



“Peru’s Inkaterra: Helping save the Amazon through sustainable landscape corridors while pushing boundaries of eco-friendly luxury hotels”

by José Koechlin & Gabriel Meseth

HOTEL Yearbook

FORESIGHT AND INNOVATION IN THE GLOBAL HOTEL INDUSTRY / SPECIAL EDITION ON **SUSTAINABLE**

OPINION ARTICLE

23 January 2015

What have Hotel Owners Learned in the Last Year? Where will we learn what we need for success this year?

Hotel Common SenseTM

By **John Hogan, CHA CHMS CHE CHO**

🕒 4 min read 💬 0 Comments

*"In the business world, everyone is paid in two coins: cash and experience. Take the experience first; the cash will come later. **Harold Geneen**[1](1910 — 1997)*



While my career did not intercept directly with the former CEO of ITT which owned Sheraton Hotels for a generation, I did work with many hotel managers and a number of regional directors who both appreciated and feared the management style of Geneen. He was the type of executive manager that, while appreciating entrepreneurship and taking calculated chances, was always bottom line oriented and believed in financial returns and accountability as the utmost in defining success.

- [What Educational Program Meets Your Needs as a Hotel Owner? | By John Hogan](#)
- [HVS Announces Hotel and Casino Business Interruption Claims Calculation Service](#)
- [Business Risks in the Hospitality Industry | By Maxime Rieman](#)
- [Homeland Security Warns Against Threats to US Infrastructure | By Bob Braun](#)

Hotel owners the past two years have seen a turn around in revenues, occupancy and in many locations, profitability. We have seen several major franchisors expand their reach with the acquisition of other, smaller niche groups. Financing has become more available for certain types of hotels and locations. Staffing is an unknown variable these days, with both government regulations and the marketplace challenges causing concerns.

Owning a hotel today in today's global marketplace can be enjoyable, stressful or enlightening . Ownership can be a way of extending family business unity or it can be a way to expand into public markets via branding, franchising, licensing, or even IPOs. Ownership continues to require both an ongoing commitment to paying attention to what your guests want and need if you are an owner-operator and a capital investment that is self generated or through other channels.

I am the CEO of a comparatively small business and we interact with literally hundreds of hotel owners annually through training, consulting and professional development. We recognize how quickly *times and practices change*. *An increasing number of hotels have become branded as either franchises or managed by a parent company, yet there are a growing number of hotels who succeed as independents. Savvy hotel owners need to remain aware of what is happening at*

technology, distribution systems, name recognition, purchasing, training and more.

In our ongoing work in seminars and consulting, we observe that many properties of all sizes do not have operational marketing plans that allow them to increase their market share and profitability. While most properties have some type of budgets, they are often insufficient to allow hotel owners to know what follow up actions are needed to make changes in revenue, market mix or occupancy.

The needs of hotel owners are not identical to that of the 3rd party hotel management groups or the multi brand hotel franchisors unless there is a coordinated effort to make them complementary and comparable. A hotel owner that uses asset management may have a better ROI and communication because of a focus, as does the owner-operator who often has more of a handle on the direct end results because of their involvement.

In providing my professional services relating to the hospitality industry and hotels, I am always looking for new venues to expand my awareness of trends and ways to improve my *Hotel Common Sense*[™]. In my 2015 planning and updates, I am pleased to share with readers of this column a venue in its 3rd year that offers some reliable information. The **Hotel Ownership Management Summit** precedes the February Hospitality Law Conference in Houston.

Issues being addressed this year include:

- hotel development
- management agreements
- the financial aspects of owning and operating a hotel (for new owners)

aspects

- Putting a Mixed Use Deal Together, including Hotels, Entertainment, Restaurants and Retail, EB-5 Financing
- Analysis of the challenges of unwinding the owner-management relationship
- Dealing with the issues of the legal ownership of IP and proprietary data like customer contacts, RFP's, and related topics

There is also another Hospitality Insurance and Loss Prevention Summit occurring at the same venue.

The Petra Risk Solutions Hospitality Insurance and Loss Prevention Summit converges insurance, risk, LP, legal and finance to break down the silos of these functional areas.

- As they have done in past years, the programs evaluate the top claims that have occurred over the last twelve months and the best practices to prevent them from occurring at your hotel or restaurant.
- As Worker Compensation Claims are becoming more of a challenge for the industry, the group discusses in some depth best practices for prevention, claims handling and back to work policies.

What have Hotel Owners Learned in the Last Year?

They learned that change is coming faster than ever, and along with it comes more opportunities if they recognize when and how to find them.

Where will we learn what we need for success this year?

There are dozens of good meetings and conferences, but the hotel owners who have the confidence and know-how to look for programs that are just a bit different will likely be the ones to be that much more successful.