

DESIGN

The Business of Hospitality Style®



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Story starts on p. 10

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LESSONS

Recession leaves A&D firms revising

BY TONI MCQUILKEN

At Hotel Business DESIGN®'s recent Architects & Designers Roundtable held this past September at the Z Ocean Hotel in Miami, FL, the recession and what the industry has learned from it was at the top of the agenda. The event was sponsored by Aqua Hospitality Carpets, Kohler and Valley Forge Fabrics, and moderated by Lauren Esposito, senior managing editor of Hotel Business DESIGN® magazine.

Keeping staff members motivated and creating a productive environment for them to work in has been one of the top challenges many firms are facing. "We try to keep it fun in the office and create an environment where you enjoy coming in to work every day and you enjoy being creative," said Robert Polacek, chief creative officer, The Puccini Group.

But creating the right environment isn't the only staffing challenge many firms face. Over-hiring for the amount of work coming in and keeping the top talent on board are both important elements of the personnel puzzle. "We've always tended to cross-train all our employees," said James Geier, founder/president, 555 International. "[We want people who are] diversified, not just in design but in delivering a product."

Thinking globally has been a tactic employed by many A&D firms, and several panelists expressed gratitude for international projects that continue to help sustain them through the recession. "We invest in people who will be global citizens," said Roger Hill, chairman/CEO, Gettys. "For us, having the ability to take our expertise and be welcomed in other parts of the world is what's getting us through the recession."

Taking that one step further, Clay Markham, vp, RTKL Associates Inc., noted that most firms don't strictly do hospitality work, so employees who know how to handle different types of industries have proven to be a real asset. "We're actually moving people and enriching them as employees by transferring them into different sectors," he said.

Versatility and diversity are key for the business in general, as well. Taking a more broad approach to what the term 'hospitality' means can open up new opportunities. Rebecca Jones, principal, RD Jones & Assoc., noted that other service industries, like senior living, have many of the same skill sets needed as hospitality, design-wise. She encouraged designers to think outside the traditional hospitality box to find other areas to work in, which will help carry some firms through tougher times. "We always think 'hospitality' is solely hotels, but I think the hospitality term is broadening... Our skill sets spread over to those other service industries," she said.

Those firms that are able to offer procurement services in addition to design services are able to give many the flexibility to be more of a partner to their clients and bring more value to the table. "Especially for smaller projects," said Holly Kappes, senior design manager, Invision Design, "a client wants more of a one-stop-shop approach."

"I find it very interesting that design and purchasing used to be two separate entities. The trend I'm finding now is owners are wanting one firm to 'own' a project, to live with it and make it happen," added Jones.

Over the last 24 months, not only is the role of the designer changing, but the types of projects they're being asked to do are shifting as well. "We have a huge number of projects that deal with a hotel changing hands," said Jonathan Nehmer, president, Jonathan Nehmer + Associates. "Owners are coming to us, usually with a PIP in hand from brands, saying 'okay, I want to buy this hotel, here's what they're going to make me do, what's it going to cost me?'"

"We've found that as well," agreed Polacek. "With so many properties changing hands...they come to us and ask us for our expertise in how to move forward."

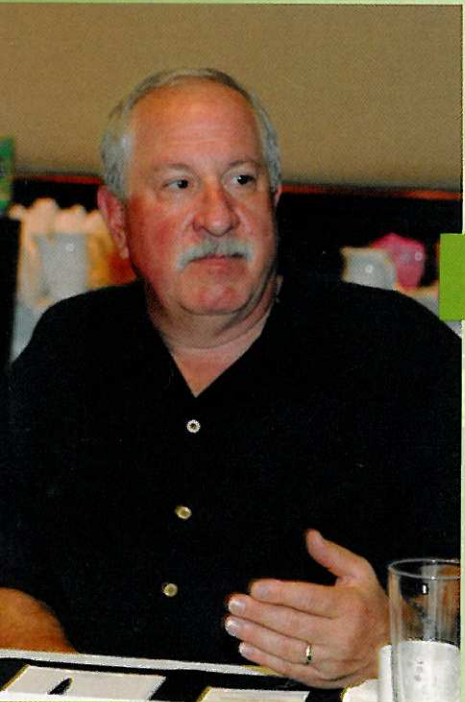
With budgets tighter and projects smaller or more targeted, knowing



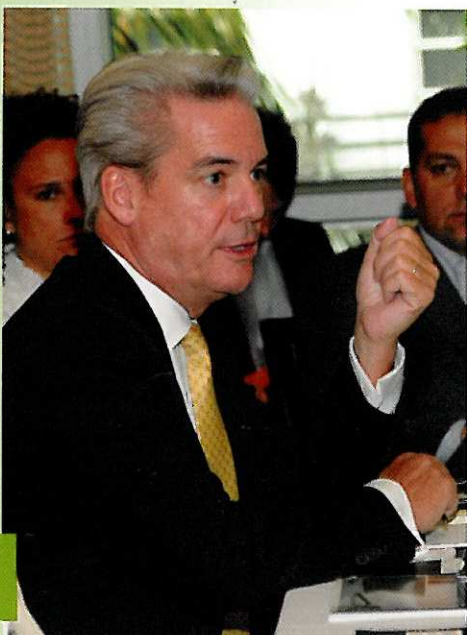
Robert Polacek
The Puccini Group



Rebecca Jones
RD Jones + Associates



Jonathan Nehmer
Jonathan Nehmer + Associates



Clay Markham
RTKL Associates, Inc.

Learned

business practices for long-term stability

where an owner can get the most for their money remains a critical element of design, according to the panel. Being able to look at a project and give the client advice about the best places to spend their dollars is a skill successful designers need to bring to the table even once industry conditions improve. "I think one of the things that we can do as designers is really understand what creates revenue," said Markham.

Nehmer agreed, noting that, "It's not just one size fits all for where to put the money right now. It's really a question of what has happened to the property over time. Where do they need the money most right now? And then you look at not just what does it need, but also look at different projects as the market changes. We have to understand what their market is because there may be some projects that might not be fully funded, but you can show them a return on investment, so that it makes sense to go down a certain path."

One major push from the brand side is going to be complying with current standards. Over the past two years, many brands have given their owners leeway when it came to upgrading their properties due to lack of capital. But with the economy starting to pick up, so, too, will the pressure to engage in property improvement plans (PIP) start to increase. For designers, knowing what should be changed, and what can be re-used in a PIP is critical.

"We work closely with each owner to evaluate what their needs are," said Geier. "We have to spend a lot of time with the client, making sure the money

"For us, having the ability to take our expertise and be welcomed in other parts of the world is what's getting us through the recession."

***—Roger Hill,
Gettys***

is going to be spent in the right place. We ask 'Is there a better way to do it and give you more bang for your buck?' We tend to be a little more deep in evaluating what really [was specified] and discuss it with the owner and let them know our opinions about what the end result will be, and maybe adjust that PIP."

That mindset of reuse, the panel noted, is hopefully not going to go away any time soon. Spending money just to spend, the panelists agreed, is a waste

of client funds regardless of how good or bad the economic situation may be. "I'm sure maybe in 10 or 15 years, we will be back at \$5,000 pillows, but I think it's going to be a slow climb," Polacek speculated.

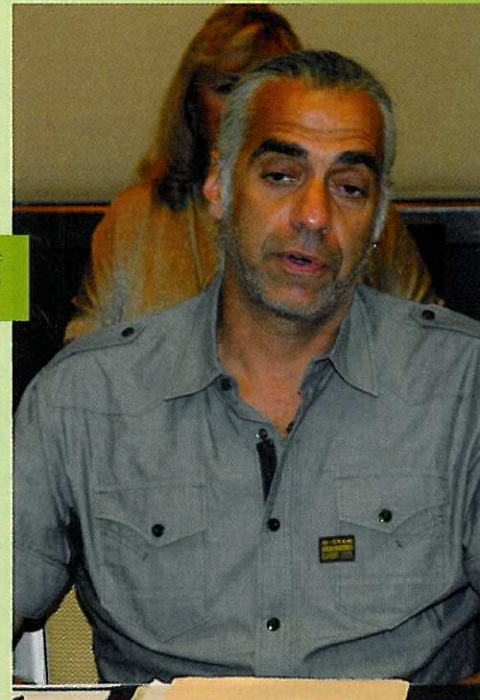
"We won't specify a \$5,000 pillow, we would have bought a \$49 pillow that looked like the \$5,000 pillow," laughed Hill, in response. "I think it's unlikely that we'll go back to those kinds of excess. I do think that the treasure hunt way of looking at [a property], looking at what you can preserve, will stay with us through the recession."

Another major trend A&D firms and hotels are going to be paying attention to in the coming months, if they're not already, is sustainability. It's a topic that has dominated many industries lately, but finding a way to work it into project budgets has been, and will continue to be, a challenge. "We tend to go to our projects straight away and [tell clients] we'd really like you to consider the sustainable aspects of your project, and lets see how we can work those in," said Markham.

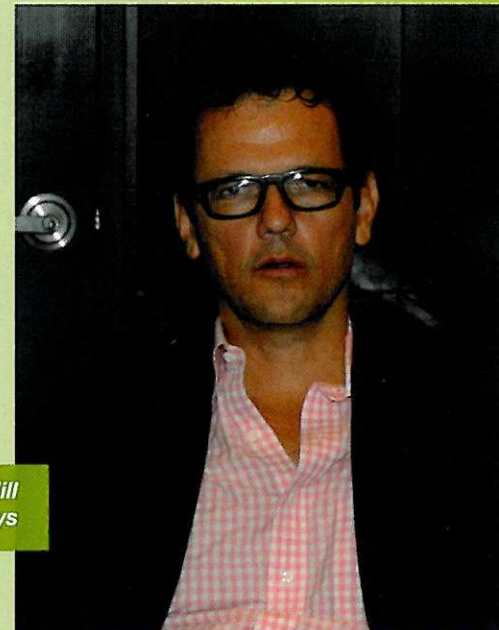
Nehmer agreed, noting that, "We tell all of our designers that if they have a choice between specifying a sustainable product for no premium and no difference in quality, that's the way we want to go."

Roundtable Sponsors from left: Bob Zaccaria and Steve Ladd, Aqua Hospitality Carpets; Diana Dobin, Valley Forge Fabrics; J.P. Drevline and Andrew Windsor, Kohler; and Michael Dobin, Valley Forge Fabrics.

**James Geier
555 International**



**Holly Kappes
Innvision Design**



**Roger Hill
Gettys**

