

JUPITER HOTELS THE CHALLENGE AND THE CHARM





JUPITER HOTELS LAUNCHED WITH AN ECLECTIC COLLECTION OF HOTELS BOUGHT OUT OF ADMINISTRATION AND SUCCEEDED NOT BY CREATING A HOMOGENOUS GROUP OF HOTELS, BUT BY CELEBRATING THEIR DIFFERENCES

THE CHALLENGE AND THE CHARM

PROJECT MANAGED BY: DAVID TAVERNOR

Jupiter Hotels was founded in 2010 as a joint venture between the Royal Bank of Scotland and the private equity group, Patron Capital, to buy 26 hotels that were part of the Ramada Jarvis administration process. They sold the portfolio in 2016 with a smile on their face, to two Asian investors following a dramatic turnaround led by Harris and his team. The company now owns and manages 31 hotels throughout the UK, under either the Holiday Inn or Mercure hotel brands franchise.

"I would say that the hotels were orphan children in hand-me-down clothes when I first saw them," he remembers. "But I could see opportunity everywhere in terms of people, services, operational improvements, asset management and the ability to reposition the hotels." "The General Manager and staff are critical in the success of any hotel and the first thing we did was embark on changing the culture within the group. The General Managers running each hotel become a business leader rather than just a manager or host; they take full responsibility for the performance of their hotels".

EMPOWERING MANAGERS AND THEIR TEAMS

It was a very different approach to the one Jupiter Hotels and Harris inherited when they took on these establishments.

"The previous owners did not believe in the business and its people and there was a clear lack of investment in the properties. The first aim was to establish a sense of ownership and pride at the hotel level," Harris says. "It was important for the team in each hotel to believe that they could be

"The hotels acquired were an eclectic bunch ranging from a 45-bedroom country house to a 245-room modern property in Manchester and a Regency building in Brighton," explains Jupiter Hotels' CEO, Shane Harris. "We are not like most hotel groups in that we are not a homogenous group of properties. Every hotel is different – not just in its physical structure and size, but also in its type of business. So, we face 31 different challenges on a daily basis, and that is the challenge but also the charm."

It hasn't been an easy route to today's success. Harris was brought in to bring a new, more dynamic approach to the business in 2012 and immediately saw the potential of the group.

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Mercure Brighton Seafrost Hotel Reception Area

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**Jupiter Hotels' CEO,
Shane Harris**

competitive in the marketplace and become a hotel of choice once again for consumers.

"I had to train the General Managers to look beyond the skills required to be a great host. It meant encouraging and training them to improve their understanding of their hotel's market, their financial acumen, how to motivate their staff and, finally, a better understanding of their guests.

"It was difficult at the beginning for some General Managers as this was a complete reversal to how they had worked in the past. But with the help of the support centre (head office), they began to embrace the challenge and enjoy this new empowerment – and the results speak for themselves."

The cultural shift has resulted in the General Manager of each hotel enjoying the freedom of an independently owned business,

but with the support of a large company behind them.

HELPFUL BUT HANDS-OFF SUPPORT

Each Jupiter Hotel has a strong back-up to help it achieve its business goals. "We call the head office a 'support centre', and we provide assistance when needed to each General Manager. We have an expert finance team able to critique and identify problems before they occur," Harris says. "We also have a strong revenue management team to assist the General Managers in their pricing and sales strategies. We have also brought in a technical specialist to look at real estate opportunities within the business."

This has meant giving many of the staff a crash course in finance, and one that goes beyond simply being able to read a spreadsheet.

"We need them to be financially >>

"THE CULTURAL SHIFT HAS RESULTED IN THE GENERAL MANAGER OF EACH HOTEL ENJOYING THE FREEDOM OF AN INDEPENDENTLY OWNED BUSINESS"

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astute and understand the consequences of decisions they are making," Harris says. "It is not just numbers for number's sake. When we do reviews, I like to hear about the hotel's market, its staff and customers, before we get into the figures. How do guests view the hotel? What is happening in the marketplace? Who is growing? Once I have the story, the numbers will follow and decisions are easier to make."

And of course, the key ingredient in any business is the ability to understand its customers.

"Rather than trying to second-guess the customer, we do a lot of surveys to find out how our guests rate our hotel in terms of

"THE GENERAL MANAGERS BECOME A BUSINESS LEADER RATHER THAN JUST A HOST; THEY TAKE FULL RESPONSIBILITY FOR THE PERFORMANCE OF THEIR HOTELS"

service, staff, quality and product," Harris says. "This has enabled us to identify what improvements will be most relevant and have the biggest impact on guest satisfaction."

SAVVY INVESTMENT

Harris believes that, given the limited amount of capital available, it is imperative that Jupiter Hotels spend wisely across its portfolio. That doesn't mean a full

refurbishment of each property but tailoring any makeover to have the most impact in that hotel's unique market. Harris says, try to be all things to all men and suffer in the long run. "We have carried out a deep analysis of every hotel and categorised our hotels into three categories (1) corporate (2) meeting and event and (3) leisure. Knowing which segment of the market they fit in means we can aim to make them

⬆ The international suite

a major player and give them a sustainable advantage. It also helps determine which sections of any hotel will be repositioned and made competitive through refurbishment. Our Brighton hotel, for example, is in a listed Regency building on the seafront. Recent multi-million-pound investment has focused on creating a unique, boutique feel that sets it apart from its big, branded competitors in the resort's leisure market, and we have had incredible feedback from guests. In Manchester, we focused on repositioning the hotel as a leading conference and events hotel through refurbishing event space and since the

refurbishment, the hotel's revenue has grown 25 percent and is now one of the top two conference venues in the city."

THE HOTEL'S REVENUE HAS GROWN **25 PERCENT**

Hotels aims to be that someone, through the creation of its Rising Stars programme. "Every year we select staff with great potential

THE NEXT GENERATION

As Jupiter Hotels grows, Harris is looking to the future. The CEO strongly believes that there is an entire generation of hotel industry talent at risk of being neglected.

"There are a lot of talented people within the sector who never get the break they deserved," he says. "They just need someone to say 'You have a chance here with us.'"

Harris explains how Jupiter

to take part in an 18-month training programme," he says. "At the start, we ask them where they want to be in two years. When they finish the programme, their goals have often changed because they have learned about the industry and themselves. We mentor them and place them in our different hotels to give them a wider perspective. So far, 75% of the people who have completed the programme have moved onto better things, either with Jupiter Hotels or elsewhere. I have always made it clear that they have no obligation to stay in the business because we are giving them a platform they never had before. We are happy for them to go and they may come back because, just as with our guests, we're offering a different approach that sets Jupiter Hotels apart." ☺

"EVERY YEAR WE SELECT STAFF WITH GREAT POTENTIAL TO TAKE PART IN AN 18-MONTH TRAINING PROGRAMME"

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