



hospitality design



family matters

the people issue



taking care of business



Richard Kessler, chairman and CEO of the Kessler Collection, is on a serious expansion mission. In the past two years, he has doubled his Bohemian brand offerings with the opening of the Tudor lodge-style Grand Bohemian Hotel at Biltmore Village in Asheville, North Carolina, and his second property in Savannah, the 275-room Bohemian Hotel Savannah Riverfront. He's not stopping there: two more are planned in the next two years for Atlanta and St. Petersburg, Florida, with hopes for more. "We've got five or six locations that we really want to be in," he says. "As soon as this money market straightens out, we'll be into those markets." At the same time, he has invested big bucks in renovating his existing properties, and for more exposure, he is adding all of his 4-Star properties to Marriott's Autograph Collection. Here, he discusses the exuberant guest, building hotels for his art collection, and creating that indescribable feeling.

HD: How would you describe the Bohemian brand?

RK: It's a brand that is built around a very clear cultural message where music, art, color, great food, and art galleries all come together to create a real cultural experience. And frankly, there's no other brand out there today doing that, pulling all those parts together. It's grounded in the classic idea of the Bohemia of the 15th century, which really was centered on Prague and Vienna. That part of the world in the 1500s was known to be the height of culture for that region for centuries. And it was all about art, the music, plays, and opera. Now, that being said, we add the American

twist to it. The Bohemian name has to do with freedom, and being free, and feeling free. It has to do with the touch of revolution, and reinventing yourself, which was obviously a big movement back in the '60s. We try to take this classic Bohemian way and then we put the American twist on it that gives it that contemporary, funky, edgy feel of freedom on top of it. You get this energy created between the classic and the contemporary. People realize it when they walk into one of the Bohemian hotels, because you can feel the tension between the two. To create that in the cultural sense, art is extremely important for carrying the message all the way through, in setting the tone. Colors are very important. We use a lot of red, purple, and gold, which give it a little bit of that baroque feel. In addition to that, we bring in contemporary paintings and contemporary music.

HD: Two new openings are on the horizon. How do you choose the best locations for the brand?

RK: We like to put hotels where people want to go, not necessarily where they have to go, which means the leisure traveler is very important to us because they truly are looking for an experience. They want to feel something—they don't want to be put in a cardboard, vanilla box.

The other thing that we're finding very interesting is the



Above, from left: A rendering of the façade of the planned Grand Bohemian Hotel in Atlanta; the lobby of the Bohemian Hotel Savannah Riverfront.

commercial traveler. He's on the road so much, he says, 'I've only got so much time, and here I am spending all this time out in the field. I've got to work some degree of pleasure into this.' Particularly a lot more women are traveling now as business people, and they want this kind of feeling, they want to go to a place where work is just not all drudgery. They want to be able to go back to the hotel in the afternoon, and have a great drink at the best bar in town. They want to feel safe, they want to feel secure, but yet they want this sense of freedom to let off some of the steam from work. When they come into our hotels, they can really let down; they feel the difference. It's not going into a vanilla box.

HD: How do you create this feeling through service?

RK: We say to our employees (we call them grand performers), 'Your job is exuberant guest. If you achieve exuberant guest, not satisfied guest, but exuberant guest, then everything else works.' We get occupancy, we get rate, we get happy returning guests, and therefore we can continue to build our occupancy in all of the hotels.

HD: Why is now a good time to renovate your properties?

RK: We see the market coming back strong. The first quarter has been very strong for us. We've seen 18 percent RevPAR gross on average across all of our properties. The industry has seen about seven.

HD: Why do you think that's so?

RK: Even in a down market, when they really have to choose, people say, 'Look, if I've got to go out there, and I've got to spend this money anyway, I'm at least going to stay in a place I'm excited about.' And so they come to us.

We want to come out of this doldrum, and this bad economy, positioned so that when the groups come in and look at our properties, we have the best-maintained properties in the market and the most exciting properties in the market.

HD: We talked about the Bohemian brand, but what about the Kessler brand, a boutique collection of unique properties. Can you describe the Kessler experience in two sentences?

RK: It's inspiring places. It's that simple. In that when you come, you really should feel different when you leave. You should feel



Left: A rendering of the planned Grand Bohemian Hotel, St. Petersburg, Florida.

inspired, you should feel rested, you should have the best food you could have had in that whole city, wherever the city is, and you've seen some great art. And the music—we have live music at virtually all of our hotels.

HD: For the artwork, you are an avid collector, right?

RK: Yes, that's right. If I get down to one job I do in the company, that's going to be buying the art. I enjoy that. We have a large art collection, and we take a lot of my personal art and put it in these public spaces so that the public can enjoy it. My wife says I cannot bring one more piece of art home, so I have to go build a hotel to put it in.

HD: You have been in the business for 41 years. What have been your greatest lessons learned?

RK: The greatest thing is that I love the hospitality business. That's one thing I learned. The second thing I learned is that concept clarity is extremely important, no matter what level you're dealing on. You've got to deliver a value to the guest. In other words, the guest has to walk away saying, 'I paid X for it, I paid 2X, or 3X for it, but I really got my value for this.' Whether their renting a \$49 room or a \$490 room, the guest has to walk away and say, 'I really got my money's worth.' And particularly in today's economy, no matter what level you operate in, people are not just going to willy-nilly throw their money around. Now a lot of people have money, but they simply say, 'Okay, I'm willing to spend it, but you've got to deliver. You've got to show me that I'm getting my value for this \$300 a night hotel.'

The third thing that I've learned over the years is that we believe in the value of owning these assets. Most of the companies out there today are management companies, and really don't even own the assets. Somebody else owns the assets, owns the hotel, and we think it is really important that you need to own a significant part of your real estate. It does a couple things: first, it gives you better control of your destiny, and the second thing is, over time, there is real appreciation in these assets if you'll maintain them.