

IAHI's Source for News & Views

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Owner

Rick Takach
IAHI Chairman

iahi 
The Owners' Association

THE NEXT LEVEL

As the IAHI reflects back on 2007 and looks forward to 2008 and beyond, it is time to assess where we have come from, where we need to go and what we need to do to make our goals and aspirations a reality. We have an opportunity to outline specifics on what will make a successful 2008, and to define the Association's mission, vision and goals in the years ahead.

Our plan is to take it to the next level. We will do that by encouraging IHG to work even more closely with existing IAHI members to enhance their prospects for healthy growth, ensuring that the Holiday Inn brand relaunch proceeds smoothly, improving member communication, and, ultimately adding value to our hotels.

Since being founded by Kemmons Wilson 52 years ago, the IAHI has performed an invaluable service on behalf of many owners. Established to ensure we had a way to protect our investments in an IHG hotel, the IAHI is an advocate for our members, playing a vital role in communicating with IHG management. We remain a voluntary Association, and are able to function as a truly independent entity. As a result, the IAHI is able to remain objective and unbiased. What began as an Association of owners of one brand now extends to multi-brand representation, with Committees around the world. This is an Association that is unlike any other; unique in the hotel industry.

The question before us now is, what do we do with this unique asset? How do we utilize this valuable tool to help build strong and enduring lines of communication, create new efficiencies, add value to our hotels and, ultimately, improve the success and profitability of our properties? How do we "take it to the next level?"

There are four major components to our plan for 2008; four pillars that collectively represent a strategic approach that will help continue to build on the strong foundations we have created together over the years, and to expand in new and productive directions.



Owner

EVENT

CREATE VALUE

Perhaps our biggest collective priority in 2008 and the years to follow is about as straightforward as it gets: to create value. By creating value in our hotels and for our guests, we add value to our properties. It sounds simple and, quite frankly, it is. That's because it is not about making wholesale changes to reinvent the wheel. Rather, it results from being proactive and taking the initiative to ensure that the nuts and the bolts of our operations and our properties are securely fastened. By making a series of small positive changes, we can make a positive impact on our hotels, our organization and our industry that is nothing less than staggering. Just imagine if we could improve the cap rate on each of our hotels by just one point. Think about what kind of value could be added!

It all comes down to consistency. The quickest way to create that value is to commit yourself to addressing the areas in your operation that can be remedied or improved efficiently. These are solutions that are not likely to require much of an investment to fix or improve and are all things that, if addressed in an effective and timely manner, will pay off handsomely in the long run in terms of customer satisfaction. Those hotels that offer a better product and provide a consistently higher level of service earn the loyalty of their customers. I encourage all members to take personal responsibility for making these kinds of improvements.

As a way to quantify and track these changes, I have set a personal goal for each of the 13 hotels that I own and operate to strive for next year: an 8 percent improvement in the basic service categories of cleanliness, courtesy and curb appeal. I am calling this the "8 in '08." Is this an ambitious goal? Perhaps. But I plan on achieving it – and I challenge every IAHI member to do the same. Challenge yourself; set a goal; and help add value to our hotels.





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INCREASE COMMUNICATION

As Chairman, I assure you that I will take it upon myself to make opening the lines of communication – between members, the IAHI leadership, and ultimately IHG – a priority in 2008. By getting more members involved in the decision-making process, we can forge a more robust and meaningful debate and discussion and engage in a productive dialogue with the highest levels of IHG management.

As a part of this communications initiative, I will work to transform our regional committee meetings into true town hall meetings, to be known as owner-to-owner sessions, allowing members an opportunity to share their thoughts and air their concerns. Raising these issues at the IAHI Board level will enable us to evaluate and address the most pressing issues and, in turn, bring them to IHG's attention. This is the purest form of grass-roots advocacy, and it is something we plan to pursue with a passion.

This is your Association, and like all representative groups, it is only as good as the input from its members.

concerns about the standards and certification process, I want to assure you that one of IAHI's foremost goals over the next two to three years is to provide guidance, support and feedback throughout this process.

COLLABORATIVE GROWTH

Serving as a resource and partner for our members is the core of what we do as an organization. That responsibility includes developing, maintaining and implementing strategies designed to assist them in the growth of their properties, portfolios and companies. Achieving this is reliant on sharing these strategies and plans with IHG to make certain they are aware of the needs and desires of our members – their franchisees.

Understandably, IHG wants to expand their hotel portfolio. Growth is healthy and no one disputes IHG's right to grow. As franchisees, however, it is important that we assert our prerogative to grow alongside IHG. Thus, a key part of our plan for 2008 is to communicate effectively with IHG to ensure the organization has a



A SUCCESSFUL RELAUNCH

The much-talked-about Holiday Inn brand relaunch and global quality initiative is underway, and will clearly be a headline issue for 2008. The last couple of years have seen IHG invest millions of dollars in research, and the results were perhaps not too surprising: people want consistency in product delivery, a clean environment and friendly stay. It all goes back to the same fundamentals, a clean and fresh product and service.

To display the newly-designed sign, franchisees must pass the quality evaluation and meet the OSAT threshold by early 2010, demonstrating that structural and operational changes have been made and that guest satisfaction standards have been achieved. IHG's role is to enforce the new standards. While there may be a few

development and growth plan that works with existing franchisees who are good, conscientious brand citizens and run high-quality hotels. We will encourage IHG to work more closely with the IAHI as it makes plans to open new hotels and enter new markets to ensure that the company is aware of our plans, needs and priorities.

The success of our organization depends on a healthy membership that reflects the scale and diversity of our members. Today, IAHI global membership participation is approximately 75 percent. On behalf of all of those owners, who understand that they are helping to shape the direction of the company and its brands, and who understand that IAHI participation is not only the best way to provide feedback and input, but also the best way to protect their investment and support their asset, I look forward to continuing to work alongside you. ■