

Chef Peter Vauthy and Aaron Hammer of RED South Beach: How We Plan To Rebuild In The Post COVID Economy



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As part of my series about the “How Business Leaders Plan To Rebuild In The Post COVID Economy”, I had the pleasure of interviewing Chef Peter Vauthy and Aaron Hammer, Partners- RED South Beach.

Aaron Hammer is the Managing Partner of Bisteca Hospitality Group. In this capacity, Aaron manages all restaurant operations, business development and strategy for Red South Beach and its future operations, Red Butcher Shop and Red Craft. In his spare time, Aaron practices law. He is an award-winning, nationally recognized corporate restructuring attorney who has driven multiple turnarounds in the hospitality space, saving thousands of jobs. Aaron chairs the Bankruptcy, Reorganization & Creditors’ Rights Practice Group at HMB Legal Counsel and serves on its Board of Directors.

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After winning numerous national awards in the Midwest, Chef Peter Vauthy took his expertise to Miami Beach to open Red, the Steakhouse in 2008. Armed with profound knowledge of the industry and passion for cooking, Chef Vauthy’s expert interpretation of “classic steakhouse” cuisine and consistently bold, pure flavors

quickly landed RED high on nationally recognized award lists. Red was named #1 Best Surf & Turf in America and America's Top 10 Steakhouses by The Daily Meal, as well as #1 Best Restaurant in Miami Beach and Best Steakhouse by Time Out Miami. Thrillist named Red as #1 Best Steakhouse in Miami. Red was listed as OpenTable's Diners' Choice and on Zagat's list of the 8 Sexiest Restaurants and Bars in Miami in 2015.

IN 2019, Chef Peter has been recognized by the City of Miami Beach as One of the Top Chefs Shaping the City's Culinary Scene.

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Thank you so much for your time! I know that you are both very busy. Our readers would love to “get to know you” a bit better. Can you tell us a bit about your ‘backstory’ and how you got started?

PV:

I came to South Florida over twelve years ago to launch RED, the Steakhouse with my former partners from Cleveland, Ohio. At that time, we had two award-winning restaurants in the Midwest. Miami welcomed us with open arms, and we were soon collecting accolades from top global publications including Best Steakhouse in Miami, Best Restaurant in Miami, Best Surf & Turf in America, Sexiest Restaurant in Miami and Top 50 Steakhouses in America. We were featured on Travel Channel's “Bizarre Foods with Andrew Zimmern” and multiple Food Network productions, including City vs Chef.

In 2018, during a painful split with my partners, Aaron and I joined forces and rebranded to RED South Beach. Aaron was first my customer and friend, then my lawyer and soon thereafter, my business partner. Together we have been able to take RED South Beach to new heights and we are now recognized as one of the **Top 10 Steakhouses in America.**

AH: I am a lawyer by training and maintain an active legal practice at the highest

level. My day job often requires entertaining clients and friends, and I've always been passionate about food and cheer. Since I have no desire to spend my life on the golf course, it was only natural that I took to the restaurant game. Chicago has always been my home base and food and dining are a deep part of the Chicago culture. Through this window, I've managed to become an accomplished restaurateur, making friends globally and impacting thousands of lives on this journey. I'm honored to be an owner of Smyth, a globally recognized two Michelin Star restaurant in Chicago, and The Loyalist, an upscale casual concept which boasts Bon Appetite's top cheeseburger in America.

In 2018, Peter and I joined forces to own and operate RED South Beach and explore other "RED" branded concepts. As managing partner, I am responsible for restaurant operations, business development and strategy for the restaurant and its anticipated future operations, Red Butcher Shop and Red Craft.

As a lawyer, I am an award winning, nationally recognized corporate turnaround lawyer who has worked for clients around the world. My legal team and I have successfully driven multiple turnarounds in the hospitality space both in out-of-court situations and federal bankruptcy proceedings. I chair the Bankruptcy, Reorganization & Creditors' Rights Practice Group at HMB Legal Counsel in Chicago and serve on its Executive Committee.

Can you share a story about the funniest mistake you made when you were first starting? Can you tell us what lessons or 'take aways' you learned from that?

PV:

Be warned about people who seemingly have all the answers. We were doing construction at the restaurant and one of my former managers was spearheading the project. After watching him lecture the contractor about the electric panel, he proceeded to electrocute himself, which of course had the contractor and I spitting our coffee out in laughter. The biggest takeaway is **let experts take on the jobs they have trained for!**

Is there a particular book that you read, or podcast you listened to, that really helped you in your career? Can you explain?

PV:

Setting the Table by Danny Meyers. The book shows the true power of hospitality. Whether you are a burger concept or the top restaurant in NYC, your level of hospitality does not change, and it trickles down. When the ownership and management show hospitality to the staff, the staff brings that hospitality to your guests. The book also reinforces the age-old mantra: **the guest is always right.**

Extensive research suggests that “purpose driven business” are more successful in many areas. When you started your company what was your vision, your purpose?

PV: When I first moved to Miami Beach to open RED, the Steakhouse, my goal was to take my past 20 years of experience and learn from the pitfalls and mistakes to create a dining experience that consistently delivers great food and excellence but not stuffy hospitality. When Aaron and I joined forces in 2018, that vision was reinforced. Our belief is that our team should always be treated like family. In return, they treat our guests like family. That is a driving force that continues to help us grow, even during the most trying of times.

Do you have a “number one principle” that guides you through the ups and downs of running a business?

AH: Funny you should ask this question. As the Covid-19 pandemic set in and every restaurant across the country was forced to shutter, Peter and I sat down with our management team and renewed our mission and core values.

Our mission always has and continues to be to deliver our passion for food and hospitality and dedication to our customers in every dining experience. My favorite of our core values is to “lead by example.” During the shutdown, Peter and I

worked seven days a week with our senior managers, offering take-out and delivery service, while feeding our COVID's first responders 500–800 hot meals per week through Meals for Heroes. We live by our core values and expect every member of our team to do the same.

Thank you for all that. The Covid-19 pandemic has affected nearly every aspect of our lives today. For the benefit of empowering our readers, can you share with our readers a few of the personal and family related challenges you faced during this crisis? Can you share what you've done to address those challenges?

AH:

For my family, quarantine became an opportunity for growth and reflection. Our base of operations is Chicago, but when quarantine set in, my wife, Fiona, and I quickly took our two daughters to our home in Miami Beach. We did this to prioritize connection, mitigate anxiety, support virtual learning and to enjoy the sun and outdoors.

We quarantined together with our restaurant management, creating a true family dynamic. Fiona and I were able to create a sense of positivity through this very strange and unsettling time. Personally, I found mindfulness through family activities (meditation, yoga, puzzles) was very grounding and uplifting.

Can you share a few of the biggest work-related challenges you are facing during this pandemic? Can you share what you've done to address those challenges?

AH:

Before the pandemic, RED South Beach experienced back-to-back record monthly sales. On March 16, the party came to a crashing halt when the City of Miami Beach closed its restaurants. Our first course of action was to open the lines of communication with our lenders. Credit stood to be the oxygen of all hospitality

enterprises during the shutdown. Not only was RED South Beach able to negotiate current obligations, we secured its participation in the Paycheck Protection and Economic Injury Disaster Loan Programs, together with multiple state and local grants.

Second, we cut as many costs as reasonably foreseeable without surrendering RED South Beach's ability to reemerge as a world-class dining destination. While key managers worked on site to provide takeout and delivery service to the local community, we made the painful step to furlough our hourly employees. All of the restaurant's employees retained health care benefits during the crisis and some hourly workers helped with delivery and takeout services as needed. We are proud to note, our RED's entire staff has since been hired back.

Third, we quickly adapted operations to stay engaged in the community. Within days of closing our dining room, our team launched an online delivery portal and devoted substantial additional online market revenue to boost website traffic.

Lastly, we launched the online RED Butcher Shop — selling RED's prized cuts of meat and fresh seafood to locals. The concept quickly generated such a buzz that our team has formed a long-term plan to launch a national mail order business by August 2020, transporting RED's special certified angus beef and seafood direct to consumers around the United States.

Many people have become anxious from the dramatic jolts of the news cycle. The fears related to the coronavirus pandemic have understandably heightened a sense of uncertainty, fear, and loneliness. What are a few ideas that you have used to offer support to your staff, your family and friends who were feeling anxious? Can you explain?

PV: During the Covid-19 shutdown, we felt it was of utmost importance to take care of our team.

Family meals were prepared at least once per week. Our staff was able to come and pick up prepared meals to take home to their families.

We also pivoted the business to offer take-out and delivery service. I personally worked 7 days a week nonstop to keep the lights on. We did everything in our power to show our team we would survive this together and ensure jobs were there when quarantine was lifted. This gave our team a sense of security during this trying time. Once quarantine was lifted and we had a reopening date set, we had in depth staff training for the new safety protocols. We also gave our team opportunities to renew their knowledge on service and food.

Obviously, we can't know for certain what the Post-Covid economy will look like. But we can of course try our best to be prepared. We can reasonably assume that the Post-Covid economy will be a trying time for many people across the globe. Yet at the same time the Post-Covid growth can be a time of opportunity. Can you share a few of the opportunities that you anticipate in the Post-Covid economy?

AH:

Covid-19 has brought us several new opportunities for growth and new partnerships. I mentioned our RED Butcher Shop earlier. Our online store will sell our Signature Certified Angus Beef Prime Steaks and sustainable seafoods, and we just signed a partnership deal with a gourmet spice shop on the West Coast. The shop is creating a custom line of spices and steak rubs that will be available by the holidays.

We are also launching a new gastro pub concept just a few blocks from RED South Beach, in partnership with The Angler's Hotel South Beach, Kimpton Hotels. RED Craft will feature signature burgers and sandwiches, world class craft beers and hand-crafted cocktails. Quarantine gave Peter and our team the opportunity to use RED as a test kitchen for RED Craft's menu, and the results were mouthwatering. Get ready for our RED Steakhouse Burger (your classic burger, just better), RED Royale with Cheese (your ultimate smashburger with RED's signature sauce), and RED Clucker (think spicy fried chicken sandwich on fresh glazed donuts). We are targeting opening RED Craft by December of 2020.

How do you think the COVID pandemic might permanently change the way we behave, act or live?

PV:

Health and safety standards will be a top priority. Restaurant owners will be pushed to ensure a clean and safe dining experience. The days of the old run-down restaurant look is over. People are also paying more attention to the source of their food. They will look for sustainable meat and quality ingredients.

AH:

Consumers everywhere want to spend their money where they feel there is value and they are safe. It is an honor when people work hard all week and then choose to dine at your restaurant and spend that money.

Considering the potential challenges and opportunities in the Post-Covid economy, what do you personally plan to do to rebuild and grow your business or organization in the Post-Covid Economy?

PV: With the launch of RED Butcher Shop and our new RED Craft gastro pub, we are exiting quarantine in a position to grow and capture new market share. We also plan on creating a lot more jobs in the local Miami community and helping the hospitality scene return to

Similarly, what would you encourage others to do?

Be innovative and be willing to take risks. When you see an opportunity, be able to pivot quickly to take advantage of that opportunity. I also encourage business owners to reach out to their networks. Opportunity sometimes comes in the form of new partnerships with longtime associates. RED Craft is a perfect example of this. Our friend and dedicated customer owns The Angler's Hotel in partnership with Kimpton Hotels. He had restaurant space available and wanted a Food & Beverage partner he could trust to deliver great food and excellent service. We

were able to work out a lease option that was beneficial to everyone. The deal was finalized over a Zoom call during shutdown.

Can you both please give us your favorite “Life Lesson Quote”? Can you share how that was relevant to you in your life?

PV: don't be the best in the world at what you do; be the only one in the world who does what you do

AH: own your shit

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