

HOTEL OWNERS FOR TOMORROW



Roundtable Series - Mumbai

1 July 2017

Hosted by GreenOtels



Hotel Owners for Tomorrow is a coalition rallying owners across the world to demonstrate their commitment to helping the planet and its people.

MUMBAI ROUNDTABLE PARTICIPANTS

- **Minakshi Agarwal**, Founder & CEO, GreenOtels
- **Dilip Datwani**, President, Hotel & Restaurant Association (Western India)
- **Ajay Dhar**, Chief Engineer, ITC Maratha
- **Manish Khanna**, Executive Director, Eastern International Hotels, Ltd.
- **S. Saravana Raj**, Area Director Engineering – South Asia, Marriott International
- **Prashanth Rao Aroor**, CEO & Managing Director, Intellistay Hotels
- **Eric Ricaurte**, Founder & CEO, Greenview
- **Vijay Shewakramani**, Managing Director, Brightland Resort & Spa
- **Prithviraj Singh**, Owner, Six Senses Fort Barwara
- **Alok Vijayvergiya**, Corporate Director – Sustainability, Taj Hotels

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THE 5 ACTIONS FOR BUILDING A SUSTAINABLE FUTURE

To take sustainability to the next level in our industry, hotel owners will make the difference. HOT is simple: hotel owners commit to 5 basic actions. There is no cost to join, and the 5 actions do not require a financial commitment. To support HOT, a coalition is being built of hotel brands, management companies, industry bodies, and other supporters in hotel development to help owners carry out the actions.



1 Incorporate sustainability from the beginning of investment decisions

- Discuss sustainability at the onset of developing a project or acquiring a property to explore opportunities to improve.
- Talk about sustainability, its challenges, and its opportunities with capital advisors, developers, managers, and brands.
- Talk about energy, water, waste and carbon footprint of the building as well as external factors such as climate risk, water stress and protecting nature to identify risks and opportunities to get more value out of your investment.



2 Evaluate one renewable energy project efficiency project per property per year

- Review and consider at least one renewable energy-related project and at least one project relating to reducing energy, water, or waste for each property in the portfolio per year, either onsite or offsite.
- Encourage partners to develop good projects for you to review.
- If you have a portfolio, you can consider one project and see how it may apply across your properties



3 Routinely monitor and benchmark sustainability performance

- Track each property's energy, water, waste, carbon emissions, and community impact for the entire portfolio.
- Review at least once a quarter.
- Benchmark these results among your portfolio, among peers, or through industry benchmarking.



4 Support brand efforts

- Encourage your property teams to actively participate in brand- and management company-led initiatives.
- No-cost options include participating in surveys, using their sustainability software, communicating their initiatives, keeping related signage updated, and participating in global volunteer or community events.
- For independent hotels, demonstrate how you support the branding of sustainability.



5 Share your best practices

- Help spread awareness and best practices that demonstrate solutions that are working to create value for the owner with the investment community.
- Communication methods include case studies, articles, and reports.

ROUNDTABLE SUMMARY

Industry leaders from the Hotel Owners for Tomorrow (HOT) Coalition in Western India convened on 1 July during the [GreenOtels](#) Mumbai conference as part of the initial series of roundtables during the pilot year of the HOT Coalition. The roundtable was a closed-door session of distinguished hotel owners and operators which took place within the GreenOtels conference, where important content and calls to action were voiced throughout the day from recognized speakers and industry experts. As much of the rest of the day's content focused on the context of the need for sustainability and the technical actions for best practice, the two-hour session divided sessions into thematic topics, with participants taking turns facilitating the topic and the facilitators engaging the participants toward a productive discussion on the overarching topic of the pilot roundtables: ***how to get hotel owners engaged and build a successful coalition to support them.***

ENGAGING THE OWNER IN SUSTAINABILITY

Resoundingly, one of the roundtable's main conclusions was the need to first educate and build awareness among hotel owners and even operators within India. Much of the content presented in the GreenOtels Mumbai conference happening in parallel that day at the Sofitel Mumbai BKC.

Though owners are cost-conscious, the sense of immediacy in returns often weighs the decisions that have long-term benefits. S. Saravana Raj, Area Director Engineering of South Asia for Marriott International, outlined Marriott's strategy for deploying efficiency projects within the region, where payback periods are essential. "We propose projects with 12-24 month return on investment as much as possible," Indicated S. Saravana. "If the payback period extends to four or five



S. Saravana Raj,
Area Director of
Engineering - South
Asia, Marriott
International

years, we often see those projects rejected by owners." Despite a four-year payback typically representing an exceptional allocation of capital in other instances in hotels and other industries across the global region, owners will need to be engaged regarding the multiple benefits from actions to improve a property's environmental footprint, both long-term and short-term.

Though short-term payback in retrofits is most sought-after, participants agreed that owners are not necessarily averse to spending money and investing in general. Value is a key determinant for Indian owners when making hotel investment decisions. Too little, as discussed among the group, is

sustainability perceived as having the appropriate value (whether aesthetic, reputational, or cost-based).

Prithviraj Singh, co-owner of the Six Senses Fort Barwara currently under development, offered an honest view of their experience in sustainability. As outlined in the previous HOT Roundtable in Bangkok, Six Senses Hotels Resorts Spas has one of the most progressive approaches in engaging its owners from the beginning. According to Singh, Six Senses' team first engaged the discussions around sustainability to bring the issues and opportunities to their attention.

Participants agreed that this initial discussion in engagement is not common in hotel development processes. S. Saravana highlighted some of the guidelines and engagement opportunities that Marriott International lends support to in the design phases, but much still depends on the owner's level of interest. Group discussions covered the impact owners could have on the hotel development world if they proactively requested discussions and opportunities on sustainability.

BUILDING A GREEN HOTEL CULTURE AND COMMUNITY

The opportunity for owners to proactively engage in sustainability in India is immense, yet requires a major attitudinal shift. Minakshi Agarwal, Founder & CEO of GreenOtels, expounded on their industry efforts to address these shifts. A HOT Coalition supporter, many of the GreenOtels initiatives are synergistic, such as convening owners and operators to bring awareness, and asking for simple pledges to stimulate the initial action.

Admittedly a relative newcomer to the topic of hotel sustainability Agarwal highlighted several actions and best practices learned this year through the GreenOtels conference, concluding that the opportunities are plenty and make sound business sense, but a disruptive shift in thinking about hotel investment and management is needed to accelerate their adoption.

The hotel community in India is strong in various regions, yet HOT Coalition members and owner participants voiced the need for each of them to be an ambassador to build awareness. With the help of participant Dilip Datwani, President of the Hotel & Restaurant Association (Western India), opportunities were discussed on forms of engaging the major hotel and tourism associations to build awareness. Participants outlined ways to embed HOT and other sustainability topics into existing conferences and events for the industry in partnership. Roundtable participants also discussed how governments in India also can step up and support sustainable hotel efforts.

Prashanth Rao Aroor, CEO & Managing Director of Intellistay Hotels, discussed how energy costs alone can range from 10-15% of operating costs, and together added with water represent a significant portion of the hotel's budget. Building efficient and low-carbon hotels has a clear business case but owners need to become more aware of operating costs in the initial stages of

hotel development, to the point where you no longer can afford not to address the sustainability business case.

A second key conclusion to the day was that everyone has a role in bringing green to hotels. From the operational teams to the owner to the GM and engineer, the task can't fall on just one functional role or instance in time. It must be continuous (which Standard Operating Procedures can help solidify). In addition to the initial requests in development stages, participants also discussed how owners can take a more proactive role in requesting the relevant information from the property GM and teams regarding their environmental and social performance.



Manish Khanna, Executive Director of hotel owner group Eastern International Hotels, supported this proposition of starting to engage their property management going forward. Just requesting and reviewing the information is a key first step that owners can take, and from there looking to address opportunities in the 5 HOTA Actions.

OPERATIONAL EFFICIENCY IS KEY

Hotel supply in India has risen, particularly in the midscale segment, and room rates have been driven down. The business case for sustainability, according to Alok Vijayvergiya, Corporate Director – Sustainability, Taj Hotels, is more profound as efficiency and cost reduction are the primary strategies for hotel owners in India looking to increase profitability and returns.



Alok Vijayvergiya,
Corporate
Director -
Sustainability, Taj
Hotels

Ajay Dhar, Chief Engineer at the ITC Maratha, indicated that before engineers were not necessarily in the drivers' seat for seeking solutions to sustainability beyond just daily operational efficiency, while today the role has expanded. For example, chief engineers at ITC are now responsible for managing carbon, which goes beyond the daily operations of energy efficiency into other vectors. As energy efficiency, renewable energy, and energy procurement expand in their complexity and opportunity, the role of hotel property engineers and facility managers will expand, but true low-carbon and well-performing hotels will require cross-departmental collaboration. The hotel GM is now being held more accountable for the hotel's sustainability performance, which as mentioned in the prior session is a key opportunity where more owners can inquire to the GM about the sustainability performance. Increased GM involvement has helped GMs understand the multifaceted approaches needed and how to engage additional corresponding department heads, as well as better empower engineers.



Where to get started? The roundtable's convening of both owners and property or company-level engineering departments offered a glimpse into the benefit of increasing the frequency of these discussions as owners were able to pose the question to the engineers.

Mr. Dhar of the ITC Maratha laid out the fundamental first steps for an owner: monitor and benchmark performance. The practice, as both Dhar and S. Saravana highlighted, need not be complicated or cumbersome. Simply gather the utility bills for your hotels across a year's period and analyze them across the period for one hotel and across all the hotels in your portfolio, seeking to compare among similar service classes. Though this exercise it will become apparent where the under-performers lie. Conversely, best performers can be analyzed to understand and share the practices and projects that gave the best results. This type of summary analysis is similar to how an owner may review the financial performance of a property. Then once anomalies or under-performance is identified, the owner can work proactively with the property to ascertain the reason for the performance and the best actions that can be taken to address it.

“GreenOtels is indeed grateful to have had the opportunity to participate in the stimulating and fruitful discussions during the Hotel Owners Initiative of Tomorrow (HOT) roundtable. GreenOtels platform is a high-level, multi-stakeholder forum to catalyze, mobilize and mainstream action on



Minakshi
Agarwal,
Founder & CEO,
GreenOtels

sustainable practices in hospitality industry. It provides a frame to bring governmental, business and civil society leaders together to secure concrete commitments and action in support of the Green Industry agenda. The GreenOtels objectives and that of Greenview are perfectly aligned and we look forward to seeing the recommendations that come out of these discussions and to our continued work with Greenview and the rest of the Coalition supporters.” – Minakshi Agarwal, Founder & CEO, GreenOtels India.

STRENGTHENING THE COALITION

Participants offered numerous suggestions for improving the HOT coalition and spreading the word. Some of these observations are listed below; look for the HOT coalition to pursue these and grow the community for hotel owners to join the movement in building a sustainable future.



Providing a short video for hotel owners and the hotel industry in India that can be shared easily to learn about the HOT Coalition.



Engaging Hotel and Tourism Associations to add sessions, presentations, and content regarding sustainability into the existing events and conferences to ensure reaching the wider hotel audience.



Providing an initial step guidelines for owners to get started in analyzing their portfolio's performance.



Engaging the government in adopting mechanisms and initiatives for sustainability in hotels.



Adopt Standard Operating Procedures into to include sustainability management components. SOPs as part of the hotel's operations are more easily translated to discussions of management fees and procedures in contracting.



Strengthen platforms of sharing information among the hotel community, helping curate the information and make it as relevant and concise as possible for the business case.

COALITION MEMBERS

As of 25 July 2017

OWNER SIGNATORIES

Akaryn Hotel Group
Brightland Hotel Pvt Ltd
Cempedak Private Island
Crystal Creek Meadows
Hong Kong Cyberport
Intermass Engineering & Contractors
ITC Hotels
Jasminn by Mango Hotels (Unit of
Rammi Khanna & Co Pvt Ltd)
Nikoi Island
Pt Dua Cahaya Anugrah
Pt Anugrah Karya Bangsa
Swire Hotels
Taj Hotels Resorts and Palaces

INDUSTRY PARTNERS

Marriott International
Meritus Hotels & Resorts
Hyatt Hotels
Kokotel Bed & Café
Six Senses Hotels, Resorts, Spas
Wyndham Worldwide

NETWORK PARTNERS

International Tourism Partnership
GreenOtels
Pacific Asia Travel Association

SUPPORTERS

Horwath HTL
Greenview
Northside Consulting
TTG Publishing Travel Trade

Hotel Owners for Tomorrow is a grass-roots initiative of the hotel industry, launched in late 2016 and currently under pilot in Asia for bringing hotel owners to the global discussion of sustainability with financial acumen. There is no cost for owners to join, as this is a voluntary pledge, and the 5 actions do not require a financial commitment.

For more information and to join the coalition, visit www.hotelsfortomorrow.org.

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