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# HOTEL MANAGEMENT

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## MAKING IT MODULAR

BOOSTING THE  
VALUE PROPOSITION

## DOUBLE HELPING

Annual Franchise Fees Guide  
and Design Firms Survey

## COVID-19 UPDATE

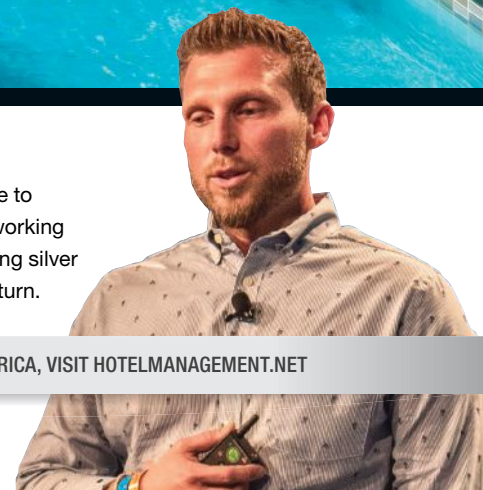
A by-the-numbers look  
at where the industry stands

### ONE-ON-ONE WITH MY PLACE HOTELS' RYAN RIVETT

The franchise company's president and CEO has never been one to stand still, and with a fully open portfolio and a new brand he's working harder than ever to sustain a forward momentum. He's also finding silver linings that will help the company through and beyond the downturn.



**ONLINE EXTRA:** FOR MORE ON MY PLACE HOTELS OF AMERICA, VISIT HOTELMANAGEMENT.NET



## HOTEL OPTIMIZATION

## Event examines how to get hotels in position to perform

BY JENA TESSE FOX  
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With live conferences on hold for now, Questex Hospitality Group (parent company of Hotel Management and the International Hotel Investment Forum) and AAHOA partnered to present a three-day virtual event to share insights on optimizing hotel operations and ownership.

## DAY ONE: PREPARE

The first day of the event began with AAHOA President and CEO Cecil P. Staton detailing how the hotel industry is facing its greatest challenge in a generation. “We’re a resilient industry, and we will come out of this crisis stronger than before,” he said.

The first session, moderated by Hotel Management Senior Managing Editor Elaine Simon, focused on how hoteliers connect and communicate with their employees. The panelists—Chris Mumford, founder, Cervus Leadership Consulting; Jerry Cataldo, president and CEO, Hostmark Hospitality Group; and Vinay Patel, then-treasurer of AAHOA and founder, president and CEO of Fairbrook Hotels—all agreed that clear and accurate communication is the key to maintaining positive relationships.

Regular communication ensures that each hotel’s team knows what is happening from the corporate level on down, mitigating the spread of rumors, said Patel. “The level of engagement that each of the property GMs has with their staff is absolutely critical.”

“There [are] some wonderful creative thoughts being initiated out there by executives to keep their people engaged,” said Mumford. “Ten years ago even, this would have been a whole different ballgame.”

“It’s difficult to project what’s the short-term normal versus what will be an opportunity to get back to close to what we saw before,” Cataldo said. “And that’s going to affect our teams and our staffing and how



Clockwise from top left: Chris Mumford, founder, Cervus Leadership Consulting; Hotel Management Senior Managing Editor Elaine Simon; Vinay Patel, then-treasurer, AAHOA; Jerry Cataldo, president/CEO, Hostmark Hospitality Group.

we do business.”

The second panel, sponsored by Crescit Capital Strategies, focused on finding financial strength in the downturn. Moderated by Jeff Diener, partner in the real estate department at DLA Piper, the panel examined how hotels are keeping the money flowing in and out in a simultaneous lockdown and financial recession. Not surprisingly, new financings are very challenging for lenders, said Joe Iacono, CEO, Crescit Capital Strategies: “They’re trying to determine how to underwrite and what the appropriate level of operations and cash flow [are] to underwrite to make a loan.”

Frank Croston, founding partner, Hamilton Hotel Partners, cautioned of more distress to come for European hotels because of deferred tax payments. “As that unwinds, combined with the banks arguably wanting some greater servicing of their loans in a recovering market—but still a fragile market—we predict that’s when the liquidity crunch will start to manifest itself and become a distress crunch,” he said.

Mark Kerrutt, hospitality VP, Ascentium Capital, encouraged hoteliers to take advantage of reduced occupancy to renovate and upgrade their properties. “Finish the renovation. Get

your hotels up to par so when you’re ready to open ... you’re there and you can get better [average daily rates].”

Tim Helliwell, international corporate banking director at British banking firm Barclays, suggested business interruption insurance will become “far more prevalent,” like terrorism coverage was after 9/11.

The day’s final panel,

with up-to-date procedures and policies going forward.

Management, said Biran Patel, then-vice chairman of AAHOA and partner in BHP Investment Co., must take all the precautionary measures recommended by the Centers for Disease Control and Prevention and other agencies. Mark Ricketts, president and COO, McNeill Hotel Co.,

Joel Carver, CEO, Carver Cos., suggested the industry would see three types of workers as hotels reopen: Those who take every precaution, those who soldier on despite concerns and those who decide hospitality is not the right industry for them: “We are seeing that already.”

## DAY TWO: POSITION

The first panel of the event’s second day, sponsored by Chargerback and moderated by Simon, explored technology and the customer experience in a post-COVID world. Eric Gavin, chief sales officer, Benchmark Hospitality, said event organizers are leveraging a hybrid approach of live streaming to multiple locations or pairing interactive breakout experiences with live streamed content.

Katherine Kies, VP of the food and drink innovation group at PM Hotel Group, predicted that large events may return within a year. Mark Van Amerongen, COO Prism Hotels & Resorts, agreed, noting that his properties are seeing increased demand for Q4 of this year and the first quarter



The Recharge your Revenue Management panel. Clockwise from top left: David Eisen, HotStats’ director of hotel intelligence and customer solutions; Joe Pettigrew, director of revenue maximization at Starwood Capital Group; Donald Wise, senior managing director and co-founder of Turnbull Capital and founder of CBRE; and Rachel Moniz, EVP of operations for HEI Hotels & Resorts.

moderated by Katherine Doggell, editor-in-chief EMEA, Questex Hospitality Group, and sponsored by NeoSan Labs, examined how hoteliers can make their employees feel safe

said his company tried using thermometers to catch fevers of arriving staff, but faced unreliable readings. “We’re somewhat dependent upon the associate ... being honest with us,” he said.

of next. The key, he said, will be having the necessary space and the technology to suit all demands—including hybrid meetings.

Michael McCartan, VP of

food and drink at McCartan Tech Consulting, suggested that events may not attract the crowds they once did for a while, and people may feel more comfortable attending local gatherings than ones they need to fly to.

The second panel, moderated by Andrea Stokes, practice lead, hospitality at J.D. Power, examined the changing messages hotels need to share. Chris Daly, president of Daly Gray Public Relations, said industry professionals are struggling to convey the message that they are doing everything they can to keep both guests and staff safe: “If you can communicate [that you] are very much aware of what’s going on, what the issues are, what the problems and concerns are to both your staff and to the people who will be staying in your properties ... you’re beginning to stake out a leadership position, which is going to help you and your properties moving forward.”

Loren Gray, founder and CEO of Hospitality Digital Marketing, said the downturn is a chance for hotels to take control of the conversation. “We can get to really personalized communication, genuinely, for the first time in a long time,” he said.

Brian Klein, senior business strategist at MMGY Global, encouraged marketers to take advantage of special rates. “Now is actually the time to be turning your budgets back on and actually plussing them up when you can because we’ve seen almost a 50 percent drop in [cost per thousand impressions].”

The day’s final panel, moderated by David Eisen, HotStats’ director of hotel intelligence & customer solutions and former editor-in-chief of Hotel Management, examined best practices for maintaining or even growing rates as occupancy increases.

Hoteliers, said Joe Pettigrew, director of revenue maximization at Starwood Capital Group, need to re-evaluate their entire business strategies. “How does COVID-19’s new norm apply to each one of those revenue streams?” he said owners should ask themselves. “And what would we need to pivot

towards in order to maintain or gain market share?”

Rachel Moniz, EVP of operations for HEI Hotels & Resorts, said her team is using data to understand where there’s demand in order to maximize profitability. “Our commercial strategies have been targeted towards the leisure customer,” she said.

Donald Wise, senior managing director and co-founder of Turnbull Capital and founder of CBRE, said “savvy hoteliers” have a chance to cannibalize some of their market share. “Go ahead and do a [property

race. Steven McNabb, infection prevention consultant at SaniPro NSB, said a race to be the cleanest could get expensive if hoteliers don’t have a solid plan in place.

“Hygiene is a standard that we all must adapt to,” said Megan Morikawa, global sustainability office director, Iberostar Group, but must be implemented in a way that makes sense both financially and environmentally. For example, when Iberostar found single-use gloves worn throughout the day did not protect the workers from spreading germs,

the hotel and recycle them or upcycle them?”

The second panel of the day, “Healthy Habitats,” sponsored by SmartHands by Minibar Systems, focused on wellness shifts at hotels. Moderator Eisen asked Chip Rogers, president and CEO of the American Hotel & Lodging Association, how the association came up with its cleaning guidelines. The AHLA looked to China to see how the country, the first to be hit by the pandemic, reopened its hotels. “Local governments were mandating certain checklists to hotel properties to reopen,” he

ated by Sarah Miller, CEO and founder of Sarah Miller and Partners, examined how social distancing is changing hotel design. Darrell Long, design principal and regional managing director of Wilson Associates, suggested the pandemic is helping speed up some shifts. Buffets, he said, already were declining in popularity and likely will be on hold for a few years due to health and safety concerns. “We’re going to be paying more attention to the infrastructure ... and how the restaurant can be cleaned and [be] more efficient,” he said.



Katherine Doggrell [top], editor-in-chief EMEA, Questex Hospitality Group, talks cleanliness with [from left] Xenia Hohenlohe, founding partner/director of Considerate Group; Megan Morikawa, global sustainability office director, Iberostar Group; Jim Stapleton, VP of Nelson Worldwide; and Steven McNabb, infection prevention consultant at SaniPro NSB.

improvement plan,” he said. “Spend \$10,000, \$12,000, \$15,000 per guestroom. You’ll see your recovery faster, your occupancy come back faster, have a better chance to [raise your] average daily rate quicker, [because] you may be the only hotel on the market with a new, fresher product.”

Day two was sponsored by AVIXA, the Audiovisual and Integrated Experience Association.

### DAY THREE: PERFORM

Moderator Doggrell started the first panel of the third day—sponsored by SaniPro NSB—asking if brands are caught up in a cleanliness arms

the company limited the use of these gloves and, instead, reminded employees to wash their hands as often as possible.

While concern over cleanliness standards may ease over time, said Jim Stapleton, VP of Nelson Worldwide, they probably won’t ever go away completely. “It becomes part of the greater whole,” he said.

Hoteliers have an opportunity now to rethink the traditional ways of doing things, said Xenia Hohenlohe, founding partner/director of Considerate Group. “Can we bring on supply chains closer to home in order to take control of the materials that we’re using in

said. But this might not work in the U.S., he added, because local governments sometimes can be behind the private sector in responding to market forces.

AAHOA’s Vinay Patel said the hospitality industry could look to hospitals for best practices, although implementing these practices can be challenging when hotels are operating with skeleton crews and facing low occupancy. Dexter Moren, partner at Dexter Moren Associates, agreed, but said guests shouldn’t feel like they’re in a medical center. “Nobody really wants to go to a hotel and find lots of ugly plastic bottles around.”

The final panel, moder-

Henry Wong, principal at AO Architects, said hotel technology should be invisible. For example, AO is looking into more touchless devices to incorporate into design, even finding ways to eliminate the need to touch elevator keys.

Suzie Hall, president and principal designer at Cornerstone Design, emphasized the need for spatial realignment in hotel design, and said flexibility and stability would be key going forward—“not only for design, but also for culture, and also for generational experiences.”

Hotel Optimization also was sponsored by CleanBrands and Ascentium Capital. **HM**