The Art of Hospitality

An Interview with
Steven Pipes, President, The Jack Parker Corporation

The entrances to Parker Palm Springs (left) and Le Parker Meridien

Steven Pipes

EDITORS' NOTE *Steven Pipes joined Le Méridien in San Francisco in July of 1983 as Front Office Manager. He was Resident Manager for two years at Le Méridien Vancouver, then General Manager of Le Méridien in Athens, Greece, and two years later, became General Manager of Le Parker Méridien New York. Pipes serves as President of The Jack Parker Corporation, the parent company of Le Parker Méridien New York. He received his bachelor's degree in hotel administration from Cornell University.*

COMPANY BRIEF *The Jack Parker Corporation, founded in 1955, 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 Méridien New York (parkermeridien.com), Parker Palm Springs (theparkerpalmsprings.com) in California, and the Clarion in Ronkonkoma, New York. Situated on West 57th Street, Le Parker Méridien New York has 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, a rooftop pool, and a fully equipped spa and fitness center.*

What role do you think formal education plays in creating leaders in the hospitality industry?

When was the last time formal education mattered in a personal relationship? When was the last time formal education helped a guy get a girl? When was the last time you went to a rock concert performed by formally educated musicians? That's the grand disconnect of formal education in this industry. We succeed by being a place people want to come, by offering a friendly, zany, and romantic experience.

You can learn French, but you can't learn joie de vivre. So, too, with the traditional aspects of leadership, you can teach a person what the results of good management look like, but you can't teach them the breadth of problem solving and the creative strategic thinking one needs to overcome daily challenges in this business. You can teach a person what vision looks like and which canonized industry leaders have "it," but you can't teach a person the spark it takes to execute an innovative, game-changing vision. To be honest, folks who are solely school-taught tend to be boring, and boring is a liability in this industry.

Formal education is a stepping stone, but it isn't the only path. I seek out staff with the capacity to challenge themselves to be their best. This takes dedication to learning every day, valuing mentor/mentee relationships, and no small amount of plain old creativity and gumption.

Given the high values at which hotels are trading, how do hoteliers, as opposed to speculators, stand a chance at developing new hotels?

Our industry has been usurped by REITs, egos, international buyers, and sovereign funds. These groups do not view hotels as operating businesses but as assets that only become truly profitable when sold. This is terrific for hotel chains that make their money by taking a percentage of the top line with little regard for the owner's interests or real profitability of the hotel.

We thought that everything would change after the crash in 2008, but the lenders decided to forgive or delay debt repayment, avoiding true analysis of their balance sheets. They got away with their liabilities as values returned to what they previously were much more quickly than anyone could have imagined while interest rates have remained low. What the future holds is anyone's guess, but it does seem perilous when one sees the seemingly insane valuations and low cap rates at which hotels are trading. If, and when, interest rates go up, things will have to change.

In short, old-fashioned investors will have to sit on the sidelines until economic basics retake control of the market.

There is a lot of talk in the air about hotel apps. Do you think they will change this industry in the same way as they have impacted other industries?

Most apps, regardless of industry, are bunk. I see no need for the hotel industry to add to the growing pile of dross.

Successful apps often are either intuitive interfaces to vast amounts of data that streamline existing human needs (Yelp, Waze, Kayak, Trip Advisor, etc.), or they help us create content and communicate (text, e-mail, Twitter, Facebook, Snapchat, etc.), or both. There is very little would-be app fodder so specific to the hotel experience that has not already been, or will not be, covered by fast-moving start-ups or data behemoths.

Hotels should use technology throughout their business process to reduce cost and improve guest experience by, for example, speeding up check-in, anticipating valet service, and providing robust Wi-Fi across the property. But asking guests to download hotel-specific apps is more likely to be a hassle than an enhancement.

Let's think this through: What does a hotel guest do and where would an app improve the experience?

The guest makes a reservation. Many of these are done online using the hotel's site or a booking service (Travelocity, Kayak, Expedia, hotels.com, etc.). All of these services already have apps that often serve broader travel needs than just hotel accommodations.

Guests keep track of hotel information while traveling to the hotel. Again, services exist to fill this need and go much broader (Tripit, and even default calendar apps).

The guest checks in. This is one of the few places where an app might be helpful, but the situation is complicated by the current need to give the guest a physical object, i.e. a key. In addition, the check-in is the guest's first impression of the hotel itself, and an app will not replace the ability of friendly, attentive staff to flexibly and positively adapt to each guest's needs.

I get pitched on hotel app ideas at least a couple of times a month, and I haven't seen the value of one yet. I am a strong believer in taking advantage of new technologies as quickly as is practical, but I do not believe the hotel industry is currently in a position to do anything special in the app space. ●