

# Hospitality

## Capella Standards

An Interview with Horst H. Schulze,  
Chairman and Chief Executive Officer, Capella Hotel Group



The living room at the Capella Washington D.C. Georgetown

**EDITORS' NOTE** In 2002, Horst Schulze formed West Paces Hotel Group, renamed the Capella Hotel Group in 2011. Prior to that, he served as Vice Chairman of The Ritz-Carlton Hotel Company, after serving as President and COO. He had joined Ritz-Carlton as a charter member and VP of Operations in 1983 and was appointed EVP in 1987 and President and COO in 1988. Earlier, he spent nine years with Hyatt Hotels Corporation, where he was a hotel GM, regional VP, and corporate VP. Before his association with Hyatt, he worked for Hilton Hotels. In 1995, Schulze was awarded the Ishikawa Medal for his personal contributions to the quality movement. In 1999, Johnson & Wales University recognized him with an honorary Doctor of Business Administration degree in Hospitality Management.



Horst H. Schulze

**COMPANY BRIEF** Capella Hotel Group ([capellahotelgroup.com](http://capellahotelgroup.com)) provides higher levels of guest satisfaction, guest retention, employee satisfaction, and ultimately, financial rewards for their owners and investors by delivering superior levels of service excellence for every luxury hotel, spa, and residence they manage. The company offers hospitality management services within four distinct profiles: Capella Hotels; Solis Hotels; Independent Hotels; and Spas, including their own destination spa brand, Auriga.

### What has made Capella Hotels so successful?

It's always been about a focus on the customer. We start by addressing what the market segment wants, which is no group business. This is why we sized down the hotel to around 100 rooms. We respond from a physical standpoint and extend that to all the service elements focused on the guest.

It is important for us that guests have it their way, which is why we call them prior to their arrival to find out what they want and how they want it.

It's also about selecting and training the right employees. You need to have the people who can deliver what the customer wants. It's really not that big of a secret. We have concentrated on this specific market segment to ensure that we can give guests

what they want. When you do that, you have customer satisfaction and this is why we have high ratings everywhere.

Over 90 percent of our guests have said they want to come back and want to recommend us, which is way above the industry norm. This is what I expect.

### Is it possible to offer customized service at any size?

Not if you have group business. At a 100-room hotel, if I have an average stay of three nights, hypothetically, I have only 30 check-ins and then I'm sold out.

If I have more of a group-oriented hotel and it's a large one with 300 rooms, and I have a group of 175 checking in, I cannot individualize everything, no matter how much I want to.

If you're in a city like New York, London, or Tokyo where you have high transient business, you can have more rooms and still be staffed accordingly because you don't have that much pressure at check-in and check-out. However, there is a limit to how many people you can have doing those things.

With more than 100 rooms, you have to go to group business, which is the very element that upper-level customers don't want to deal with. Small board meetings don't disrupt the process, but larger groups that are noisy and hang around the bar certainly do.

At the same time, we didn't want less than 50 or 60 rooms because it becomes too small, particularly at a resort. People feel bored because they want privacy but they still want to feel people around them.

### How hard is it to find opportunities for Capella and to grow the brand?

It's very difficult. Over the past three years, I have said "no" at least 50 times because the property wasn't in the right location and wasn't where the customers we want wish to go. We couldn't fit the Capella standards into it properly.

It's difficult to reject a hotel in New York, but I have to protect our customer-focused concept because that's the only reason I'm doing this. I'd rather not have another hotel rather than compromise our concept.

### What do you look for in hiring talent?

We have created a profile behind each job category and that's what guides our hiring. We don't care about experience.

If I have a nice, caring person, then I can train him and maybe in six months, I will have a caring and good waiter.

In the end, service is caring for the people that we look after. So it is most important that our people have a caring attitude.

### At the GM level, is the focus today more on hospitality or finances?

Today, you really have to have both. Financial issues are short term. If I'm caring for the guests and have a full hotel at a higher rate, the financial results will take care of themselves.

Obviously, we have to be efficient in what we're doing and we need general managers who understand that.

### Will there be certain characteristics that instantly define Capella when guests arrive?

Every Capella has a living room on the first floor. There is also another door to that living room, which is exclusive for the hotel guest. Only if you, as a hotel guest, identify a visitor who comes to visit you, only then can they get into that room. This is a security element and it gives a sense of home. If you have a regular room, you can still welcome visitors in your area, in your living room. That is unique and allows us, in effect, to have no front desk. We welcome you and take you to that room.

The check-in is basically eliminated. These things are unique to any Capella and people tell me they can sense right away that they're in a Capella. The way we teach our people how to say "Hello" is also the same. Each day, we establish a single teaching principle that is taught in every hotel to every shift and even those in the corporate office. When we create principles that stand up anywhere in the world, our guests will feel the consistency not only because of the physical elements or because we have the same scent in a hotel, for instance, but also because of the service elements that will clearly tell you you're in a Capella. ●