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## Redefining Return: Invest in Talent

The R2L Story

Peeling apples as a child in his mother's bakery, Chef Daniel Stern learned a crucial nugget of wisdom that would follow him throughout his culinary career:

*"Do the right thing. Don't take shortcuts. If you are making something, put your heart in it and make it the best you can."*

For Stern, these are not hollow words.



Chef Daniel Stern

In a recent change in business operations, Stern and his business partner Sue Mahoney quite literally put their money with their mouth is. As of October 2016, they raised the minimum wage for hourly, non-tipped employees to \$14/hour at their restaurant R2L, a creative American fine-

dining restaurant, which offers gorgeous panoramic views from the 37th floor of Two Liberty Place in Center City.

Stern initially explored this idea to attract talent to the restaurant. An impressive culinary scene is no doubt a boon to Philly, but as the city continues to secure its place on the map as a world-class food town, this tends to stretch the labor pool of experienced cooks.

“We always strive to be a place where cooks can come to learn and also have a career,” said Stern. “So, I thought, what is another way we can attract talent besides having great, creative food and a fantastic kitchen?”

Stern started digging into the details of the cost of living in Philadelphia and what a living wage would be for his employees. Making space to empathize with his employees, Stern realized that he had to find a way to increase his workers’ wages.

In every young chef’s journey, there are seasons where a cook will work for free to learn— referred to as “staging” —and Stern had his share of no-pay or low-pay gigs cutting his teeth in the culinary world. There is value in apprenticeship experiences where cooks are getting real-world experience in exchange for their time and effort, but Stern wanted to find a way to transition beyond this mindset and how it influences culinary wages to provide a sustainable wage for his employees.

“People have families,” said Stern. “And rent is not what it used to be.”

Sunset view at R2L

After spending a year and a half researching how an increase in the minimum wage would affect their business, Stern and Mahoney decided that they could not wait any longer.

They made the change. They did not decide to increase wage gradually; instead, they were compelled to *go for it* to ensure that they could create a positive work environment where people can grow, thrive, and feel supported.

“We want them to know that they have the opportunity to grow here, and that R2L is a positive workplace that considers their time inside and outside of the restaurant seriously,” said Stern.

Since the wage increase came into effect, Stern said you can feel the positive change in the restaurant. From the dining experience to the daily duties in the restaurant, the change has created an environment with “happier, more engaged staff,” said Stern.

Stern is confident that when you have an engaged staff who feels like they are in a workplace that pushes them to execute a high level of quality that it is vital for the business to demonstrate their commitment to the team beyond just offering lip service.

“It is an ongoing investment,” said Stern. “I think it’s probably one of the best investments in our future that we could make.”

Just as you have grown accustomed to paying more for quality food, Stern believes that if business owners expect quality staff that they should also be willing to pay more for talent. But, Stern is also clear that he can only speak to his business and the process he went through to enact this change.

*“A lot of business owners say ‘we wish we could pay our cooks and dishwashers more’ and I can’t sit here and say somebody else should or should not,” said Stern. “For us, it has been doable and something we believe is important.”*

We are still learning more about the implications of wage increases. In some cases, the increase is dictated by policy and in other cases, business owners are taking it upon themselves to make the change. At R2L, the immediate benefit was morale and the confirmation that Stern and his team are serious about making R2L the best that it can be. This pursuit of quality is not limited to the food at R2L, but to all aspects of the business, because all of the pieces are interconnected.

Investing in employees is intricately linked to the assurance that diners have the best experience possible.

“When I had Gayle, I always said, ‘We are a very small restaurant that does big things,’” said Stern. At R2L “we have a big restaurant, and we focus on small details and guest experience so they still have that intimate feel when they dine with us.”

It is true, even from the 37th floor.

. . .

*Stern moved back to Philadelphia after honing his culinary skills in California in 2002 to serve as the Executive Chef at Le Bec Fin. Since then, he has owned many restaurants in Philadelphia, including Gayle. You can learn more about R2L and make plans to enjoy its fantastic food, service, and views [here](#).*

