

## If Elon Musk Was A Hotelier



What if a person of Elon Musk's character and bravado were to enter the hotel industry? How would they shake things up and presage the next 'gamechangers' to propel hospitality beyond our current challenges?

I am a big fan of Elon Musk's business acumen. He is a man of galactic vision and the dogged gumption to make those ideas into reality despite any criticism. Sadly, I did not get in on the Tesla stock boom, but that does not mean I don't ogle every Model S that drives by or enthusiastically read every SpaceX news clipping. But while it's easy to associate such a larger-than-life personality with an intrepid technology company, hotel brands tend to be far more conservative in their approach and evolution.

Maybe it's that as part of hotel management school, we don't really learn about the history of hotels so that we have a good frame of reference. Who was the last true revolutionary actor in our industry?

Looking further back just over a century, it was Ellsworth M. Statler who introduced the original concept of the modern hotel, including individual guestroom baths, lights in closets and daily housekeeping. Fast forward to more contemporary times and could this mantle belong to Ian Schrager with his creation of

the boutique luxury hotel some 20 years ago? Perhaps one of our industry's finest minds, Schrager created an entire class of products which have now been imitated in part or in full by all of the top chains. Plagiarism is the best form of flattery, after all. Before him, perhaps the next big industry icon was Isadore Sharp of Four Seasons fame who redefined the modern luxury property for the modern era.

These individuals deserve all the accolades that they have received, and no doubt there are other examples you can cite of undeniable visionaries who have helped innovate the hotel experience for the benefit of guests as well as owners' wallets. As a Canadian always does, I apologize if I've missed anyone who deserves mention.

What a history of hospitality should stress is the need for constant innovation, and indeed no event in the past century may have precipitated that more than the recent pandemic. Now is the time for sweeping changes to how we operate. Now is the time for hospitality's version of Elon Musk to rise to the occasion and show us how to untangle this giant mess.

This starts by shifting how we think. Hoteliers all know that technology is vital, yet we aren't curious enough as to how it can transform rather than simply enhance existing practices. It's thus a matter of asking the right questions.

As a straightforward example, instead of asking from your tech vendors how technology can make your front office operations contactless, you might instead ask how software and digital kiosks can wholly replace the front desk. As a headier thought, in the wake of COVID-19 do guests even want the front desk as part of their hotel experience? What would the lobby look like and feel like if the front desk space was reoriented to be something else?

These are the broad matters you should consider, and now is the perfect time to do so. What if the only contact guests want with staff is via their mobile devices or when a specific onsite service is requested? How do you engineer the entire on-property journey to be facilitated from a customer's phone? What cutting edge programs, like DNA-based medical tourism, can your hotel engage with to generate unique awareness and a whole new set of customers? This requires a profound rethink to housekeeping, front office, F&B, reservations, accounting and practically every other department where technology may impact SOPs and labor.

Beyond technology-enabled operational mergers, the entire concept of the hotel has to be redefined. Fundamentals of our business model need to be questioned: Why is standard check-out at 11am and check-in at 4pm? Yes, this is based on well-established housekeeping shiftwork, but now we have advanced scheduling software to better accommodate guests arriving at all hours of the day and night. This may require you to think about how to turn a room quicker or reconfigure furniture that is difficult to clean or superfluous to the guest journey, like the alarm clock.

Next, consider dynamic pricing models and compression events. We yield room rates, so why not yield F&B, spa, golf, poolside chairs and fitness times? A dinner reservation at 8pm is technically more valuable than at 6pm, so shouldn't customers pay a small surcharge for those timeslots that are in higher demand?

For older properties that are desperately in need of renovation, you might even consider conversions to college dorms, eldercare, rehabilitation facilities or even quarantine centers for those arriving from other countries. This notion reminds me of a property in Western Canada that I worked on several years ago. With see-saw occupancies, depending upon seasonality, a conversion to a long-term care facility delivered superior returns to ownership, with only marginal CAPEX requirements after a proper assessment was completed.

The bottom line is that despite all the recent upgrades we've made in light of the coronavirus and the fear of a deadly new disease in our midst, we are all still reacting to present conditions rather than boldly going in a new direction.

There are still so many systemic challenges ahead for the hotel industry that we cannot simply assume that customers will eventually come back as if it's 2019 again. Maybe the pandemic can still be the wakeup call we need, but who will be our Elon Musk to show us the way?

Dare I say it, but perhaps this mantle now belongs to Brian Chesky, CEO of Airbnb. After capturing the hearts and minds of the whole centennial generation, and with the company now back on track with an IPO, there's no telling what new and innovative products will come about from this extra capital injection. It's definitely worth highlighting that Airbnb's rise to the world leader in accommodations has mostly occurred within the past decade, so with the right idea and the grit to see it through your brand can realize tremendous success.

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