

THE BIZ FIX

BUSINESS ADVICE FROM THE EXPERTS

The Biz Fix: Finding a fortune in meatballs

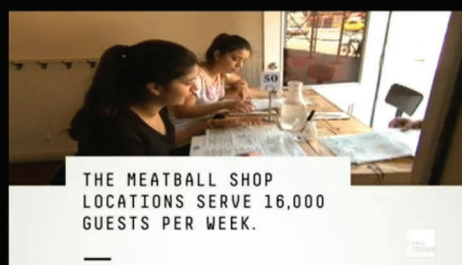


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Published: Monday, 12 Aug 2013 | 3:48 PM ET

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The Biz Fix: Building a niche business

Monday, 12 Aug 2013 | 12:00 AM ET

What does it take to succeed in a niche-based business? CNBC Prime talks with meatball impresario Michael Chernow, whose New York shops make millions.

Popularized by one fast-food giant in the 1970s, the notion of having it "your way" is nothing new. These days the niche businesses that flood the market can fulfill just about any consumer desire, no matter how specific.

While providing various options may be lucrative, every entrepreneur knows the difficulty of realizing even one idea. Nearly 22 percent of the 538 thousand start-ups established between March 2010 and March 2011 had shuttered a year later, according to the [Bureau of Labor Statistics](#).

So what does it take to run a successful niche business? The Biz Fix came away with insights and four specific tips from an expert who has built a business around meatballs that is thriving in ultracompetitive New York.

(Read more: [Want to get rich? One entrepreneur says do it on your own](#))

The meatball master



Source: Michael Chernow

Michael Chernow, co-owner of The Meatball Shop, operates what he calls a "single-focused food-item concept." The restaurant rotates 60 types of meatballs through its menu, with diners customizing their orders.

"It's a guest-driven restaurant, not a chef-driven one, so we turn the menu over to you," he said. "You chose what you'd like to have. You chose your protein. You chose

your starch. You chose your sauce," said Chernow, a business expert featured on CNBC Prime reality programming.

Chernow and his childhood best friend, Daniel Holzman, who is the chef and co-owner, came up with the idea, and they have expanded The Meatball Shop to five locations in just three years.

"We opened up the doors in February 10, 2010, and we haven't had a slow night since," Chernow said. "And that's the God's honest truth."

In total, the shops serve more than 16,000 guests a week. None of the locations take reservations, and it can be up to a two-hour wait for dinner on weekends.

Chernow said he lives well but is definitely not a millionaire, even though the businesses generate millions in sales.

"Owning a successful restaurant is incredibly gratifying, but not incredibly lucrative in the beginning," he said.

Four factors for successful



Source: Michael Chernow

Michael Chernow, left, and Daniel Holzman

Chernow had these four tips to guide entrepreneurs thinking about a niche enterprise:

- Keep it simple and stick to that.
- Hire a good publicist.
- Tell a story with an experience.
- Treat the staff like gold.

By keeping it simple, an owner can more easily focus on ensuring that all aspects of the business run smoothly and that the product or service is right, he said. It also helps to clearly define the business' identity

to customers.

(Read more: [Three tips for success in the real world](#))

As for getting the word out and attracting customers, Chernow believes having a great publicist put the partners on the map. He and Holzman have appeared on "The Tonight Show with Jay Leno" and "The TODAY Show" as well as in publications such as *Food and Wine* and *Bon Appetit*, among others.

"The connections that a publicist has are stuff that you probably would never cross paths with," he said. "It's not cheap, either, but it's paid itself back. It's invaluable."

And "telling a story" doesn't mean beating customers over the head with your establishment's history, Chernow said. "The story is the experience," he said. "You want to grab people from the minute they walk in the door ... to the minute they leave. You want them to be able to tell the story of what they did at your place."

Finally, showing your staff maximum appreciation is the best way to ensure a high level of productivity.

"If you treat your staff like gold—and that doesn't mean letting them walk over you like a doormat—but you treat them like gold, they will work their ever-loving asses off because they love the boss," he said. "They love to be part of a team."

For more tips to overhaul your biz, tune into CNBC's *The Profit*, a reality series with multimillionaire Marcus Lemonis taking control of struggling companies, airs on CNBC Prime on Tuesdays at 10 p.m. ET/PT.