

DESPITE ALL ODDS—A LOOK AT WHAT IT TAKES TO SUCCEED

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The odds against success as a start-up are staggering.

There are issues of capital, location, staffing, and supply. And that's just what can be touched and enumerated and qualified. Then there is the unseen – disasters both natural and man-made, unimagined technologies, and unforeseen catastrophes.

A business just getting started in 2006 had no idea of the havoc that was about to rock the financial world. That year was a moment of bliss on the precipice of uncertainty.

This was the climate into which *Inside Memphis Business* was born 10 years ago. As we mark this achievement, we turn our eye toward other area businesses also celebrating a decade. These three entities have become area stalwarts despite a national financial shockwave and the ensuing Great Recession. Here, we'll look at how they survived and, more, prospered.



Although The Majestic Grille turns 10 in 2016, the history of the storied building goes back much further. Built in 1913, The Majestic No. 1 was a silent picture house that was in service for 30 years. The restaurant, helmed by owners Deni and Patrick Reilly (who also serves as chef), draws inspiration from the building's original purpose with the restored Beaux Arts terra cotta-façade, décor, classic cocktails, and classic movie screenings.

Patrick said that the first two years in business were tough, and 2009 was a break-even year. "It was touch-and-go for a moment," he says. "It was scary." It wasn't until 2010 or 2011 that the couple felt like the restaurant would survive.

After about 18 months the Reilly's hired a market research company that helped them figure out what decisions they should consider from a money-making standpoint. One of the takeaways was that the restaurant should leverage the building's history in the restaurant's identity in a succinct way.

In keeping with the tradition of the building, the Reillys also rolled out charitable arts partnerships including the Orpheum Theatre, as well as opera and ballet outfits.

Patrick says they developed a business philosophy which came from their corporate backgrounds: Taking care of employees, but not just as lip-service. Most employees have been with the restaurant for at least five years, with the restaurant having retained much of the staff that it originated with. The bar manager is the original, as well as both kitchen managers.

They were hires one through three. As an anniversary gift, the restaurant rolled out personal time off to staff; and employees now receive full healthcare, dental, and vision insurance – a major feat for any small business.

The restaurant employs a code of conduct on how to deal with staff and vendors, and on how staff deals with customers. “We treat our vendors with honesty and integrity, as we want to be treated,” Patrick says.

Another key to Majestic’s success is making everything from scratch, but keeping the menu simple once the restaurant became established. “A lot of people know what they want before they walk in,” Deni says.



As Downtown has grown and evolved over the past decade, Majestic Grille has become an anchor.

“Patrick always says, ‘We’re not just in the restaurant business, we’re in the Downtown Memphis business,’” Deni says. “If you’re part of the community, the community will want to support you.”



In 2006 a group of local bankers and leaders decided they wanted to bring hometown banking back to the Memphis area at a time when local banks were being owned and managed from out of town. Triumph’s ethos is to be a community presence, giving customers more flexibility and confidence, and to give back.

President and CEO, and founding board member, William J. Chase Jr., says that the bank’s key to success is its “great board” that is known and re-

spected throughout the community – including by a lot of good bankers – and that allows the company to serve customers well.

Triumph was one of the first in the area to adopt the American Bankers Association's universal banker certificate, which allows its people to assist a customer no matter what they need from start to finish.

"It's very consultative instead of transactional," says Traci Strickland, vice president of marketing for Triumph. "They understand needs and goals, family and business, and can suggest banking solutions."

Every employee at branch level is on an incentive system, so turnover is very small. "For our associates, for their activity, we want them to see how they link to the ultimate success of the company," Chase says.

During the economic downturn the bank was not only stable but growing because, as Chase puts it, "We had a very good plan, the board supported it, and we stuck to the plan. Once we made profit, we raised additional funds and kept growing. All the pieces fit together. We like balance. We try to plan ahead."

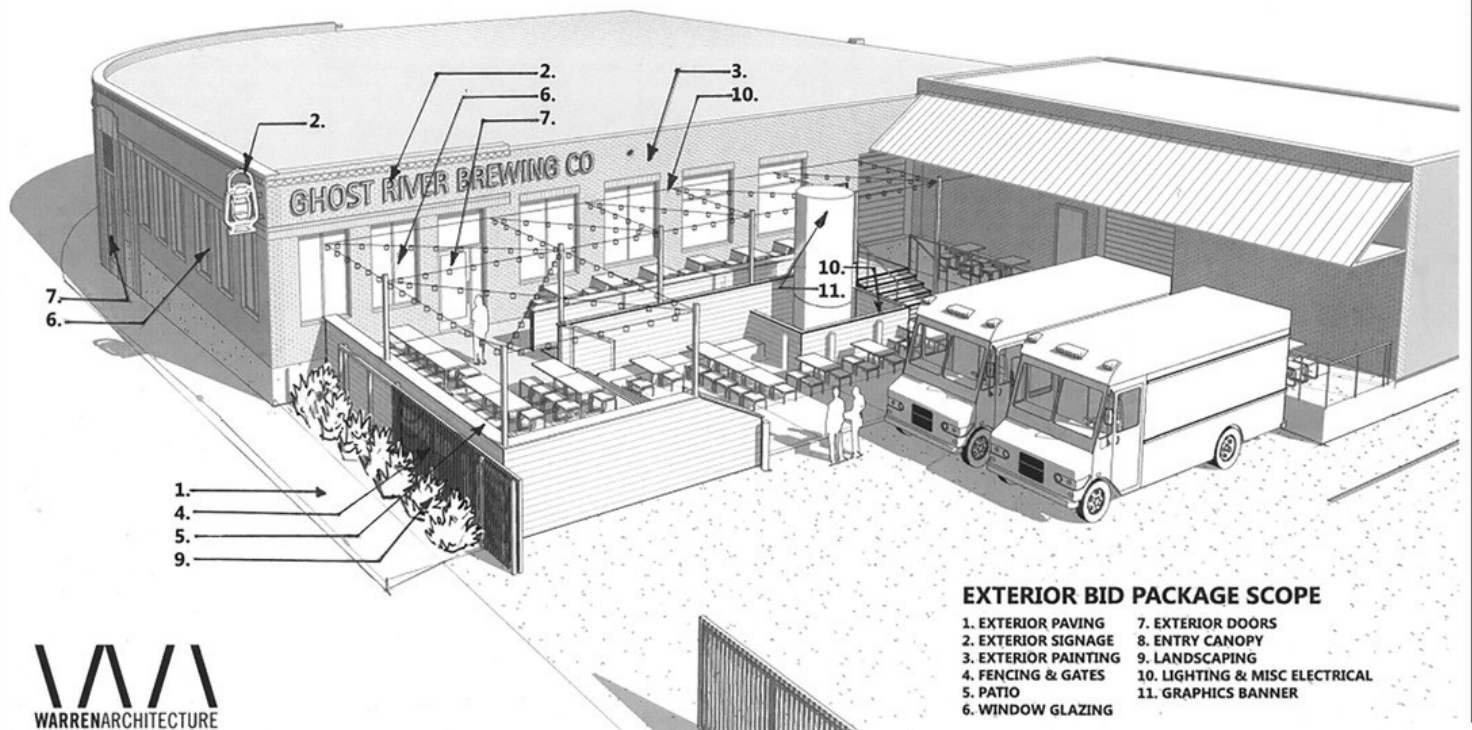
The bank specifically focuses on business loans (which were 75 percent of the company initially, and closer to 90 percent today). Chase says that although they like individual consumer business, it is much harder to compete where the competition is First Tennessee, Regions, and SunTrust. A couple of years ago, Triumph added asset-based lending, and also offers full-service mortgage banking.

When the bank started out it had two offices and no name recognition. Today, in addition to the main office at Poplar Avenue and I-240, Triumph also has offices in Germantown, Collierville, and Arlington. There are 100 employees total; 75 are branch employees.

As the bank's corporate imprint has grown, so has its community imprint, going from 35 service hours to 425 two years ago. Triumph's community partners are in Binghampton and South Memphis, and include Binghampton Christian Academy, the Chickasaw Council of the Boy Scouts of America, and Advance Memphis.

As for the future of the bank, over the next five years Chase says they would like to continue their growth, whether internally or through acquisition, and to potentially add a new location to further their reach into the community.

As Strickland says, "It's all about building relationships."



Back in 2006, the local craft beer scene looked a lot different than today's multiple local breweries with tap rooms, with beers from those breweries in many local and regional restaurants and grocery stores, and even large-scale beer festivals.

In January 2017, Memphis craft beer stalwart Ghost River Brewing will turn 10 years old. The company's name comes from a section of the Wolf River with the same name.

Although the branding has changed recently and construction has begun on its long-awaited, on-site tap room, Ghost River still stands by its three founding principles. Those were to create a local brewery using water from the Memphis Sands Aquifer, to guarantee every beer is the freshest available, and to support the Wolf River Conservancy by donating a portion of the proceeds of every barrel sold.

Marketing vice president Suzanne Williamson says that the increased competition has been a good thing for the local market, which is a relatively newer one for craft beer. A more educated public means that its palette is broader, and that breweries like Ghost River can create more varied offerings besides its original golden and cream ales.

Through the economic downturn, the brewery weathered the storm. "Beer is affordable," Williamson says. "I think we were protected by that." Add to that an explosion of interest in craft beer around the country and the company continued to grow during the recession because it was the only such brewery in town.

Williamson says the secret to success has been that the company has always been focused on producing the best, freshest beer, with the best ingredients, and not taking shortcuts.

Ghost River's history is reflective in the new branding. Featured on bottles is a lantern (something carried by the leader). Inside of the lantern is a barrel (representing the beer), and water (a reflection of how important water is).

The new company tagline is "Made to Wander."

Other changes include the brewer's most well-known beer being renamed Ghost River Gold (originally Golden Ale) and Honey Wheat becoming Lost Hive. The six-packs have different packaging depending on the type of beer, but all clearly denote from where Ghost River originates.

With demolition that began in late June, the new tap room will be located on the premises of their brewery where South Main Street meets E.H. Crump Boulevard. The opening date is set for late September or early October. In addition to an outside patio, they'll feature a rotation of food trucks and an artist installation.

The tap room restores Ghost River's connection to its customers, something lost when the company stopped giving brewery tours to the public years ago because increased production made it unfeasible. "People want to hang out with the people who make beer and hear stories," Williamson says.

Until the tap room is open, Ghost River will continue its "Drink a Beer, Save a River" events to benefit the Wolf River Conservancy.

