

Highs for Loews

The facilities department of this well-known hotel brand collaborates with all other segments to come up with fresh ideas to stay ahead



Richard Senechal, senior vice president of facilities for Loews Hotels.

Loews Hotels' 2004 sales were \$692.6 million, and the 59-year-old famous hotel brand is only hoping to build on this with the largest expansion in its history. Among the latest additions to the chain are the **Don CeSar Beach Resort**, a Loews Hotel; the **Loews Beverly Hills Hotel**; and its most recent, the **Loews New Orleans Hotel**, located near the French Quarter and the **New Orleans**

Convention Center. Loews New Orleans was fortunate not to suffer from standing water or vandalism in the aftermath of Hurricane Katrina, and the entire property has been completely restored. The guest rooms and restaurant, **Café Adelaide**, were open for business in November.

Business Travel News magazine's 2005 Top U.S. Hotel Chain Survey named Loews Hotels the number one hotel chain in the upper upscale cat-

egory by business travelers. More than 600 business travel buyers were surveyed on 13 basic criteria, and Loews scored high marks on the quality of in-room amenities and business centers.

Loews prides itself on having some of the most unique hotel properties with 15 locations in prime business and vacation travel destinations, including New York, Chicago, Los Angeles and Miami's South Beach.

Renovation; — \$25 million worth — has been completed or is in the process at seven of Loews' 18 properties, including **Loews Annapolis** (\$4-million regatta-themed renovation); **Loews Ventana Canyon Resort** (\$10-million guestroom overhaul); **Loews Coronado Bay Resort** (\$5-million workspace-friendly room renovation); the Don CeSar Beach Resort, a Loews Hotel, (lobby revamp); the **Portofino**

Bay Hotel at Universal Orlando, a Loews Hotel, (\$5.5-million soft room and suite renovation); and the **Loews Denver Hotel** (fresh, new guestrooms).

In the works for Loews is a 400-room resort located on Lake Las Vegas, a 3,592-acre, new-build project that will be located 18 miles from the Las Vegas strip. The **Loews Lake Las Vegas Resort** will break ground this year and be open for business in

2008. Designed with a Mediterranean flair, the resort will offer 40,000 square feet of meeting space, two restaurants, two bars, two outdoor pools, a kids club and a 20,000-square-foot destination spa.

Richard Senechal is senior vice president of facilities for Loews Hotels. The following is an edited transcript of his interview with *Hospitality Construction* magazine Editor **Chelsie Butler**.

Hospitality: How is your department organized? What are its primary responsibilities?

Senechal: In the facilities group, we maintain a centralized expertise in design, engineering and construction project management that isn't typically present in an individual hotel. We research new products and provide interior design services and champion brand-wide initiatives in energy savings and preventive maintenance. We provide design and project management for all larger capital projects, and we provide programming, planning and advisory services in support of new development. In addition, our purchasing department leverages our buying power by negotiating national contracts with key vendors.

How do you as a home office manage these local operating teams?

Each team is responsible for running its businesses and for delivering the Loews brand promise. At the home office, we are a relatively small team of experts in all aspects of hospitality management, and we act as a central resource for brand programs, standards and best practices. Because we are a small team of very senior people, there isn't a lot of typical corporate activity in this office. We don't have time for bureaucracy. Our normal day is a bit chaotic, every one of us juggling a handful or two of things at the same time. Every day is something new, every day is



Loews Miami Beach Hotel's Americana ballroom.

something fresh. It's an exciting environment.

What is the biggest challenge your department has to face right now?

I think the biggest challenge

everyone in the industry has right now is keeping track of and responding to change. After several moribund years, the hotel industry is booming, and the competitive bar is being raised every day. We need fresh ideas and out-of-the-box

Richard Senechal BioFile



Richard Senechal has been a veteran of the hospitality industry more than 25 years and joined **Loews Hotels** as senior vice president of facilities last March. He is in charge of the design, construction and facilities management activities for all of Loews' properties in the United States and Canada.

Senechal's last position was as senior vice president, design and construction, **Wyndham International**, where he was responsible for the centralized control of all capital spending and the completion of more than 2,500 projects annually. When asked why he made the move to Loews and what he feels is so special about the company, Senechal said in a nutshell, it's the people.

Personal Points

WHAT ARE YOU READING CURRENTLY?: *Will in the World* by Stephen Greenblatt. A biography of Shakespeare.

WHERE IS YOUR FAVORITE VACATION DESTINATION? The neighbor islands of Hawaii – they're paradise with golf, what more could you ask?

WHAT IS PLAYING ON YOUR CAR STEREO? I alternate between 19th-century romantic classicism and '60s hard rock.

WHAT IS YOUR "DREAM" CAR? I bought myself a BMW Z4 last year. It's the kind of toy you can only justify once your children are grown up.

“ I think the biggest challenge everyone in the industry has right now is keeping track of and responding to change. ”

thinking to meet that competition.

The bad thing about good times is that resources are suddenly scarce. Architects and designers are so busy that they can turn away work, something that hasn't happened in years. Fees are going up, and the cost of construction is going up even faster. The overheated condominium market in some hot locations is siphoning the available construction labor away from more conventional projects. The cost of some construction materials has escalated drastically as the result of the construction boom in China and the reconstruction after last year's hurricanes. Managing our portfolio of regular capital spending is becoming increasingly difficult, and developing a hotel that doesn't have a gaming or a condominium component is challenging in this market.

How does the facilities department collaborate with other

departments to create successful projects?

Working collaboratively is central to the culture of Loews. We are a small, tight-knit team, and we rely on each member every day. Our collaboration is personal, not departmental, and we work hard not to have fiefdoms or silos. Our communications are regular and informal, and the successes we achieve are always the result of a team effort that draws on the expertise of the home office team and unique experiences of the great people we have running our hotels in the field.

What have been some of Loews' biggest successes?

Loews has had tremendous success in the development arena. From 1998 through 2004, Loews added seven new properties to the chain, all of which were new developments or conversions. Many of these properties have been recog-



A suite in Portofino Bay at Universal Orlando, a Loews Hotel.

nized for their design — all are tremendously successful. The **Loews Philadelphia Hotel**, which is a conversion of the historical PSFS building, has been lauded for keeping the integrity of this historical building. Same for the **Loews Miami Beach Hotel**, which restored the Art Deco **St. Moritz** hotel in addition to developing a new 700-room tower. The three Loews Hotels at Universal Orlando — Portofino Bay, an Italian-themed seaside village; the **Hard Rock Hotel**; and the **Royal Pacific**, a South Seas resort, have all been recognized for their imaginative design and themes.

How have your disaster plans changed in the past few years because of the rash of major storms?

Loews Hotels has been fortunate in that Katrina was the first of the

recent major storms to cause any appreciable damage to one of our hotels. I'm not sure that anyone anticipated the breadth of destruction that Katrina caused, and we, like the rest of the country, have been examining and re-evaluating our disaster recovery plans, both as a brand and at each individual hotel, as a result of this experience.

How has Loews participated in the relief effort?

Loews Corp., through the Loews Foundation, has established a dedicated fund to assist employees of all of its subsidiaries, including Loews Hotels. Monies donated by employees are matched dollar for dollar by Loews Corp., and have already helped many of our people in need. For the community at large, various Loews Hotels across the country have helped raise hun-

dreds of thousands of dollars by hosting a variety of events. Loews was a major sponsor of the Miami Rocks event that was held at the Loews Miami Beach Hotel, which raised more than \$750,000. Additionally, Loews Hotels CEO **Jonathan Tisch**, in his role as chairman of the **Travel Business Roundtable**, has met with several public officials to help organize public and private efforts to rebuild tourism in the Gulf, particularly in New Orleans.

When a hotel goes through a major renovation, what are the critical issues to consider?

With an experienced team, managing the cost and ensuring the quality of the work is usually straightforward. Creating the project schedule is usually the most difficult aspect of planning a major renovation of an operating hotel because there is always disruption and displacement when a hotel is under construction. The challenge is in organizing the work in a way that minimizes those negative effects and allows the hotel to benefit from the improvements as soon as possible but does so without paying a significant premium for the work.

This can be accomplished by careful planning far enough in advance so that a project is not being rushed into some sort of window of time. We are working on a renovation on the Hard Rock Hotel that is intended to take place this fall, but we already have the design plans in place and are constructing a mock-up of the room renovation. Getting far enough ahead in the planning process is key to painlessly fitting the construction work into the schedule.

How are your costs measured and managed?

We establish detailed line-item budgets for all major projects from this office. Our purchasing team reports cost and commitment in that same level of detail for all of the project components it buys.



Lobby view at the Loews Santa Monica Hotel.

Since our payment and accounting functions are decentralized, the hotel controller is ultimately responsible for recording all project commitments and payments and reporting them back to us for project management purposes.

We have recently launched a web-based project reporting tool that allows all project participants real-time access to detailed information about all of our planned and active projects. Our monthly status meetings are conducted electronically and are based on each participant having all of the relevant information available.

How do your hotel properties stand apart from others? How are they unique?

Loews' properties are unique to their destinations, reflecting the location throughout the design, amenities and services. Whether nestled into the hills of the Arizona desert, a fixture on the South Beach skyline or an intimate retreat on the Upper East Side of Manhattan, Loews Hotels are always a big part of what makes travel special in both city and resort locations. We look for that ability to truly create a uniquely local experience when searching for development projects. For instance, **The Regency**, a Loews Hotel, in New York is a very polished, upper-East Side residence and incorporates local produce and meats into its menus.

How do you select the various components, vendors for your hotels, including flooring, lighting, HVAC, signage, etc.?

We are continuously evaluating new products. It's one of the services that our home office team provides to our hotels. We learn of new products from a variety of sources, including industry and trade publications, conventions and trade shows, referrals from our consultants and the field and

direct vendor contact.

Whenever we see something that might be of future use in enhancing our hotels, we order samples, we review specifications, we check references, and we conduct informal testing in our New York offices. We may not always have an immediate use for a new product, but we're always working to keep ourselves fresh and current. We are typically looking for products that offer special touches to our hotels and that are not too standardized.

What are some of the major challenges you have to prepare for in the next few years?

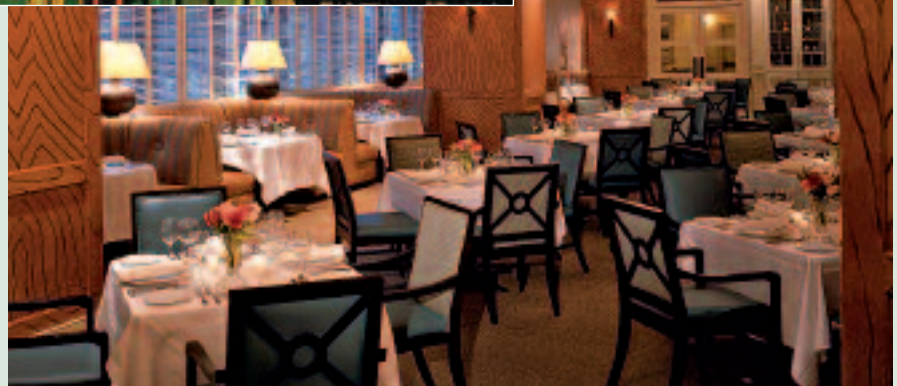
I believe that hospitality is at an evolutionary event horizon. We are facing major changes in every aspect of how we do business. Providing a quality product and good service isn't going to be enough to remain competitive as upscale and luxury hotels continue to proliferate. The commoditization of service will require us to provide unique experiences for our guests to win their loyalty and to be differentiated from our competition. We began to see this shift in the fun-

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damentals of the industry prior to 9/11, and now that the economy has recovered, I expect this trend to become more and more noticeable.

The nature of the hotels we build will have to change to accommodate this alteration in the way we do business. The physical facility will have to become more flexible to provide the platform on which the operating team will mount an ever-changing variety of experiences for the guest. In that sense, at least, hotels may become more theatrical.

At Loews Hotels, we're particularly well positioned to take advantage of this trend. Our hotels have always been unique and uniquely local, and we are committed to finding new ways, in every aspect of our business, to surprise and delight our guests. ■



Top photo: Night view of the Don CeSar Beach Resort, a Loews Hotel; Bottom photo: Loews New Orleans Hotel's Cafe Adelaide.