

At home in hospitality

PLUMPJACK PRESIDENT HAS GROWN A RETAIL AND HOTEL JUGGERNAUT

Jeremy Scherer joined Plumpjack Group – the hospitality and retail company founded by California Lt. Gov. Gavin Newsom and led by his sister, Hilary Newsom – nearly 20 years ago, when he was in high school, as a delivery driver and in the wine stock room. After studying business management at the University of California at Santa Cruz, Scherer re-joined the management company. He’s been responsible for the operations and finance of each of its businesses. When he joined, that included five businesses, but now, with Scherer serving as president, Plumpjack operates 17 hospitality outposts, including

JEREMY SCHERER

Plumpjack Group

Headquarters:
San Francisco

First job:
Modeling for Levi’s jeans at age 12

Education:
University of California, Santa Cruz

Residence:
San Francisco

luxury resorts, wineries, shops, restaurants and bars. Scherer has added a handful of new businesses to Plumpjack’s portfolio in the last five years, including Balboa Cafe Mill Valley, Cade Winery and Odette Estate Winery, which contribute more than \$25 million in revenue each year.

How have you grown Plumpjack to its current size? Gavin (Newsom) wanted to base our growth strategy on building the brand and with a very entrepreneurial approach. Unlike other companies, we don’t fit in a certain box. Anything that is hospitality-related and looks interesting

to us, we go after. So we are able to go after things and grow quickly in different market places. Everything from Wildhawk – which we recently took over that will open later this month (to replace Lexington Club) and is a 1,000 square-foot bar in the Mission – to a winery like Odette.

What’s the biggest challenge facing the company or the hospitality industry? The cost of living continues to increase, so our ability to find local workers is a challenge. More as an organization, our challenge is in taxes and regulations. Any time we’re doing a bar or resort, we continue to find our ability to move quickly hindered by dealing with (regulatory) agencies. We had problems getting permits to install an ADA-compliant bathroom in our building, or transferring liquor licenses because they didn’t have enough workers at ABC. Any sort of interaction where you have to go out and get a permit is a challenge.

What will change at Plumpjack group in the next year or so? Later this month we’ll be opening Wildhawk, where we’ll have Ken Luciano and Jacques Bezuidenhout, who are really excited about partnering with us on that. We have design firm Jay Jeffers on it. The bar will be a unique design statement for San

Francisco. We’ll also be opening our bed-and-breakfast in Carmel, a 25-room project that we bought, which is going through a renovation and will open later this year. We’re excited about Forgerly, which is continuing to gain momentum. And overall, we’re excited about building the hotel and resort division. We’re seeing some cool opportunities in Palm Springs and Carmel, though nothing official yet.



Best business decision you’ve made at Plumpjack? Walking away from 99 percent of the projects we actually look at. We tend to be very selective.

Hardest business decision you’ve ever made? We, like most companies, had a really tough time in 2008 when the economy collapsed, and one of the hardest decisions I’ve made as a leader is laying off people. It’s one thing to lay someone off who’s not the right fit and you know they’ll be better somewhere else, but it’s a totally different animal when it’s for economic issues.

Best way to keep a competitive edge? Gavin always uses this term, “evolve or die.” It’s making sure you’re using the best practices of the industry leader in whatever that industry is. As a brand, we didn’t want to just be the best of the best but also the only ones who do what we do.

Why do people like working for you? We’re not corporate. We spend a lot of time working on culture, and we also give people a lot of autonomy.

Why might people not like working for you? We want people to wear different hats. Some people aren’t comfortable with that.

Most respected competitor? Guys like Danny Meyer are incredible and very successful. I was recently with a guy by the name of Jason Strauss, of the Tao Group, and he really impressed me with what he’s built as an industry leader. But we spend time comparing ourselves to companies that are totally unlike us – like Apple or Tesla – that are constantly challenging and changing the market.

What trends are you seeing in the Bay Area hospitality industry? A lot more casual experiences: Pre-fixe, ticketed menus, a lot fewer white-tablecloth restaurants, and a lot more hip-hop playing in the background at a four-star restaurant, which is surreal to me. There is a separation between restaurants who are appealing to an older generation and toward the younger, “tech generation.”

Where does Plumpjack fit on that scale? We position ourselves as approachable luxury, so we want to appeal to wide swaths of people. Balboa is a good example of one of our places where the crowd at 5 p.m. or 6 p.m. is totally different than the later night crowd. We want to be inclusive.

– Annie Sciacca