of 2011, the company opened Untitled, a farm-to-table coffee shop at the Whitney Museum of American Art. In January of 2012, USHG opened North End Grill, an American bar and grill located in Battery Park City featuring Chef Floyd Cardoz, formerly of Tabla. After years of success, Danny wrote first business book, *Setting the Table*, a New York Times bestseller. Outside of work, Danny has long served on the board of Share Our Strength and City Harvest. He is equally active in civic affairs, serving on the executive committees of NYC & Co, Union Square Partnership, and the Madison Square Park Conservancy (Union, n.d.).

Strategies to deal with unique challenges within the Hospitality Industry

Danny Meyer is one of the U.S.'s leading restaurateurs and has gained his competitive advantage by placing the importance on the experience guests receive in his restaurants. He is quoted saying, "The experience trumps the food... patrons can take a

picture of food and share it with others, but they can't take a picture of how they felt in the restaurant and it's the feeling that encourages them to return" (Gallo, 2014)

Meyer's philosophy of "enlightened hospitality" is described in the following way:

"In every business, there are employees who are the first point of contact with the customers (attendants at airport gates, receptionists at doctors' offices, bank tellers, and executive assistants). Those people can come across either as agents or as gatekeepers. An agent makes things happen for others. A gatekeeper sets up barriers to keep people out. In that transaction, did I present myself as an agent or a gatekeeper? In the world of hospitality, there's rarely anything in between" (Union, n.d.)

Meyer believes that it's not just the food that people care about when choosing a restaurant, but they are more interested about the experience they have. If they have a positive experience, they will continue to return and spread the word to potential customers.

Leadership Style

Danny Meyer talks about constant, gentle, pressure in terms of leadership, as well as managing people. He learned a valuable lesson from the "saltshaker theory" (Bodnar, 2011). This is a story about moving the saltshaker from the middle of the table into different locations. One person moves the shaker to the left, and the manager puts it back to the center. It gets moved again to the right, and then gets placed back in the center by the manager. The point is that the shaker will be moved repeatedly, but it's the job of the manager to move the shaker back to the center, and maintain the level of excellence or standards set.

This example demonstrates the constant, gentle, pressure concept. At a busy restaurant, of course, it doesn't take much to move the saltshaker off center. There are

various outside factors that can cause the shaker to be moved – but Danny Meyer knows that will happen. He trains his staff to be aware that things happen but to adjust to circumstances with precision and artful grace so that every patron has a wonderful experience. Consistency is at the core of this principle (Bodnar, 2011).

He believes it is the leader’s job to establish the center, or set standards and clear expectations. There are times when outside factors will cause the saltshaker to move. He explains that every time that happens, everything needs to be moved back to the way it should be, or revisit the standards and expectations. That's the constant aspect. When reminding his team of what the standards are, he does it in a respectful way, as to not diminish the dignity of his team members. That's the gentle aspect. He is a stickler for standards and he constantly watches every table and pushing back on every saltshaker that's moved because excellent performance is paramount. That's the pressure.

He believes in communication and delivering information to his employees to make sure they are successful in their roles. He is quoted saying, “Communicating has as much to do with context as it does content. Understanding who needs to know what, when people need to know it, and why--and then presenting that information in an entirely comprehensible way--is a sine qua non of great leadership. Clear, appropriate, timely communication is the key to applying constant, gentle pressure” (Meyer, n.d.).

Meyer’s leadership style of creating a company culture, where employees are happy is a testament to the direction the company culture will take while he is at the helm. To Meyer, it is crucial that employees are happy at the company. This is extremely important when a company is looking to expand and grow, as did Union Square Hospitality Group. Meyer explains that companies need leaders to be happy in

their new roles and he firmly believe that happy employees make for happy customers and better customer experiences. When customers are happy, consistently, it builds loyalty and solidifies financial stability (Shoener, 2012). Meyer strives to create a company culture that also fits in the neighborhood where the restaurant is located. The first restaurant, Union Square Café, has done just this by adapting to its area in Manhattan (Meyer, 2014). This notion of fitting into the community builds the company's character and strengthens employee engagement.

Danny Meyer falls into the category of a transformational leader.

Transformational behaviors include the leader expects team to transform even when it's uncomfortable, counts on everyone giving their best, and serves as a role model for all involved. It is best used to encourage the group to pursue innovative and creative ideas and actions, to motivate the group by strengthening team optimism, enthusiasm, and commitment. It can lead to high productivity and engagement from all team members, but the team needs to have highly detailed people to schedule the work. After reading about Danny Meyer's saltshaker theory, it is clear that he manages by setting expectations and guides, not pushes, his managers to success by following his constant, gentle, pressure approach.

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