

# Gordon Ramsay's

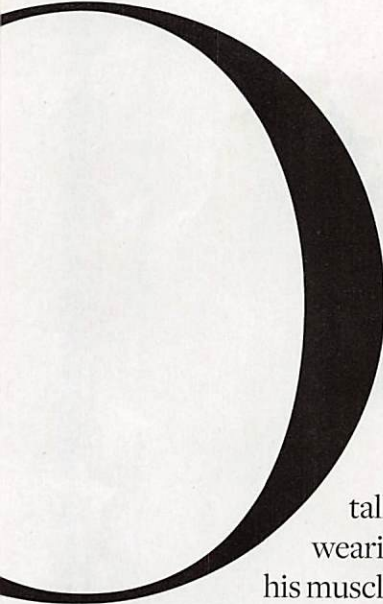
## RECIPE *for* REDEMPTION

*After a year in which his global restaurant empire almost went bankrupt, the bad boy of British cuisine is serving cheaper cuts of meat and focusing on the richer rewards of TV stardom.*

By **WILLIAM GREEN** Photograph by **PHIL FISK**

**Ramsay**, in his south London living room, says the tough times are behind him.





On a gray morning in October, Gordon Ramsay bursts into the kitchen of his south London house, pop music blaring from the radio. At the heart of the room stands a 67,000-pound (\$111,000) French cooking range that weighs 2.5 tons and had to be lowered by crane into the celebrity chef's home.

Ramsay, who is 6 feet 2 inches (1.88 meters) tall and weighs 215 pounds (98 kilograms), is wearing jeans, a tight black T-shirt that accentuates his muscles and a Bell & Ross watch—a Swiss brand marketed to soldiers, bomb-disposal experts and other “men facing extreme situations.” The 43-year-old Scot pours himself a juice, sits at the kitchen table and looks back on his own extreme situation: a year in which his global restaurant empire almost went bankrupt.

In the fall of 2008, his London-based Gordon Ramsay Holdings Ltd. breached the covenants on a £10.5 million loan and overdraft facility from Royal Bank of Scotland Group Plc. The bank hired KPMG to perform an independent review of the firm, 69 percent of which is owned by Ramsay and 31 percent by his

father-in-law, Chris Hutcheson. In late December, Ramsay says, KPMG recommended that the company declare bankruptcy, fire hundreds of people and close all but its best-performing restaurants.

“Everything was on the line,” he says. “December, January, February and March were the most highly pressurized, s---tiest, most awful four months I’ve ever had in business.”

Ramsay was in Hollywood for most of the first 12 weeks of 2009 shooting the U.S. version of *Hell’s Kitchen*, the reality show he fronts for the Fox network. After a day of filming, he’d often be on the phone for hours at night,



The Ramsay restaurant at Claridge's hotel in central London opened in 2001.

talking with Hutcheson about how to save their business. The stress was so intense, he says, that he'd go for runs in Malibu at 4:30 in the morning, wearing a black vest loaded with 20 kilograms of weights. “I just ran and ran and ran,” he says.

For Ramsay, bankruptcy was unthinkable even if it made financial sense. “There was no f---ing way that was ever going to happen,” he says. “That was never even an option.”

Ramsay's fame would have made it the most public of failures. “He's one of the great chefs,” says Jean-Luc Naret, Paris-based director of the *Michelin Guide* series, which awards the stars that are the Oscars of the food world. Restaurant Gordon Ramsay at Royal Hospital Road is London's only dining spot with three Michelin stars. In all, Ramsay boasts 12



Chris Hutcheson, Ramsay's father-in-law, backed the chef's first restaurant.



Puck, 60, has more than 90 restaurants and says he generates \$50 million a year in sales of cookware and appliances.

Ramsay, too, has focused on TV in amassing a fortune that London's *Sunday Times* estimated in April 2008 at £50 million. "He's perhaps the most media-enhanced chef in history," says Bill Guilfoyle, a restaurant marketing expert at the Culinary Institute of America in Hyde Park, New York.

**R**AMSAY'S EMPIRE EXPANDED just as the global recession deepened. He opened eight restaurants in 2008 and was particularly exposed as diners cut their spending. Brand-name chefs like Ducasse and Robuchon seldom own their restaurants outright; instead, they sign consulting deals under which they provide chefs, create a menu and run the operation. Ramsay's company owned almost all of its restaurants and was on the hook for everything from rent to salaries.

"We weren't unlucky," says Hutcheson, 61, chief executive officer of Gordon Ramsay Holdings. "We were clumsy. We'd put too many risks in front of us with too much confidence that nothing would fail."

**'He can't walk the streets of New York without people**

**shouting and screaming,' a TV executive says.**

stars, surpassed only by Frenchmen Joel Robuchon (25) and Alain Ducasse (18).

By 2009, Ramsay had about 20 restaurants as far afield as Dubai, New York, Paris, Prague and Tokyo. He also starred in five TV shows that reinforced his image as a master chef who swears and shouts in pursuit of perfection. In the U.K., he earns more than £2 million annually from *Ramsay's Kitchen Nightmares* and *The F Word*, in which his culinary adventures with celebrities have included creating breast-milk cappuccinos. In 2009, Hutcheson says Ramsay's talent fees from U.S. shows alone hit \$9 million.

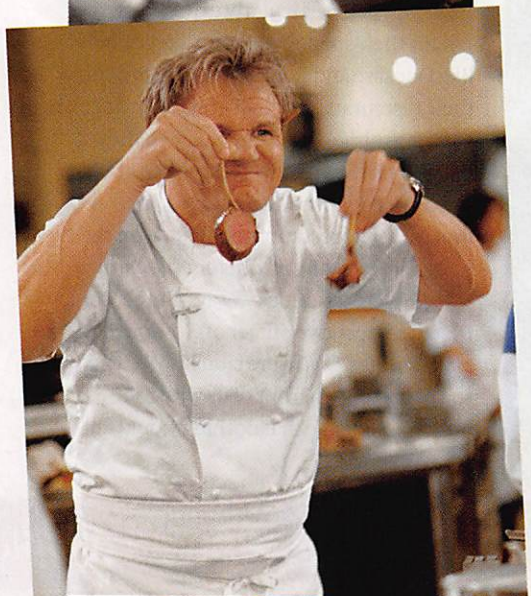
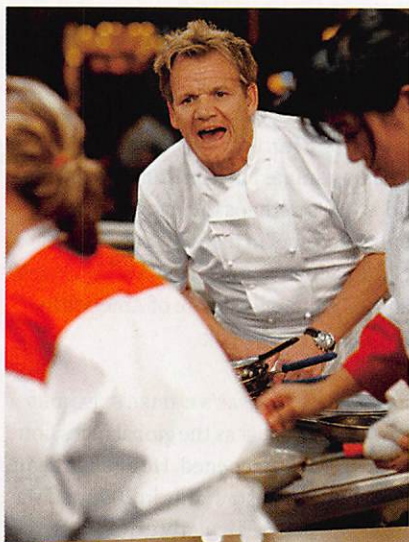
Ramsay has also published two autobiographies and lent his name to 23 cookbooks. According to Nielsen BookScan, his books—which have been translated into 18 languages—have generated

almost £25 million in U.K. sales alone. Ramsay also endorses pots, pans, glasses and china branded as Gordon Ramsay by Royal Doulton, and he's Diageo Plc's U.K. pitchman for Gordon's Gin. Hutcheson says Ramsay makes about £3 million a year from endorsements.

All of this has placed Ramsay at the vanguard of a generation of celebrity chefs with such myriad business interests that they barely cook. "Television made our profession really international and sexy," says Austrian-born chef Wolfgang Puck, who began appearing on U.S. morning television in the 1980s. Today,

For Ramsay, this was especially embarrassing because *Kitchen Nightmares* showcases him as a savior of other people's restaurants. "It's not great if you're making a show called *Kitchen Nightmares* and advising people on how to fix their businesses for you to go bankrupt," says Pat Llewellyn, producer of the program and Ramsay's partner in a production company called One Potato Two Potato.

Ramsay was, at least, no stranger to hardship. The son of a failed musician who worked as a day laborer, he grew up poor in Glasgow, Scotland and Stratford-upon-Avon, England. In his 2006



autobiography, *Humble Pie* (Harper), he describes his late father, also named Gordon, as a wife-beating alcoholic and thief, whose favorite punishment was to thrash the back of his son's legs with a belt. Ramsay's mother, Helen, raised their four children, baking bread when she couldn't afford to buy it and cooking them dishes such as ham hock soup or sausages and beans. His father's view, Ramsay writes, was that "only poofs cook."

A knee injury wrecked Ramsay's dreams of a soccer career. So he stumbled into a hotel management course before taking a series of junior cooking jobs.

**I**N 1989, HIS fascination with haute cuisine was awakened at Harvey's, a London restaurant run by Marco Pierre White, the first British chef with three Michelin stars. Ramsay then moved to London's top French restaurant, Le Gavroche, as an apprentice chef. Michel Roux Jr., now its head chef, says Ramsay was arrested in his first week after jumping over a London underground turnstile to avoid the fare.

While Roux says Ramsay was unruly, he made up for it in the kitchen. "He was beautiful to watch," Roux says. "He's a very naturally gifted chef. He has the taste, the eye of an artist, the efficiency, and he's ruthlessly hardworking."

Ramsay spent three years in France, including a stint with Robuchon, where he mastered the essentials of French cuisine. Then, in 1993, he became head chef at Aubergine in London. "He was an animal, a monster; he was horrible," says Angela Hartnett, who worked with him there. Hartnett says Ramsay once threw oysters at her after she'd opened them imperfectly. "He'd always say, 'Why are you diluting my standards?'"

Nonetheless, Hartnett has worked with Ramsay for 16 years and is currently head chef at Murano, one of his London restaurants. One reason she stayed was the quality of his cuisine, which

The combative chef in action on Fox TV's *Hell's Kitchen* reality show in 2009

features lighter sauces using less butter and cream. "He took classic French cooking and modernized it," Hartnett says.

Friends say Ramsay is hard-wired for perfection. "If he were in a line of washer uppers in a prison, he'd want to do it the best and fastest," Llewellyn says.

Aubergine won two stars in 1997, and Ramsay decided he deserved more than the 25 percent stake its owners had given him. Ramsay quit, triggering a lawsuit for breach of contract that the parties settled out of court.

Ramsay had just married a school-teacher, Tana Hutcheson, with whom he now has three daughters and a son between the ages of 7 and 11. Tana's father, Chris, who owned a printing company, risked £1 million in cash and loan guarantees to bankroll the Royal Hospital Road restaurant in 1998. He and Ramsay have been partners ever since, and their bond goes beyond business. "He's my son-in-law but, actually, he's my son," Hutcheson says.

The Royal Hospital Road restaurant, with signature dishes like lobster ravioli in a lemon grass and chervil sauce, won its third star in 2001. By then, Ramsay was as famous for his temper as his cooking. A British TV documentary called *Boiling Point* showed him spitting out food and firing a waiter for serving the wrong appetizer. Ramsay even ejected restaurant reviewer A.A. Gill—along with his guest, actress Joan Collins—for criticizing him in print. "I've become more mature," Ramsay says now. "I wouldn't say mellow. I still get incredibly frustrated."

Many employees defend him, saying he's generous and loyal. "He's definitely not malicious," says Josh Emett, head chef at Gordon Ramsay at The London in New York. "He's passionate."

Ramsay's breakthrough came in 2001, when private-equity firm Blackstone Group LP asked him to run the restaurant at Claridge's, one of four landmark hotels it had bought in London. Since the 1850s, Claridge's had been patronized by famous guests ranging from Queen Victoria to Cary Grant. "I thought it would be clever to have a bad boy there, and Gordon was the baddest,"

# Epicurean Empire

Gordon Ramsay has expanded his restaurant business from the U.K. to five continents.

## Michelin rating

### 1. London

Restaurant Gordon Ramsay at Royal Hospital Road  
 🍴🍴🍴

Gordon Ramsay at Claridge's 🍴

Murano 🍴

Maze 🍴

Boxwood Cafe

Petrus

Savoy Grill

### 2. Enniskerry, Ireland

Gordon Ramsay at Powerscourt

### 3. Versailles, France

Gordon Ramsay au Trianon 🍴🍴

### 4. Castel Monastero dell'Ombone, Italy

Gordon Ramsay at Castel Monastero

### 5. Santa Margherita di Pula, Italy

Gordon Ramsay at Forte Village

### 6. New York

Gordon Ramsay at The London 🍴🍴

Maze

### 7. Boca Raton, Florida

Cielo by Angela Hartnett

### 8. West Hollywood, California

Gordon Ramsay at The London 🍴

### 9. Cape Town

Maze

### 10. Dubai

Verre by Gordon Ramsay

### 11. Tokyo

Gordon Ramsay at the Conrad 🍴

Cerise by Gordon Ramsay

12. Melbourne  
Maze



Petrus and the Savoy Grill in London and Maze in Melbourne are scheduled to open in 2010. Not all restaurants are included. Source: Gordon Ramsay Holdings

says John Ceriale, Blackstone's senior adviser for the lodging industry.

Ramsay's arrival attracted a thousand calls a day for dining reservations, Ceriale says, and the restaurant has since made Gordon Ramsay Holdings as much as £2 million a year. In 2002, Ceriale also put Ramsay in charge of all food at the Connaught and installed him at the Savoy Grill, a 120-year-old restaurant in the Savoy Hotel once run by French culinary legend Auguste Escoffier. A year later, Ramsay opened two restaurants in the Blackstone-owned Berkeley hotel.

In 2004, *Ramsay's Kitchen Nightmares* debuted in the U.K., making him a household name. Mike Darnell, Fox's president of alternative entertainment, saw him in a reality series, *Hell's Kitchen*, and signed him to make U.S. versions of both shows. According to Hutcheson, Ramsay earns about \$250,000 per episode. On Nov. 3, Fox announced that Ramsay will also star

in *MasterChef*, an American version of the British cookery contest. "He can't walk the streets of New York without people shouting and screaming," Darnell says. "He's like a rock star."

The TV work, along with his international restaurant expansion, has triggered accusations that Ramsay is spread too thin. Richard Harden, co-founder of the guidebook *Harden's London Restaurants*, says he was the city's best chef for 10 years. "Many of his restaurants have lost their way," Harden says. "If you've got so many interests that are so

geographically diverse, you can't give them all proper attention."

Jay Rayner, restaurant critic for the *Observer* newspaper, says Ramsay's food is "out-of-date" as he doesn't have time to create new dishes. "It's no longer top-notch," Rayner says.

While Ramsay bristles at such criticism, saying consistency is more important to him than being avant-garde, he makes no apology for spending less time at the stove. "You tell me a chef anywhere in the world that's prepared to turn down quarter of a million dollars for an hour's work on TV, and they're the biggest lying bastard that ever put on a chef's jacket," he says.

**B**Y 2006, RAMSAY had nine restaurants in London. Ceriale then asked him to create restaurants in Blackstone's overseas hotels, too. Ramsay opened in New York that year; Prague and Boca Raton, Florida, in 2007; and Hollywood and Paris in 2008. He rented the properties from Blackstone and used his nonrestaurant earnings to equip the kitchens—a strategy he says made sense because it deployed income that would have been taxed at 40 percent in the U.K.

Every one of these overseas ventures has lost money. In New York, where he opened two restaurants in Blackstone's London NYC hotel, Ramsay says losses reached \$4 million a year, with a unionized staff costing 80 percent of revenues. Hutcheson says he and Ramsay didn't think locally. For example, they neglected to take into account how little alcohol New Yorkers would order at lunch. Ramsay's foray into Prague failed in early 2009. He also tripped up in France where he opened at the Trianon Palace Versailles, on the outskirts of Paris. Hutcheson says

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they lost as much as 200,000 euros (\$300,000) a month there in 2008, with wages consuming 90 percent of revenues.

Ramsay's ambitions in France were fueled by ego, Ceriale says, as he dreamed of winning three stars in the home of haute cuisine. "I totally agree," Ramsay says. "The French have been brilliant over the last 20 years at coming over to our country and telling us how crap our food is."

Hutcheson says this emotional approach became a liability once the credit crisis struck. In late 2008, when RBS wanted to assess whether its loan was at risk, he says his accounts department couldn't provide the relevant financial data. The company was also £7.2 million in arrears on U.K. taxes. At the time, Ramsay and Hutcheson had 1,250 employees, up from 45 in 1998. "The company just grew too quickly and no one kept on top of it," Hartnett says.

To avert bankruptcy, Ramsay and Hutcheson poured nearly £9 million of their personal savings into Gordon Ramsay Holdings in 2009, 69 percent of it from Ramsay. They worked out an extension of tax payments with the British government and cut the staff at their London headquarters to 58 from 86.

Hutcheson says he told Ceriale the



Ramsay's cookbooks feature signature dishes such as **lobster ravioli** and **tarte tatin**.



company would go bankrupt unless they could renegotiate their contracts with Blackstone. "Shuttering the restaurants would not have been the best outcome for us or Gordon," Ceriale says. "They needed to restructure the business, and we were the key to restructuring it."

**A**FTER WEEKS OF negotiation, Blackstone agreed to assume ownership of the restaurants in Hollywood and Versailles, paying Ramsay a consulting fee to run them. The restaurant in Prague was closed in February. Ramsay would retain ownership of the New York restaurants. "Financially, we weren't going to come out with much," Hutcheson says. "But you just want to stop these apparently endless losses."

In Ramsay's remaining restaurants, everything now was about cost control. The pricier of his two Manhattan restaurants stopped serving lunch and opened for dinner just five nights a week, enabling Emmett to cut his staff from two kitchen brigades to one.

In London, Ramsay's bistro Foxtrot Oscar closed on Mondays and Tuesdays. Stuart Gillies, his head chef at Boxwood Cafe in The Berkeley, has saved £1,500 a month by no longer ordering flowers, and he now uses cheaper cuts of meat, such as beef shoulder, that he says require more skill to prepare.

Hutcheson says the worst is over and Gordon Ramsay Holdings

should generate £7 million to £8 million in earnings before interest, taxes, depreciation and amortization in the fiscal year ending in August. The company is also moving ahead with two new projects in 2010: Petrus, which had two Michelin stars, will relocate in London's Belgravia neighborhood in January, and the Savoy Grill will reopen after a renovation.

Still, Ramsay will focus as much as ever on TV. "I want a life out of my kitchen," he says.

In the future, Hutcheson says restaurants may become even less of a priority for Ramsay. "I can run the business in Gordon's name," he says. "TV is his forte. That's what he likes doing."

Ramsay says his restless ambition stems from his childhood. He sometimes forces himself to recall those days as a reminder of how far he wants his life to be from that misery. "Trust me," he says. "That's enough to keep anyone f---ing moving a thousand miles an hour." **B**

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