

Hospitality



Creating Excellence

An Interview with Hermann W. Elger,
Chief Operating Officer, Baccarat Hotels and Resorts,
and Managing Director, Baccarat Hotel New York



Baccarat Hotel New York entrance (left); Prestige Suite (above)

EDITORS' NOTE Hermann Elger assumed to his current post in 2016. Before joining Baccarat Hotel New York, he was the General Manager of The St. Regis New York. Prior to this, he held the position of General Manager at the Montage, Beverly Hills. Earlier, he spent nearly 18 years with The Ritz-Carlton Hotel Company, where he quickly rose through the ranks to manage multiple luxury hotels around the world. In addition to serving as Hotel Manager and then General Manager for The Ritz-Carlton, Cancun, Elger was Hotel Manager at The Ritz-Carlton, Key Biscayne. He has also held positions around the globe as Assistant Executive Manager, Takeover Team Leader, and Director of Rooms Division. From his humble beginnings as a doorman for The Brown Hotel in Denver, Colorado, this second-generation hotelier has established himself as an accomplished and innovative leader in luxury hospitality. Elger attended the University of Denver, where he received his BSBA in Business Administration and Hotel Management.



Hermann W. Elger

PROPERTY BRIEF Baccarat Hotel New York (baccarathotels.com) is the first hotel and global flagship for the 253 year-old Baccarat crystal brand. Directly across the street from the Museum of Modern Art and steps away from Fifth Avenue's legendary shopping, the 114 exquisitely appointed guest rooms and suites designed by Paris-based, luxury design team Gilles & Boissier, delight the senses with lavish finishes and artisanal attention to detail. Generous amenities include stunning salon-style spaces where guests may enjoy breakfast, cocktails, afternoon tea and light fare; a beautiful barrel-vaulted bar featuring a kaleidoscope of Baccarat crystal stemware; a soothing Spa de La Mer, the first of its kind in the world, and a 55-foot sunken marble swimming pool complete with day beds reminiscent of La Côte d'Azur.

Is there growth in the hospitality market in New York City today?

There is growth in this market. This is such an important destination for guests from all over the world, so we see growth. We see a lot of repeat guests, but also growth coming from different international markets from which new travelers are coming to the city.

It's also a very broad market. The different types of travelers that come to New York span the full spectrum. In our segment specifically, we're seeing a lot of opportunity.

Is your competitive set properties located close to Baccarat geographically or is it broader?

Midtown happens to be where a lot of the traditional luxury properties are located, and the reality is that we need to look at it geographically because of the reasons people travel to New York. Much of our business is driven by corporate or business travelers, and the hotel needs to be conveniently located.

Our competitors are therefore generally in the same space. We're not at a point where we would include outside hotels in our competitive set.

How important is the suite component for a property like Baccarat and is there a common feel throughout the accommodations?

Our suites are consistent in design and style. There is a market for them, especially during peak periods of the year. We have a decent mix of about 25 percent of our inventory being suites, and it's an important part of what we do.

Is it necessary today to provide a food and beverage offering in a five-star hotel, and how challenging it is to drive profit in this area?

New York offers an unbelievable range of options for guests. It's also true that most guests are only in the city for a short period of time, so they want to maximize their time and try things outside of the hotel.

At Baccarat, we utilize a great model – the majority of our food and beverage business is built around the Grand Salon, making it a wonderful gathering spot.

We are different from the traditional model utilized by our comp set because we have a lot of guests coming from outside the hotel to enjoy the Grand Salon. We don't have a traditional restaurant per se and we found that we're able to meet our guests needs through our offering. It's a testament to the brand and the legacy. People want to experience the crystal even if they're not staying in the hotel.

Is the spa and wellness component critical in luxury hotels?

It absolutely is in a hotel of this type. It's something we want to provide to the guest. I don't think the spa is the reason the guest travels to New York and it doesn't become the primary focus of their stay, but it's an amenity that should be well executed. We have the only La Mer spa in the United States – it's intimate with four treatment rooms, and they do an amazing job.

Will you discuss the level of expertise you have been able to build with your workforce?

We're fortunate to have such a legacy brand as a backbone, which is grounded in working diligently to deliver a perfect product in the form of the crystal it produces. We have that artisanal influence, which we try to embed in everything we do by providing an environment that is enveloped in Baccarat crystal. Everyone that we hire needs to continue to carry out that legacy and be committed, focused and passionate about what we do and come to it from a position of humility and genuine hospitality. We then strive to train on the technical aspects of service delivery.

Is it more challenging today to forecast when booking windows have shortened so much?

We're still able to forecast quite accurately because the business trends tend to be the same – the business just comes in from a greater variety of channels. We just need to be more robust in our sales approach to be able to capture business from these different channels.

Is technology taking away from the personal connection?

We have taken an approach to offering technology at the highest levels through touchpads in the room that can control everything. However, for every piece of technology, we offer redundant manual controls, which allow a guest to interface manually or directly with employees.

How critical is it to have owners who have a long-term investment in the property?

The vision of the owner in a hotel like this is critical because we're building long-term relationships with our guests. We're dealing with guests who can stay anywhere, and we're dealing with well-traveled guests who recognize the real aspects of a hotel experience at the luxury level. For it to be authentic, the owner's commitment on creating excellence needs to be there. ●