PASSION FOR HOSPITALITY

JANUARY/FEBRUARY 2018

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FEATURES

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SPECIAL REPORT

TRULY SUSTAINABLE HOSPITALITY

Sustainability is an oft-used word these days in hospitality. Many hotel companies track water usage and energy performance in different ways and to varying degrees. While measurement and benchmarking, using increasingly cost-effective and innovative alternatives in building design and operations, are critical, it's just as important to start the sustainability discussion at the beginning of the development process.

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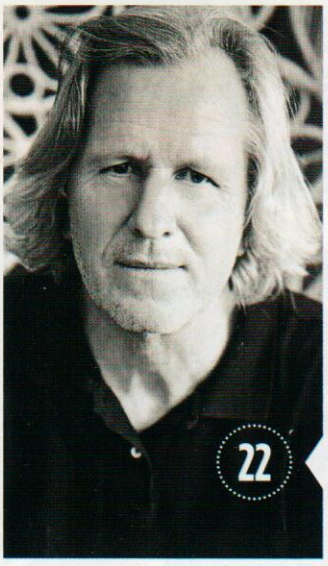
TECHNOLOGY

THE FUTURE OF WEARABLES

Wearable technology is chock-full of efficiency potential, not just in housekeeping but room service, F&B, maintenance, the bell team and the front desk. The devices have more appeal than the tablets currently performing many duties. But between questions of ethics and cost, are they a smart move for hoteliers?



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PERSONALITIES

FROM SOFTWARE TO HARDCORE HOTELIER

Dietmar Müller-Elmau's first claim to fame was creating hotel software, but today he operates hotels that couldn't be less focused on technology. The creator of Fidelio systems today is channeling his creativity into, among others, the Orania Berlin, where he feeds guests' desire for social engagement.

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BPA WORLDWIDE

Two DIFFERENTIATING TRENDS

Editor In Chief

I'm particularly encouraged this month by two themes on the pages ahead that show how hotels can truly differentiate as well as reinforce what I consider crucial trends for hoteliers to follow and best compete with disruptors.

Let me start by gushing over Dietmar Müller-Elmau's Orania Berlin hotel, which opened about five months ago and taps into a trend that is coming fast – hotel entertainment. What sets Orania Berlin apart is that it not only brings in local artists but local political figures to offer discourse on the issues of the day. As a result of sometimes controversial commentaries, the hotel has been in the news for its risk-taking, which has helped generate gangbuster business, according to Müller-Elmau. Artists perform on the lobby area stage and stay at the hotel instead of getting paid, making themselves available to interact with guests looking for inspiration and to meet those who are of different minds – not like-minded travelers.

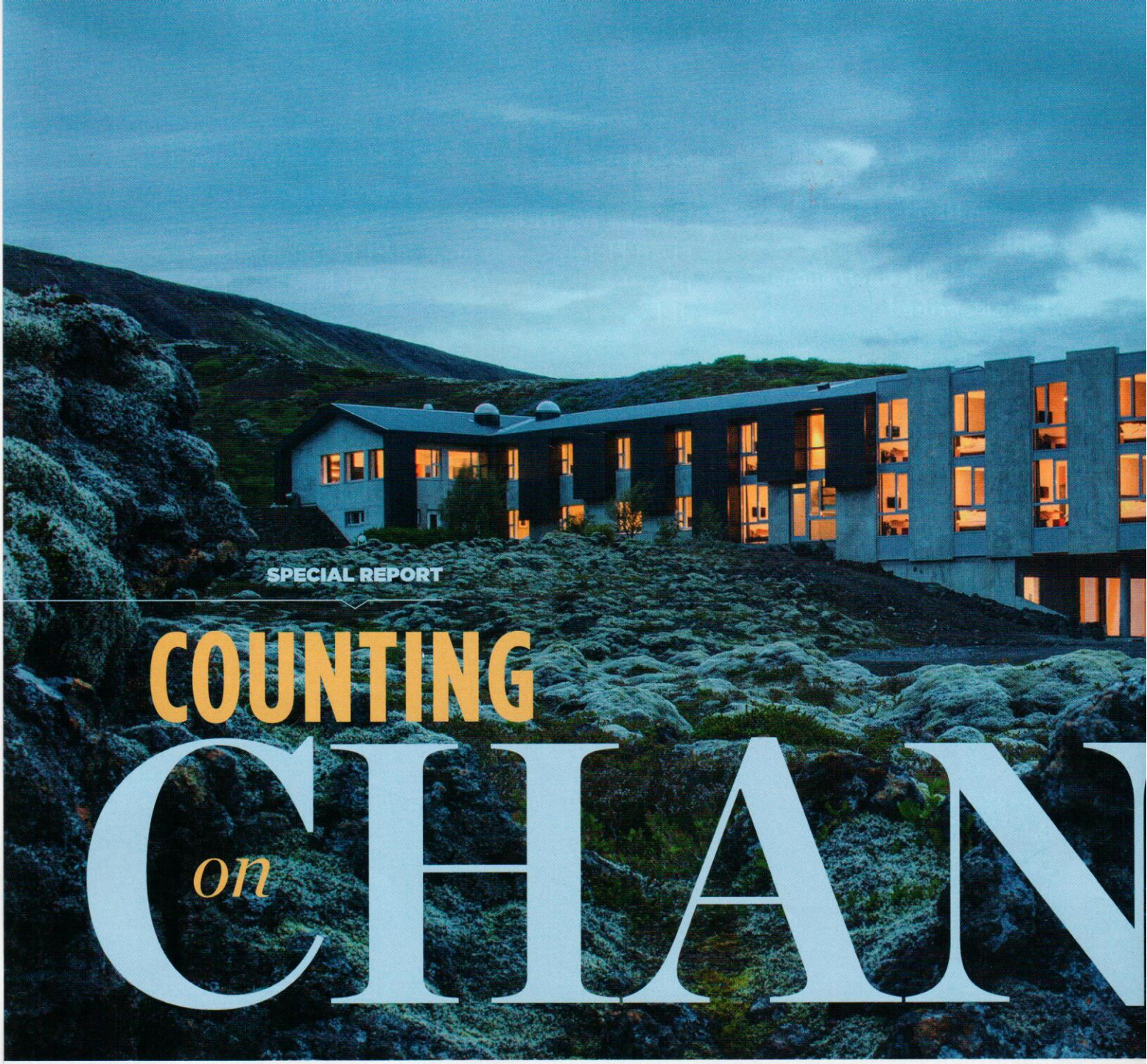
What Orania Berlin also does is offer experiences that home-sharing providers cannot – and that is one of the key takeaways. Not surprisingly, with the immediate success of Berlin, Müller-Elmau wants to replicate the concept in other cultural gateways.

The other concept I want to reinforce relates to sustainability. It has been a part of hospitality's nomenclature for years, but I believe it is now ready to matter even more to independent travelers and groups. All the data about how we are destroying the planet is too compelling and seems to matter more to the next generation of consumers. In addition to a feature on a consciously designed hotel in Mexico that graces our cover this month, HOTELS Managing Editor Barbara Bohn looked at the state of sustainable practices and found out how important it is to get started during the feasibility stage of design.

One group I want to bring to your attention is Now (itmustbenow.com), an initiative calling for true accountability around sustainability with no greenwashing allowed. Led by Alexa and Onno Poortier, a luxury hotelier who has held senior leadership positions at the likes of The Peninsula Group and properties across Switzerland, the duo's no-nonsense, help save the planet approach is refreshing and hopefully what the hotel industry needs to improve its scorecard.

While measurement and benchmarking are truly critical they are too often not mandated. However, those who do go the extra mile will be recognized and have a differentiator that will matter more.

As you look for ways in 2018 to stand apart, rise above the fray and position yourself for longer-term success, looking at entertainment and your sustainability quotient are two great starting points.



SPECIAL REPORT

COUNTING on CHAN

"For hotels, the nonsense about sustainability performance starts in the rooms," Onno Poortier, a longtime hotelier and co-founder of Now, an initiative calling for accountability around sustainability, said in a speech at ILTM Cannes in December. "Greenwash and poor environmental and social performance are no longer acceptable. If our customers and guests have to tell us to be sustainable, then we're too late."

Many hotel companies track such items as water usage and energy performance in different ways and to varying degrees. But for many others, good intentions around laundering the bathroom towels are belied by the thermostat and the source of the power that chills the room (even when the guest isn't there).

Measurement and benchmarking, backed up with increasingly cost-effective and innovative alternatives in building materials, design and operations, and leveraging the Internet of Things, are critical. Just as critical, say the firms that help hotels track that data, is starting the sustainability discussion early.

"Smart businesses do get the fact that if you do not address these issues they will come back and hit you on the bottom line," says Stewart Moore, CEO of EarthCheck, a benchmarking and certification advisory group. "It's always been difficult because these issues have never been mandated. You don't have to be a good operator. You don't have to 'do' sustainability, even though there are some compliance obligations depending

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GE

THE EARLIER IN THE DEVELOPMENT PROCESS THAT HOTELS START DOING THE MATH ON SUSTAINABILITY, THE BETTER.

By **BARBARA BOHN, MANAGING EDITOR**

on which economy you're in." That means that "the majority of operators don't have good data" on exactly how big their carbon footprint is, he says. "And you can't manage what you don't collect."

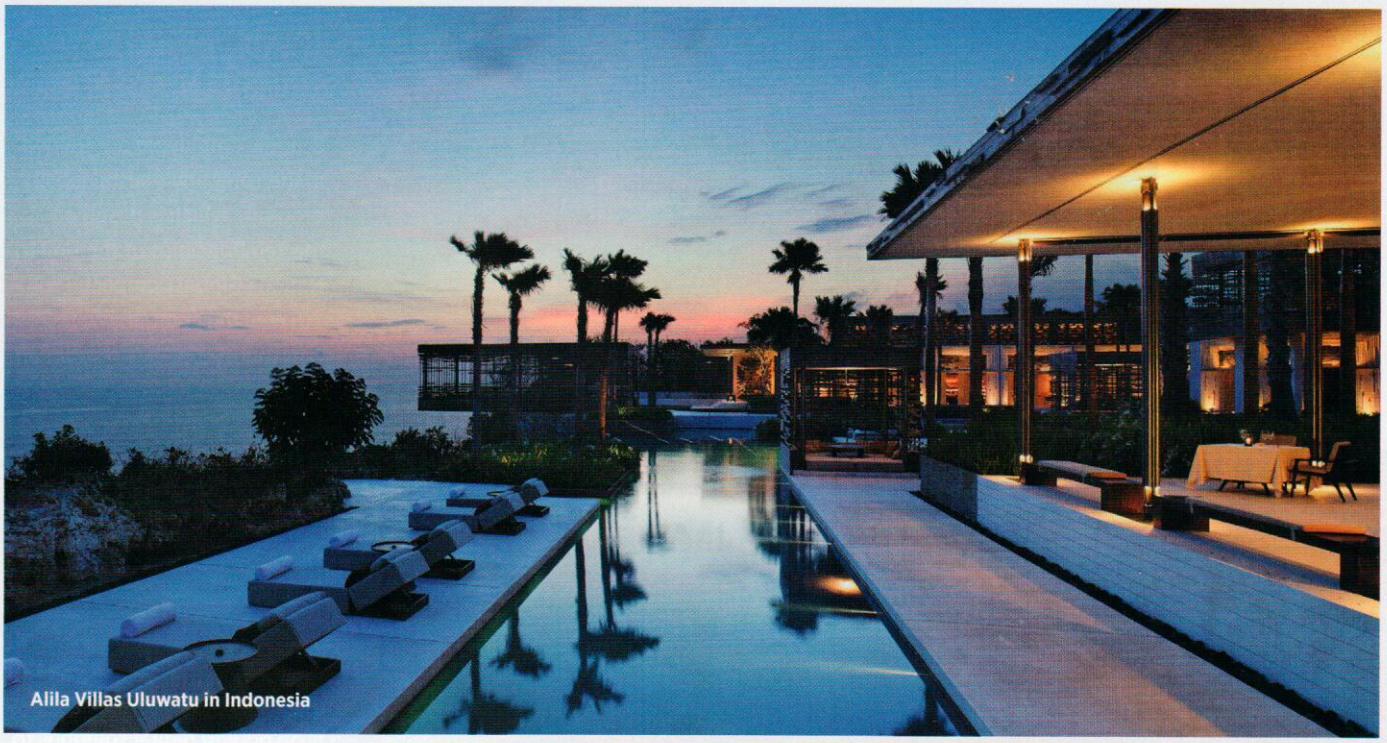
START AT THE BEGINNING

"In order to make any meaningful progress, the decisions (to be sustainable) need to be made at the very beginning of the hotel development cycle," says Eric Ricaurte, founder of Greenview, a Singapore-based consulting firm that specializes in measurement of carbon and other energy performance indicators for hospitality companies. "The question is, how do we get sustainability into the discussion among hotel owners and the development community?"

Ricaurte says that while some owners actively prioritize sustainability, often a brand's sustainability team will enter the discussion long after the budget has been committed and design decisions made. And sometimes, he says, "because this is just the nature of it, the hotel development

LESS IS ENOUGH

"In our process we like to peel it back, to find out what we don't need, and use less in materials," says Tryggvi Thorsteinsson, co-founder of Minarc, an architecture and design firm in Santa Monica, California, that utilizes sustainable materials. He and his wife, co-founder Erla Dögg Ingjaldsdóttir, took that approach at the Ion Adventure Hotel (exterior, left) and the Ion City Hotel in Reykavik (interior, above), where the guest bath features Icelandic black volcanic sand. "Build the walls out of materials that we can leave and use. Don't use paint if you don't need to use paint," he says. Regarding the Ion Adventure, "concrete is the easiest material to find in Iceland, and the hotel is located in a really rural area in a national park, and we had to do this really simply and by disturbing nature as little as possible," he says. Adds Ingjaldsdóttir, "We try to eliminate layers, which makes it less expensive, but that means you have to do the first layer better."

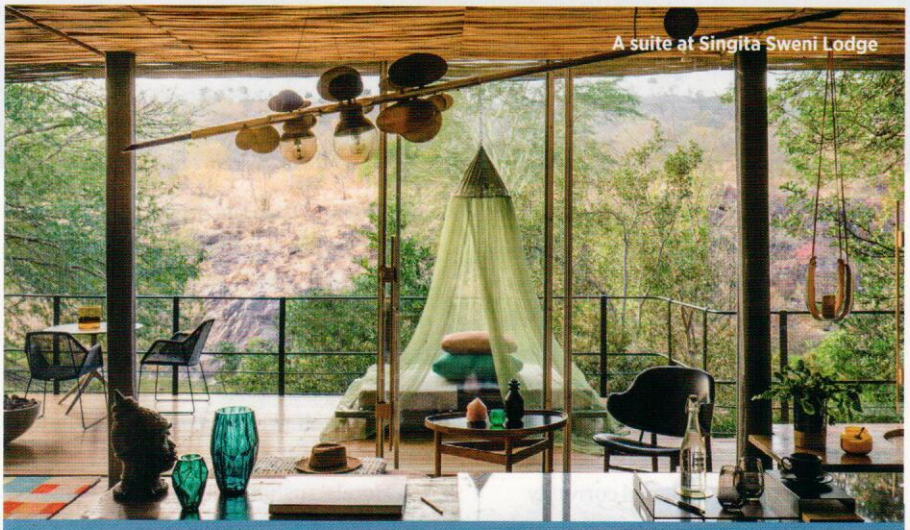


Alila Villas Uluwatu in Indonesia

can start to let technology take over," says Randy Gaines, senior vice president of operations at Hilton.

Sustainability is an "integral, ethical part of brand DNA" at Singapore-based Alila Hotels & Resources, says CEO Frederic Flageat-Simon. But he agrees that even for Alila, luxury lifestyle owners that support sustainable operations sometimes balk at investing in energy- and water-saving innovations during the design phase. "We have been able to demonstrate to them that you actually do get a return on investment, and when you follow sustainable design practice, what you are really doing is following natural, logical, environmental approaches to the hotel experience and to your resort," he says.

Another challenge: persuading them to go for accreditation with an organization like EarthCheck, used by Alila to benchmark energy use against its competitive set. Flageat-Simon says its Alila Villas Uluwatu in Indonesia performs 34% below average in energy use, 46% below average for water use, and 56% below average for waste, creating about US$260,000 in savings annually, or about 25% of the resort's total utility bill.



A suite at Singita Sweni Lodge

SINGITA LODGES, KRUGER NATIONAL PARK, SOUTH AFRICA

Andrea Ferry, Singita's sustainability consultant, says recent refurbishments to two lodges at Kruger National Park were managed to minimize waste. Some furniture was upcycled; hard-wearing rhino wood walkways and baths that require less water to fill were added.

A solar power facility in the park generates energy for the lodges; new HVAC systems are reducing power consumption by 50%. "Singita entered into a power purchasing agreement with the renewable energy provider," Ferry says. "This meant we did not have to put up the cost of the system up front. This is a good way to reduce the potential cash flow burden of a large infrastructure investment." Singita, which has 12 camps and lodges in three southern African countries, expects to save close to 1,000 tons of carbon emissions a year. Next up: water. In 2018 Singita will increase water metering to better track leakage rates and usage.

The Scandic Lerkendal in Trondheim, Norway

SCANDIC HOTELS, STOCKHOLM, SWEDEN

Scandic employees are trained in the company's sustainability program, which is based on the Ten Principles of the United Nations Global Compact. From 2012-15, the company, with 280 hotels in six northern European countries, lowered food waste per breakfast guest by 50%, to 70 grams per guest, and 67% of all waste is recycled. Scandic Lerkendal, one of Norway's largest conference facilities, uses 25% of the energy of similar hotels; solar panels produce energy for about 20% of the hotel's total needs. Moving forward, the focus is on finding digital solutions to monitor different environmental aspects of the hotels and being able to track a hotel's environmental impact in real time.

"To me there is a myth in saying that if you're doing an environmentally sustainable hotel, it has to be more expensive than not," he says. In 2018 the company's Bali resorts will launch a program called Zero to Landfill with a company that will treat waste.

'MONEY IS NOT THE DRIVER'

"If the hotel can be designed correctly to start with, then the property and the investment of the owner is way ahead," says Alexa Poortier, founder of Now. The organization is introducing an online tool this month that tracks the sustainability and performance of hotels that join it; results are shown in a dashboard to hotel employees and guests.

1 Hotels' sustainable ethos was explored more fully with the 1 Hotel Brooklyn Bridge, the brand's first new-build, including water capture, wind power, bird safety, solar gain and integrated landscaping, says Donna Rodriguez, vice president of marketing at parent SH Group. "All of these factors required small incremental investments but were also sound business practices and supported our LEED certification." The hotel installed a building management system to monitor and control energy performance, and is undergoing a measurement and verification plan to "more directly contribute to better energy performance and provide useful information to the building operators," she says.

Conscious Hotels, an independent brand in Amsterdam founded in 2009, has three hotels there and will open a fourth, entirely powered by Dutch wind energy, in 2018.

"One reason for maybe not growing as fast as that is that we don't have a large pool of investors that are keen to work together with us in transforming (their) building to the most energy-efficient one could imagine," he says. "So it's always, I wouldn't say a fight, but it's part of the negotiations. Sometimes, and as not being the building owner, you have to compromise on a few things in order to get them to do something and other things – maybe they are not ready to do it, and maybe they are willing to do it afterwards."

He adds, "Money is not the driver. Return on investment is not the driver. The driver is to create cool meeting places, nice hotels where we see people that visit us enjoy the environment."

ACCORDING TO THE 2017 GREEN LODGING TRENDS REPORT, WITH DATA FOR 2,093 HOTELS IN 46 COUNTRIES (MOST IN ASIA PACIFIC AND MOSTLY FULL-SERVICE):

- **76%** train staff at least annually on green practices
- **68%** benchmark energy performance against peer properties in their portfolio
- **7%** purchase carbon offsets or renewable energy certificates
- **41%** measure carbon footprint