

The Iconic Differentiator

An Interview with Paul H.F. Nash,
General Manager, The St. Regis New York



EDITORS' NOTE Paul Nash assumed his current post in March 2009. Before this, he was the General Manager of The St. Regis Houston. He is a native of London and has more than 27 years of luxury hotel experience working at various properties within Starwood Hotels & Resorts. He has worked at the Palace Hotel in San Francisco; The St. Regis Shanghai; the Sheraton Nusa Indah Resort & Convention Center, Bali, Indonesia; and the Sheraton Grande Sukhumvit in Bangkok, Thailand. Nash received his credentials in Hotel, Catering and Business Management in 1984 from the Ryde College of Catering Studies and Hotel Administration in Sydney, Australia and a Certificate of Business Administration from the University of Washington.



Paul H.F. Nash

PROPERTY BRIEF Considered one of the top hotels in the world, The St. Regis New York offers 229 luxurious guest rooms and suites, featuring Louis XVI-style furniture, Waterford crystal chandeliers, carved crown moldings and wainscoting, marble baths, and silk wall coverings, with well-appointed meeting and events facilities, and a range of timeless dining venues. It is the flagship property of St. Regis Hotels and Resorts, one of the two premier brands – the other being The Luxury Collection – of metropolitan New York-based Starwood Hotels & Resorts Worldwide, Inc. (www.starwoodhotels.com).

How have you seen the New York City hospitality market rebound, and for St. Regis, how has business been the past few months?

2009 was tough all around and the problems seemed to start in New York because we're always first.

New York dipped badly for about a year. The luxury market was reputedly about 30 percent down, which wasn't the case here. But we noticed in February of 2010, the business came back rapidly, which we were happy to see and it carried on throughout the summer. Even in Q4 of 2009, business was very solid, and in 2010, we saw the same thing.

Is the business that is coming back primarily on occupancy or with rates as well?

Definitely occupancy. I have a unique perspective when it comes to rates, because we flexed our rates last year, value-added – we did not drop our rates because it's a cardinal sin to

do so. With the flick of a pen, you can drop rates 10 to 30 percent, but it takes you five years to get it back, which we learned here after 9/11.

Will we see rates come back to the level they were at or do we need to envision a different rate model?

It's not a question of coming back – rates are back to normal. Over this past quarter in New York, it is very much business as usual.

How challenging is it to show what makes a property unique in the competitive New York space and how do you differentiate?

You can differentiate and you need to, because even the top tier luxury guests are looking for perceived value for money, although we all pitch at different levels.

We have a promotion that we're taking brand-wide called the 1904 promotion. So we're taking the history of the building and you're paying rack rate the first night for a suite and paying only \$4 the second night, which is the opening rate in 1904. You're getting 50 percent discount, but at a suite tier, so you're starting in the thousands not in the hundreds. Therefore, we're not selling the shop out from under us.

For us, the butler piece is the iconic differentiator, because there are others that claim to have the butler piece, but no one has it to our level, across the whole brand.

In October 2010, we opened our 21st property on Bahia Beach, Puerto Rico. So we've doubled our footprint in the past two to three years with more to follow.

Many hoteliers talk about food and beverage being challenging with great restaurants everywhere. How has the partnership with Alain Ducasse been important and have you been happy with the restaurant's impact?

Absolutely. A lot of people talk about F&B outlets and restaurants as loss leaders. That is a naïve business model in this day and age, particularly in New York. If you're not making money in a space that takes up thousands of square feet, you're not being very diligent in your business practices.

The relationship with Group Alain Ducasse is a good one across the company, but the key in New York is that his name is associated with the restaurant. We opened to great fanfare in 2008. It has had a rough ride, but it's back. This past summer, we made some changes front of

house and we now have a new chef, Didier Elena, without a doubt the best French chef in New York.

Our numbers reflect that people are starting to understand that there have been some changes without changing our price point. We have been strategic in trying to price it as a typical high-end New York restaurant, not a hotel dining room, a concept that died 10 years ago. And that is critical for its continued success.

In a property where space is of the essence, how much can you put into a spa offering and do you have to partner in that area to offer the level that is expected?

We have a company-wide partner but we are a small spa, and we're looking potentially at marginally growing that footprint.

With this market, it's about finding that right spot – not too big or small. But at this level of hotel, it is a must-have, and there is no reason you should not be successful, if you get the size right. A 16-room spa in a 200-room hotel in New York City is too big, because as beautiful as it might look, you're never going to cover your costs and make it a good business.

Is the meeting business coming back, and for this property, how much of a focus is that?

We were fortunate not to lose most of the high-end meetings; they met if not for good reasons for crisis reasons. And a lot of the attraction of this property is the discretion – you don't see signage; you have no idea who is meeting here.

What we're finding in New York is people aren't necessarily booking three to six months out. A lot of them are booking availability one week in advance.

Are you happy with where the product is today? Do you foresee any major changes in the future?

You're never happy, because the day you relax, someone is going to knock you off your perch.

There are certain things we want to do and certain things we're required to do because this is a landmark project.

There is always something else to offer a guest. Many of our guests have amazing houses around the world, so you have to create something that still takes their breath away when they walk in. Service is key, but the little touches in the room are a continual thing to revisit. ●

The St. Regis New York Entrance (left); The Wine Library at Adour (center); Bedroom of a Grand Luxe Guest Room (right)