

REPORT SMALL BUSINESS

Caterer gobbles up elite venues

Exclusive deals are growth ticket for top-end firm, but yacht founders

BY LOUISE KRAMER

NEARLY 20 YEARS AGO, catering firm Abigail Kirsch hit what appeared to be a dead end. Annual revenue was stuck at about



LANDMARKS
Seventh in an occasional series on NYC institutions

\$5 million, and intense competition in an overcrowded market was taking its toll.

"We were burned out," says Jim Kirsch, chief executive

of the company founded by his parents, Abigail and Bob Kirsch.

In 1989, the Kirsches took a risk and changed their business model. Instead of confining themselves to others' sites and competing on cuisine and service alone, they signed a 25-year lease for Tappan Hill, a mansion in Tarrytown, N.Y., with stunning Hudson River views and enough space to host two functions simultaneously.

This was no ordinary catering hall. "All of a sudden, we had something unique to offer," Mr. Kirsch says.

Clients began queuing up.

Revenues more than doubled within the following two years, to \$11 million, and with the exception of the two years after Sept. 11, they have grown at double-digit rates annually ever since.

Today, 32 years and mountains of canapés after its founding, Abigail Kirsch ranks as an institution.

Accounts include powerhouses like Tiffany & Co. and Goldman Sachs. The caterer has 325 full-time and 400 part-time workers, and offices in Manhattan and Westchester. It is one of the top operations in an industry that generates annual revenues of about \$1.5 billion in the city.

Getting there took more than a revised strategy, however. It took a strong stomach. The family sank \$5 million—far more than anticipated—in loans and company money into modernizing Tappan Hill. Having made such a commitment, the Kirsches had little choice but to get aggressive about finding business rather than rely on referrals and repeat clients, which it had largely always done.

"After you spend that kind of money, you better not rely on word of mouth," says Mr. Kirsch, who has been chief executive since 1994. Abigail Kirsch began advertising. Its first ad, in *The New York Times*, which used the tag line "45 minutes from Broadway and worlds apart," drew a flurry of calls.

Eyes on the city

HAVING GAMBLED BIG AND WON, the Kirsches raised their bets and shifted their focus from Westchester to the city.

IN A NUTSHELL

ABIGAIL KIRSCH



FOUNDED
1975

EMPLOYEES
325 full-time, 400 part-time

MEALS SERVED IN 2006
400,000

NUMBER OF EVENTS IN 2006
2,500

SIGNATURE DISHES Foie gras lollipop, caviar potato coins

PRICES \$60 to \$300-plus per person

The process began a decade ago, when the firm signed an exclusive deal to cater all events at the New York Botanical Garden. Then, in 1998, Abigail Kirsch opened its first Manhattan venue in partnership with Chelsea Piers. Today, 85% of the company's revenues flow from events at its five exclusive venues.

"It's a smart strategy," says food service consultant Arlene Spiegel. "It lets your brand be associated with a venue's brand."

The newest location is Stage 6 at Steiner Studios in the Brooklyn Navy Yard, which offers dazzling views of Manhattan across the East River.

Not all settings—even the most dramatic ones—pan out, though. For example, the company paid \$1.1 million in 2003 for a yacht that it christened *Abigail K.*

"It was perfect for a small, seated event," says Mr. Kirsch, sitting in the company's Manhattan office. Trouble was, the boat broke even at best. It is now for sale.

"It wasn't going to grow, even though it was sexy and fun," Mr. Kirsch concedes.

As important as sites are, of course, no one is going to hire a caterer who serves bad food. The Kirsches covered that base 20 years ago by hiring Alison Awerbuch, who was first in her class at the Culinary Institute of America. She is now a partner in the firm and its chief culinary executive.

Client-oriented

TO ENSURE that food and service remain up to snuff, Abigail Kirsch regularly surveys clients.

"They are arguably one of the single most client-focused businesses I know," says Lee Perlman, chief administrative officer of the Greater New York Hospital Association and an Abigail Kirsch customer. "They treat every event as though it is the first they have ever done and the last they will ever do."

Behind the scenes, Mr. Kirsch has made investments to enhance efficiencies.

For example, in 2005, the company adopted standard operating procedures that cover everything from making a sales call to ordering food and closing down a kitchen. All the information is now online for employees to access.

"We've added the systems and processes we need to have in place to be able to sleep at night," Mr. Kirsch says.