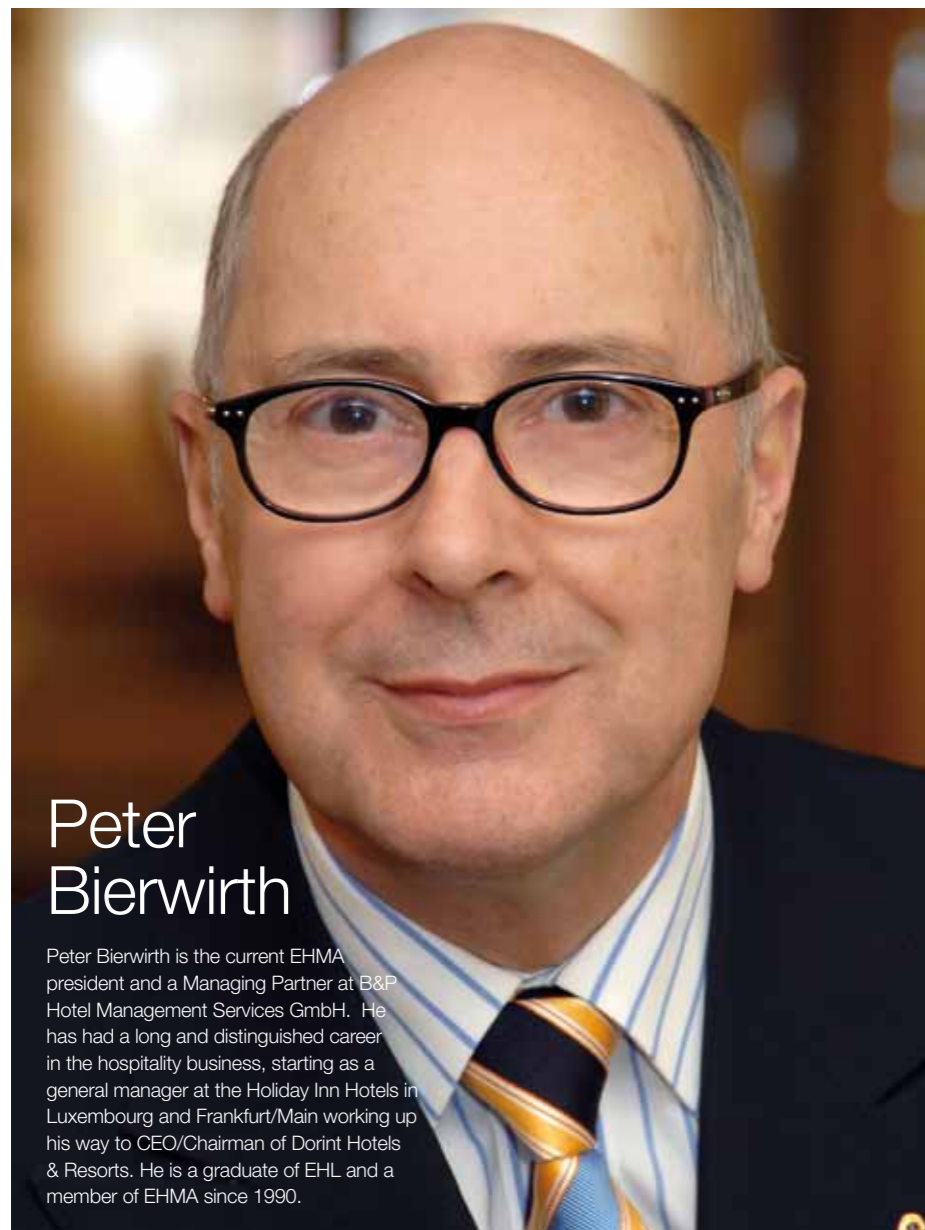


Trends in Innovation

Exclusive Interview with new EHMA president, Peter Bierwirth

At the EHMA General Meeting in Biarritz this year, Peter Bierwirth was elected president of the association. Already a National Delegate for Germany, he brings years of experience from working at such distinguished hotels such as the Peninsula Group, Novotel/Pullman Hotels, and the Dorint. He is currently the managing partner of B&P Hotel Management Services GmbH. In this exclusive interview, Mr. Bierwirth shares with us his expectations and visions for the future.



Peter Bierwirth

Peter Bierwirth is the current EHMA president and a Managing Partner at B&P Hotel Management Services GmbH. He has had a long and distinguished career in the hospitality business, starting as a general manager at the Holiday Inn Hotels in Luxembourg and Frankfurt/Main working up his way to CEO/Chairman of Dorint Hotels & Resorts. He is a graduate of EHL and a member of EHMA since 1990.

How are hotels innovating today? What are the key areas?

The most obvious innovation in hospitality takes place in the Budget Hotel sector. Motel One, easy hotel, citizen M and the like are shaking up the industry by offering just what's needed for a bargain price, with design twist – and with simple, straight forward marketing.

Consolidation will grow further as in the aftermath of the financial crisis, as smaller companies will be forced to link up with either franchise systems, marketing associations or merge with global players. Hedge funds will dominate the broad picture of the hospitality industry that has become a real estate development field.

On the other hand, there are more and more small, individual hotels – mostly non-business related hotels either in snug downtown locations or in the countryside, that counter the trend of “cheap and easy”. More and more eco hotels are also appearing and showing the big companies what people really want when they have a choice: true, honest products with a credible, hearty approach of hospitality. The newest developments with social weblogs (web 2.0 and web 3.0) are also poised to make dramatic change not only in their own niches, but also in our industry, giving a chance to those niche operators that would have disappeared in the mass before.

What are the main areas of thought leadership you are seeing at the moment... What are the keys to growth and prosperity?

The way to growth and prosperity has always gone through high quality, excellent marketing and sharp controlling. Quality of leadership through education is and will be one of the great challenges of our times: school education is lacking and service seems to be a dirty word in some areas of our world. “Don't give customer service, if it's not fast, friendly and efficient” is a well known marketing credo. So if we can't deliver this human service, in spite of training efforts, we need to concentrate on technology. The big challenge of our hotel managers these days is to render excellent guest service with less educated staff and middle management with the latest technology gear available – yet keeping it imperceptible to the guest.

How are hoteliers changing the way they use technology today? What are the main areas of investment? Is it cloud computing, PMS, in-room entertainment? Where will the money be spent?

Money will always be spent where it will generate revenue. Technology has become a must-have in all areas where competition is fierce and where one cannot afford to lose money. Personally I do not believe in in-room-entertainment, PMS systems will be common place instead. Investment in Yield Management Systems linked to Channel Management Systems

has almost become a question of life or death in business hotels where high revenues must be generated like in the big capitals of Europe. On the other hand, costs have to be kept under control: with rising costs for safety and security (!), energy and expenses for maintenance and repair, ecology (i.e. waste removal) and administrative overheads, it makes more and more sense not only to invest in revenue generating assets but also in cost saving devices.

What separates or qualifies a top hotelier from a mediocre one today?

If I consider a top hotelier as someone who can manage a high class hotel with a great number of offerings at an equal level of excellence – there is not much of a difference between someone from yesteryear and today. We are still in the people business and we have to manage our guests like we manage our co-workers. The biggest difference nowadays is that we also need to “manage” our shareholders..... A top hotelier – regardless if he runs a deluxe hotel or any other reputable establishment – needs to keep the product profitable, in physically perfect shape and with friendly and happy staff. Professional class and personal integrity will have to match with a desire of keeping up with the latest trends in communication and technology.

What are your views for the next few years in Europe?

There will be a different pace of hotel development – as much in segmentation

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as in regional distribution. Budget hotels will grow further; established hotels will consolidate in developed areas like Western Europe. Everything will depend on the development of the finance market, the € and political, social stability. If I would have the ability of a clairvoyant, looking into the future – I would rather be sitting under a palm tree sipping on a cool glass of Riesling... dreaming of EHMA and the good old days.

What will be changing at EHMA?

EHMA will continue to grow – perhaps more in quality than in quantity. New members will join in areas where EHMA was rather weak in membership such as England, Scandinavia and Eastern Europe while younger members will replace some of our seniors in the Mediterranean countries. In order to attract the younger generation and important hotel/s (-chains), we need to focus on internationally renowned professional speakers and make our Annual General Meetings exceptionally memorable events.

In order to co-finance these events, we need to keep membership fees stable and concentrate on a selection of “Privileged Supporting Partners” that are willing to accompany EHMA for long term.

The resp. Organizing Committees and EHMA Management Council will work out a variety of interesting proposals to jointly develop presentations that should replace the usual ‘coffee-break table style’ with more ‘smart selling’ set-ups – and after-sales opportunities.