



On a Mission

An Interview with Efrem Harkham,
Chairman and Founder, Luxe Hotels

EDITORS' NOTE Former women's apparel manufacturer Efrem Harkham bought a struggling hotel in Los Angeles' Bel Air neighborhood 28 years ago and launched the Luxe Hotels brand and the Luxe Worldwide Hotels representation company 15 years later.



Efrem Harkham

COMPANY BRIEF The Luxe Hotels brand currently includes corporately owned properties in Los Angeles, the Luxe Sunset Boulevard Hotel in Bel Air, the Luxe Rodeo Drive Hotel in Beverly Hills, and the first branded property in downtown Los Angeles, the Luxe City Center Hotel. Also included is Luxe Worldwide Hotels (www.luxe-hotels.com), a privately held, premier representation company of nearly 200 independently owned and operated hotels in 31 countries around the globe.

How has the Luxe brand been positioned during the economic crisis and is this a time to take advantage of the situation?

We learned a lot from this recession. We proved to ourselves and the entire team that we don't let circumstances control us – we have to continue to perform and market through the downturn. It is because of this that we haven't suffered like the rest of the industry. Our overall revenues were up – mainly because of food, not the rooms. We learned that if you maintain relationships, if you give service and genuine care, then the customers will be there. As a result, we had the best June and July last year that we've had in the past five. To ensure this level of service and care, the hotel owner and the general manager have to have a strong presence and be actively communicating our values and standards.

How do you grow while not losing personal relationships?

When I started this business, I had three companies I had purchased and 550 hotels in that portfolio. Our heads were spinning until we realized there is no way you can give truly personalized attention to each hotel and be effective. Many chains have over 500 hotels and there is no way you can make a difference with that many properties. We wanted to make a difference. Luxe Worldwide Hotels now has a rule where we allow no more than 200 hotels into the portfolio. I aim to find 20 of

the ultimate location-type boutique hotels like the Luxe City Center Hotel. We launched that hotel last September at The Lodging Conference in Phoenix. Our members see our efforts and they tell us all the time how we have given them the tools to change their business for the better.

How do you get the message across on what makes you special?

We have a multipronged approach to messaging the attributes of the Luxe Hotels brand. It is a combination of online and print advertising,

social media, and word-of-mouth from our exceptionally loyal customer base. My new Vice President of Marketing has good experience. I purposely brought someone in from outside the hotel world to provide insight on how to diffuse our message and communicate our brand value. Besides that, I shake the hand of each person who works here and voice my deep appreciation for their genuine care and hard work. They're really our secret weapons.

Your vision sounds reasonable but it's not the norm in this industry. Where does it come from?

It's realizing that I owe these people. It's about giving back and not bragging about it. I decided I need to approach this business with humility or I'll never get anywhere. Also starting out in this business as a hotel owner myself and being incredibly frustrated with the lack of good representation companies made me that much more passionate about starting one and filling the void by really delivering on our promises.

You seem to want to create and build, and change things. Has your success encouraged that?

My confidence got built up when international chains were chasing me to sell the brand and proposing crazy numbers. They wouldn't let up. They just wanted the brand and the offices around the world. They didn't know how I could make money representing 200 hotels with offices everywhere. The others are gone – they were all gobbled up by big public companies. Now, we're ready to expand and we have a fourth branded property coming on board. It's undergone a huge renovation. We will give the hotel our personal attention and passion and train the staff. We teach them to use any opportunity to connect with the guest so that they build client loyalty.

How do you evaluate success? Is there a point at which you know you have succeeded?

Yes, when I'm able to give better increases to my staff. It's all about the details. A big part of our monthly revenue from leisure travel is four-day weekend getaways. So it's focusing on different segments in the market and learning how to build the leisure business. We have some serious reservation services trying to buy us as well as chains, and that is what told us we've made it. But I love what I'm doing and I believe there is a need in the marketplace for an honest four-star representation company that will treat an owner's hotel like their own, and that's what we do. But the owner has to be willing to work with us, be actively present in the process, and make the changes that are necessary. We make it easy for owners to be a part of the Luxe Worldwide Hotels family if they're willing to apply our advice, use our tools, and grow with us.

Is the product or the owner relationship more important to you? Can one survive without the other?

The product and the owner have a mutually dependent relationship. A good relationship with the owner and the staff are key to success. Our job is to focus on quality service and increasing our owners' revenue at year's end, whether via food and beverage or rooms. Our reputation is on the line and we take great pride in living up to our name.

What is the key to your success moving forward?

I've been doing this on my own for 15 years and I kept the same team – we learned together. I knew from day one there was a void in the marketplace and I knew there was room for one more player representing brands for the three- to four-star market. There was room for one more honest player that would really take care of the owners and show them they can make money in this industry.

So there is no stopping us – we're on a mission now. And we're an important player in the industry. The fact that our competitors want to buy us out means we must be making an impact. So we're ready to launch even further ahead. ●

Luxe Sunset Boulevard outdoor dining (left), bedroom (center), and serene outdoor lounge (right)