

LEADERS IN *Hospitality*

A Collection of Individuals

An Interview with **Reto Wittwer**,
President and Chief Executive Officer, Kempinski

EDITORS' NOTE Educated at Switzerland's Hotel Culinary School and Ecole Hôtelière Lausanne, Reto Wittwer began his career at the Westin Palace Hotel in Madrid. Wittwer has lived and worked in Paris, Tehran, Singapore, Hong Kong, Montreal, Acapulco, Indonesia, and Korea, and has worked for InterContinental, Mandarin Oriental, Peninsula, Le Méridien, and Hyatt. He has been the CEO of three hotel companies – Swissôtel, CIGA, and Kempinski – and assumed his present posts in 1995.



Reto Wittwer

COMPANY BRIEF Kempinski Hotels (www.kempinski.com) is Europe's oldest and most established luxury hotel collection, founded in 1897, with 60 deluxe properties in major cities and vacation spots throughout Europe, the Middle East, Africa, and Asia. Each hotel or resort is a distinctive property, with its own character and charm, celebrating the cultural traditions of its location.

Has the hotel industry been affected by the current economic challenges, and for Kempinski, has business stayed strong?

We don't have hotels in the States; we have them in Europe, the Middle East, Africa, and Asia, which have been less affected. The very top of the market always suffers a little bit less. We have been doing quite well with one or two exceptions: Budapest has seen a downturn, and Berlin is a little bit soft. But everywhere else is booming.

While the brand continues to grow, you have limited the number of new properties Kempinski opens. Why is that?

Luxury has to be exclusive and limited in quantity or it is difficult to differentiate it from mass consumerism. If everyone drives a Ferrari or a Bentley, has a Brioni suit, and wears a limited edition watch, those very items become mass consumer goods. We also have an historic advantage. We are the world's oldest hotel company. My fantasy is to be perceived as the only hotel company to really understand luxury, with a one-of-a-kind portfolio.

Has the word luxury lost some of its meaning?

Luxury is being defined by whoever wants to define it for whoever is listening. I have my



own definition of luxury: it cannot be mass produced. Therefore, I cannot agree with those luxury hotel brands that keep expanding, because they cater to the masses. But luxury means different things to different people at different places at different times.

While giving your properties a local flair, how do you make sure they are recognized as Kempinski hotels?

Even if you have over 100 one-of-a-kind hotels, they must share some identification points. We pride ourselves on exceeding the demands of discerning international travelers, and we do this by delivering impeccable service in a style which reflects the individuality of the hotel and its location. This is what makes Kempinski unique. Furthermore, we are identifying services and special features unique to Kempinski that we will push through the entire company, but with local flavor.

Will Kempinski be looking to manage multiuse facilities with residential and commercial elements?

This is a concept which is in fashion and, if done well, can represent luxury, but this isn't our primary focus because it can dilute the brand. You have to make sure that your core business is very well taken care of before you do other things.

Do you hire celebrity chefs for your hotels' restaurants?

If you only use the name of a chef, you're launching a gastronomical franchise, which I don't believe in. We have hired innovative and creative chefs who are homegrown. I measure the success of a hotel restaurant by its ability to integrate the local community into the hotel. Your hotel is a success if wealthy people say, "My daughter has to marry in that hotel, because it's the place to be." And, of course, the dining experience must not only be trendsetting, it has to appeal to the local market – what works in Istanbul may not necessarily work in Beijing.

How do you balance technological amenities with traditional personalized service in your hotels?

Our rooms are already outfitted for business travelers' needs. However, the trend today is toward taking your own media (photos, music, etc.) with you, so we are looking at solutions

so guests can recharge their iPods and cameras at our facilities. Whether or not guests use the technology is up to them. Even young people appreciate having other people do things for them. Luxury is about being attended to.

Your time is pulled in many different directions. How difficult is it to focus your time on the right activities?

I only get involved in strategic decisions. I'm very heavily involved in talent management and scouting. I tell managers not to talk numbers to me, but to tell me about talent, because if we're not mining talent now, we'll be out of business in 10 years. Talent has to be identified by the managers. They have to know every single one of their employees, and if they don't, they're not doing their jobs.

What kind of background do you need to be a successful hotelier today?

I want Kempinski to be the first and only hotel management company in which every manager holds an M.B.A., which gives you well-rounded business acumen. Marketing has become a science, and finance has become more and more complex. I want our managers to be able to read a balance sheet, calculate free cash flow, and make sensible recommendations for our owners' investments. In acquiring an M.B.A., you become much more analytical. However, I also want our managers to be culturally well versed. They have to know what's going on in town. They have to be multilingual and multicultural, and be pleasant people to be around. We need visible and sophisticated hosts. Our aim is to recruit motivators and leaders for the staff, and businesspeople for the owners.

If you weren't a hotelier, what would you do for a living?

When I was 14, I said this was what I wanted to do. I could have taken over the family business, but I wanted to be a hotelier. My father said, "If you do this, be the best." That's what I have tried to do.

Can you ever get away from this 24-hours-a-day business?

I sleep very well. The whole company can go up in flames – if I'm sleeping, I'm sleeping. I'm not stressing about what I have to do tomorrow. I can completely switch off, which is a useful talent with my lifestyle. ●

The grand opening of Kempinski Palace Portoroz in Slovenia