

MAKE IT

## From meatballs to millionaires: How we launched a new dining sensation

COMMENTARY

Daniel Holzman, co-owner, chef, The Meatball Shop | 7 Hours Ago



Back in 2009, when childhood friend Michael Chernow and I opened The Meatball Shop on the Lower East Side of Manhattan, the mix-and-match menu of meatballs, sauces and sides was an instant hit. We opened five more shops in quick succession—in Williamsburg, West Village, Chelsea (along with basement bar Underballs), Upper East Side, and most recently, Upper West Side. These days, each restaurant averages \$3.5 million in gross sales per year.

Since we opened, we've gone through nearly 75,000 gallons of sauce! Locals and visitors have always asked about purchasing jars so we just expanded our brand by launching The Meatball Shop's Classic Tomato Sauce, sold in our shops and at [Whole Foods](#).

Some argue that we created a new dining category when we made meatballs the star of the plate. Well, based on our research, no meatball-centric restaurants existed before the original shop debuted in 2010 and today, you can find nearly 100 worldwide.



Liz Clayman | The Meatball Shop

Daniel Holzman, Chef, Owner and co-founder of The Meatball Shop.

Here's how we did it:

Michael and I were both restaurant guys through and through; our first jobs in high school were working together as delivery boys for a vegan restaurant on the Upper East Side. Over the years, Michael migrated to the front of the house, working in dining rooms and behind the bar and I found my home in the kitchen cooking. To open our first Meatball Shop we raised around \$400,000 from friends, family and anyone who was willing to read our business plan and join us.

Our goal was to build a place where we would be excited to come to work every single day. We wanted to serve delicious, thoughtfully-sourced food and drinks at an affordable price and to build a business that cared about the people it affected: employees, neighbors, vendors, customers and owners alike.

Collaborating on a project is an exhilarating experience that can be challenging, exhausting and rewarding all at the same time. Michael and I each came with different personal goals — Michael wanted a stable environment to work in that was more than just a restaurant but an entire lifestyle, from the food to the decor. I was inspired by the Slow Food Movement, with a goal of owning multiple restaurants and helping change people's eating habits by serving wholesome food at a low price point.

We also brought different experiences and perspectives to the table. Michael has a magnetic personality and he loves to meet, talk to and learn about people. He also has a passion for design and understands how important the look and feel of a business is to its success. I have always been more introverted and analytical. I am fascinated with the system and process of the restaurant and prefer to spend my time tinkering with the production systems and kitchen layouts or reading management books and learning to work with and motivate people.

We spent months working on ideas before ultimately agreeing on The Meatball Shop in its current iteration. We were extremely lucky with the timing of the first shop. At the height of the great recession, our low price strategy struck a chord with consumers. The restaurant was very busy from day one, well exceeding our expectations. Based on its success it wasn't long before we began the process of opening our second and third locations. Six years and six restaurants later (with a seventh on the way in Hell's Kitchen) we're running a successful growing business that has stayed true to its original intentions.

Growth has also brought some big changes. Michael has recently opened a seafood eatery, Seamore's, I'm heading up The Meatball Shop's day-to-day operations and we have assembled an amazing team of super smart, qualified managers who are helping us run the business.

We're planning to continue opening shops and have long-term goals of growing beyond New York City and hopefully making The Meatball Shop a household name across the country. But Money is a factor; it's never been the main motivation but it's important that everything balances; we have a responsibility to our investors, our families and ourselves to run a financially successful operation. Above all else we try to keep things in perspective and concentrate on taking care of our people. After all, a restaurant is only as good as its last meal served.

For The Meatball Shop to thrive and grow we need to give customers great experiences and those experiences are in the hands of our team. One thing we know for sure is that great people attract more great people and the way to start the cycle is to create an environment and culture that's conducive to their wants needs.

Keeping the brand relevant in a world where new and cool is constantly evolving is a challenge that we've welcomed from the beginning. We're constantly working on our food and beverage menus, most recently concentrating on our veggie offerings. We've added brunch and liquor, and removed items that waned in popularity.

To boost awareness of our brand we've developed partnerships with businesses like [Vans](#) sneakers, Warby Parker and Shut Skateboards where we endorse their products and services and they, in turn endorse ours. The partnerships are also great for our teams, reinforcing the message that they work for a cool and relevant brand, plus they get the benefit of rocking the gear.

We've also been able to reach beyond our geographical locations through products like our "[The Meatball Shop Cookbook](#)," which has sold 50,000 copies, as well as tee shirts, hats and our newly launched tomato sauce—which debuted in Whole Foods in May.

Ultimately bringing guests into our restaurants is our main goal and we hope that introducing people to our brand through all of our products will encourage them to come and give us a try. It's too early to estimate what the sauce will do for our bottom line but ultimately it's worth it to get our name out there and keep reminding people that The Meatball Shop is right around the corner.