



## A Great Location

An Interview with François Delahaye,  
Chief Operating Officer, Dorchester Collection  
and General Manager, Hôtel Plaza Athénée, Paris



Hôtel Plaza Athénée, Paris facade (above); Alain Ducasse  
au Plaza Athénée restaurant (left); Signature Eiffel Suite salon (below)

**EDITORS' NOTES** After graduating from l'École Supérieure d'Hôtellerie de Saint Cergue, François Delahaye held a variety of positions in the hospitality industry before becoming General Manager of Hôtel Plaza Athénée, Paris in 1999 and Chief Operating Officer of Dorchester Collection in 2004.



François Delahaye

**PROPERTY BRIEF** Hôtel Plaza Athénée, Paris ([dorchestercollection.com/en/paris/hotel-plaza-athenee](http://dorchestercollection.com/en/paris/hotel-plaza-athenee)) welcomes guests delighted to stay on avenue Montaigne, the heart of haute couture. The hotel features subtly updated Parisian interiors and beautiful new event rooms, inspired by haute couture. Guests can stay in luxurious comfort overlooking either the Eiffel Tower or the charming courtyard with its signature red awnings, perfect for al fresco summer dining and, in winter, features its own ice rink. Bar du Plaza Athénée has been lavishly redesigned, and Alain Ducasse, world-renowned multiple Michelin-star chef, oversees all of the dining venues. In his Alain Ducasse au Plaza Athénée restaurant, visitors can experience a new culinary concept amidst a stunning ceiling of crystal. In contrast, the listed Art Deco Le Relais Plaza is a chic and ever-popular Parisian brasserie, which hosts popular jazz nights. Those seeking complete indulgence will appreciate Europe's only Dior Institute, offering exclusive spa treatments in a stylish setting.

### Will you discuss the state of the hospitality business in Paris and the growth for Hôtel Plaza Athénée, Paris in the market?

We saw a growth rate of around 10 percent in 2018, which is very good. However, we must not forget that following the act of terrorism three years ago, we lost 30 percent of our business. In addition, there is a new five-star property being opened every six months in Paris. Despite all of this, growth continues.

Paris has so much to offer that there is some real hope for growth again this coming year. I'm confident that 2019 will be a good one if nothing terrible happens on the stock exchange and we don't have a financial crisis

like in 2008. Despite these small worries, I'm quite confident we will see growth.

### With all of the new product coming on the market in Paris, what are the keys to staying relevant and remaining a leading property?

First of all, we are very fortunate with our location. Other hotels may open in our market, but they can never have a location as good as ours. One of the main reasons people come to Paris is for shopping and we are located in the best shopping area. The luck of having a great location is our number one asset.

We also need to manage renovation. The owner has to utilize his deep pockets to ensure we remain competitive. We must routinely have new restaurants, new bathrooms, etc.



People will agree to pay a high rate to stay in Paris – the average rate is one of the highest in the world – but they need perfect bathrooms, perfect views and perfect layouts as well as great technology in the rooms. If we invest, we will get the best business, but if we keep the same things we've always had, we're putting ourselves behind the market. Guests know what they expect when they pay a high price and they won't pay it if the product is not worth it.

### Will you discuss how valuable your suite product is in a market like Paris?

When we did our latest renovation, we purchased a new building on the corner facing

the Eiffel Tower. We thought about just adding more bedrooms, but realized that the maximum price we could sell them for was \$1,000 a night. However, when there is a view and we add a sitting room, there is no limit on the price of the suite. Having these suites allows us to have a much higher return on investment on the real estate.

### Paris is known as a culinary destination. What are the keys to being successful with the food and beverage component for a hotel and can you achieve a profit in this area?

The difficult part is the profit. Driving revenue is easy. In Paris, it's very hard to make any money on food and beverage. The cost of labor is high and there is a limit on what we can charge for a meal.

Then we add in the competition, where there are a lot of great chefs fighting against each other. When people organize a trip in Paris, there are certain restaurants they have heard about that they feel they have to go to. When we are one of those restaurants, we have to make sure the guests enjoy their experiences so they will talk about them and come back.

I believe that food and beverage is an asset to bring people to the property. We have to make a profit, but it's very important that we have celebrity chefs and pastry chefs in order to get positive press.

### With the financial pressures of the industry and shortened booking windows, is the GM role today still about hospitality or has it become more of a financial role?

When I was hired 18 years ago, I had to do marketing, be an innkeeper, watch the chef, etc. I didn't focus too much on finance because that was taken care of by another office.

In the past, I used to see travel agents and press people to talk about my property. At the salary I'm making, this is a waste of my time and needs to be handled by someone in the sales office. Dorchester has those offices in Sydney, Singapore, Shanghai, New York, Los Angeles, London and São Paulo. Having 10 hotels allows us to have that sales and marketing presence in all of those markets. ●