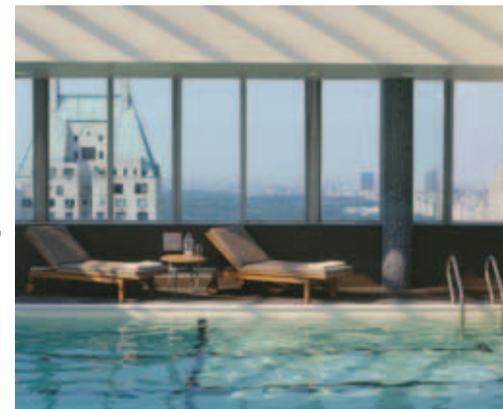


Hospitality's Global Impact



“Always Happy, Never Satisfied”

An Interview with Steven Pipes,
Vice President, The Jack Parker Corporation,
and Managing Director, Le Parker Meridien New York

EDITORS' NOTE In July 1983, Steven Pipes joined *Le Méridien* in San Francisco as Front Office Manager. He was Resident Manager for two years at *Le Meridien Vancouver*, then General Manager of *Le Meridien* in Athens, Greece, and two years later, became General Manager of *Le Parker Meridien New York* where he is now Managing Director. Since 1994, Pipes has also served as Managing Director and Vice President of *The Jack Parker Corporation*, the parent company of *Le Parker Meridien New York*. He received his bachelor's degree in hotel administration from Cornell University.



Steven Pipes

COMPANY BRIEF Founded in 1955, *The Jack Parker Corporation* (www.thejackparkercorporation.com) is a family-owned company that has designed, built, and managed more than 15,000 residences, including high-rise luxury rentals, condominiums, and single-family homes, located throughout the Northeast and Florida. The company's hotel division comprises Manhattan's *Le Parker Meridien New York* (www.parkermeridien.com), *Parker Palm Springs* in California, and the *Holiday Inn* in Ronkonkoma, New York. *Le Parker Meridien*, situated on West 57th Street, boasts 727 rooms and suites and offers two restaurants, *Knave*—an espresso bar by day and bar by night, a 9,000-square-foot banquet space, rooftop pool, and a fully equipped spa and fitness center.

Following a rough 24 months, have you seen the business coming back and where is it today?

It was more like 12 months as opposed to 24 months that were horrific, especially when you're in the midst of it and don't know what's coming.

If you knew that the business was going to come back in a certain time frame, you might react very differently.

So January and February of 2009 were dire. But New York has always had, and will always have, an ability to rebound quickly, as it did after September 11th and as it has this time.

The business levels are huge and there has been new product brought to the market with more coming, but it has all been absorbed easily and we're very encouraged.

In California, where the economy is still much weaker, we're benefitting now from the fact that we're a much better known entity. We're in our fifth year and with the repeat business of both individuals and groups, we're having our second best year.

How do you balance some form of rate integrity with the need to fill the hotel?

The notion of rate integrity is fiction. There are a few hotels that decided not to drop their prices no matter what and they suffered more than everybody else.

The decision to not lower rates was being made by people who didn't have real skin in the game. They weren't the owners of the hotels who had to subsidize losses.

So ego and fiction are at the fore when people talk about rate integrity. We're in a capitalistic, market-driven society. Supply goes up, demand goes down, prices drop.

Did the competitive landscape change too?

The accordion really shrunk so the price differential between more modest and more luxury hotels definitely compressed.

It has not gone back to what it was, but it's moving in that direction.

Are you happy with the New York product or are you looking to make any changes?

Our saying in the company is, "Always happy, never satisfied."

We are blessed because the hotels are owned by an entity that has never over-leveraged on a property. We've never put ourselves at risk. So we're stable financially and we're able to continue to invest in the property in up and down markets.

We're also always brainstorming new things we can do and offerings that our customers can enjoy.

For both properties, is it important to maintain a consistent feel or is it targeted to what works in the local market?

The consistency is our passion for what we do, but the products, the environments, and the feel are all completely different.

Our property in California is a resort with 13 acres, and the grounds are hugely important; it's more funky than the New York hotel, which is more modern.

Can you really differentiate through service and how have you enhanced your service standards?

Improving service is a never-ending task for everybody in this business, and what is remarkable about service is how an individual can make a huge difference. So the selection of people is by far the most important element.

Everybody is striving for a high level of service. But it's not enough to be better – you have to be different. So you have to look at how you present your services and product in a way that is memorable.

I recall one time, after we had renovated the hotel, I got a four-page handwritten letter from a guest telling me how much she hated the new design we had done in the hotel. I loved the letter, because our goal is to evoke a strong reaction.

Obviously, I'd like the strong reaction to be positive, but we want you to love us or hate us – we don't want to fall into that grey zone.

You have a nice suite offering. Is there a consistent feel within that?

Yes, the decor in our rooms and suites is consistent. If you come to a place and like the feel of it, you shouldn't have a surprise the next time you come. Our goal is to have consistency in what we offer once we've decided what we're offering.

You run your own food and beverage and health club at this property, even though many outsource those today. Why have you decided to keep these in-house?

We have consciously kept things in-house. Our initial thought was, they can do better than we can, and yet, we found out we're not that bad at it. It's a challenge, but we control our own destiny.

In terms of your longevity with the company, how much of that is a result of a good relationship with ownership?

I am extraordinarily fortunate that I work for a company that thinks long term, that values loyalty, discourse, disagreement, debate, and ideas, and that is willing to take risks that most won't, all while having next to no bureaucracy. Along with no bureaucracy comes no politics, and that is for me what makes every day a pleasure to work. I've been here 19 years – there is no way it would have been close to that was it not for the ownership. ●

Le Parker Meridien New York Entrance (left); Lobby and Stairs to Norma's Restaurant (center); Rooftop Pool (right)