



Generating Top-Line Revenue

An Interview with Joy Berry,
Chief Operating Officer, L.E. Hotels



The Lenox Hotel in Boston (left); The Luxe Hotel on Rodeo Drive (above)

EDITORS' NOTE Joy Berry previously served as Senior Vice President of Real Estate & Development for Ritz-Carlton/Marriott. She also led select service hotel development for Marriott's Western Region. Most recently, she was Managing Director, Hotels, for AMSTAR, and also founded Travaasa.



Joy Berry

COMPANY BRIEF L.E. Hotels (lehotels.com) is a global hospitality membership that represents a "limited edition" of independently owned and operated hotels throughout the world. Each hotel has its own unique personality, is well located, has compelling design and offers a genuine, local experience. L.E. Hotels provides its member properties a global sales advantage through its 12 international sales offices and is committed to maximizing business opportunities for each of its members. Properties benefit from an extensive variety of valuable sales, marketing, and reservation services, all of which increase each hotel's viability, visibility and revenues.

Will you highlight the history and heritage of L.E. Hotels and how you define its differentiation in the market?

L.E. Hotels was created by Efrem Harkham decades ago after he purchased a few hotels. After having experienced the branding world, he decided he wasn't getting the support he needed as a hotel owner/operator.

Efrem decided that the key to operating hotels was to create a very strong sales and marketing engine, so he created L.E. Hotels, which is all about generating top-line revenue for our member hotels. We support our hotel members to be independent and, if they desire more hands-on support, we can also offer the Luxe Brand. Last year, we launched the Luxe Collection under L.E. Hotels recognizing the top performing and highest-rated member hotels.

What makes us different from our competition is that we do not believe bigger is better; we are not about trying to produce earnings results for Wall Street; we operate and engage more like a cooperative of member hotels, cross selling one another. We are small – right now we are at 100 hotels and have a desire to grow to around 200 hotels globally. Our goal is to keep

the company to a nice tight family that supports one another and grows each and everyone's top-line revenue. This is a very different approach to our competitive set focused on fee income and growing a huge portfolio. We aim to work together as a cooperative of owner/operators. I use the words owner/operators because these are the owners who generally need our help and don't want to go through the branded route of soon becoming lost in the numbers.

How clearly defined are the requirements for membership?

We look at location and culture foremost. We are looking for something timeless and classic. We don't have rigorous brand scope requirements that the owners have to spend substantial funds to start generating revenues which is unlike many of the larger brands.

Where do you see the greatest opportunities for growth?

We obviously want city centers and then resorts or extensions from those key city centers. We feel it is important to focus on primary locations.

Are you happy with the ability to get the message out about the L.E. Hotels brand?

The hotel market is getting crowded with brands. The major brands as we knew several years ago are now attached to 20 plus different logos, so there is real brand dilution occurring. It is difficult for the real estate owners of these hotels to have a sense of identity. How do we differentiate ourselves? Via relationships. We can give the time and attention that is necessary and we help each other out. We don't need thousands of hotels – we just want a small collection of fabulous hotels with the right owners that want to be part of this cooperative.

Does the relationship need to be at the owner or general manager level?

We have it at different levels because everyone operates differently. There are some hotel owners that are very involved, so we have relationships with owners. Sometimes we have relationships with the general managers, and often times we have relationships with the director of sales or revenue manager, because we focus on top line. We will work with all levels.

We're different in that if a hotelier needs help with accounting or with a task force, we can help with those services; our members are an extension of our family.

Where are the opportunities to grow the Luxe Collection and how do you define its strength?

The Luxe Collection is a group of hotels that are well located and have very high marks through social media ratings like TripAdvisor and Google reviews. The reviews are paramount in that it is the consumer endorsement of an exceptional experience. The extra guest touchpoints in hospitality are important to L.E. Hotels and are exemplified with the Luxe Collection.

What excited you about joining the company?

I truly like and believe in the owner/operator model, meaning the owner of the property is also operating the hotel and is very active in the hospitality industry. Over the decades, I have seen the Wall Street hotel owners with too many advisors at the decision table such as asset managers, management companies, franchisees, brands, etc. It becomes confusing to figure out who is really in charge and who is owning the hospitality part of our industry.

At L.E., our member hotels as well as Efrem are folks who got into this industry because they love hospitality. That is my passion as well. It's nice to be part of this family, a cooperative supporting one another with strong, hospitable culture; it's that culture that will make a hotel's top-line strong as the guest experience will result in repetitive visits over and over.

Do you believe the owner/operator model can continue to prosper in the future?

Yes, because I have always believed that the mantra for travel is to fulfill one's expectations of discovery and exploration. There is corporate travel and business travel where someone just needs a place to sleep. Then there are the people that really want to travel to connect with others, with food, with new languages, etc. Travel can be quite magical, but if it's too vanilla, that magic disappears.

Hoteliers that offer a culture and an experience to their guests will generate memories for a lifetime; that model is sustainable forever. ●