

Nobody Asked Me, But... No. 43

Hotel Franchisor Companies Ignoring Critical Franchising Issues, Marriott Leads the Way with Aggressive Environmental Strategies

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1. More Heads in the Sand?

Last month, six large hotel franchisor company ads appeared in Hotel Business magazine (June 7-20, 2008) for Doubletree, Embassy Suites, Carlson, the Hilton Family, La Quinta Inns and Element by Westin. I was astounded that none of them mentioned any of the issues that are of critical importance to all franchisees:

- Guaranteed areas of protection
- Termination and liquidated damages
- Encroachment and impact studies
- Windows of penalty-free exit opportunities
- Choice of venue, etc.

I asked the following impertinent question: If hotel owners would sign franchise agreements only with those franchise companies who complied with AAHOAs 12 Points of Fair Franchising, how long would it take for the non-complaint companies to change their franchise agreements?

This month, I reviewed the large hotel franchisor company ads in Lodging Hospitality (July 15, 2008) for Choice Hotels, La Quinta Inns, Carlson, Wyndham, Hyatt, Westin and the Hilton Family.

Guess what. Not one of them mentions any of the following important subjects:

- Guaranteed areas of protection
- Termination and liquidated damages
- Encroachment and impact studies
- Windows of penalty-free exit opportunities

- Choice of venue, etc.

So, once again, I ask an impertinent question in search of a pertinent answer:

Hotel Owners, don't you realize that you have the power to improve these large company franchise agreements to comply with AAHOAs 12 Points of Fair Franchising? How? Just don't sign a franchise agreement with a non-compliant franchise company for 12 months.

2. New York is Good for What Ails You-

In July 2008, Crain's New York Business reported that New Yorkers are healthier than average Americans:

- Life expectancy almost a full year longer.
- While 25% of Americans are obese, only about 17% of Manhattanites are.

With 8.1 million people, New York is more than twice the size of Los Angeles. Brooklyn and Queens (my home borough) alone would rank as the nation's fourth and fifth- largest cities.

The city's most expensive college tuition is at New York University: \$37,372 (my alma mater). That doesn't include living expenses.

Outside of Manhattan, the neighborhood with the most restaurants are downtown Brooklyn, Williamsburg, Ridgewood, Bay Ridge and Flushing (where I live).

The average daily rate in Manhattan was \$304 last year @ 85% occupancy.

3. Marriott Leads the Way-

Beginning this year, Marriott, J.W. Marriott and Renaissance Hotels introduced an aggressive environmental strategy to help guests and meeting planners to reduce the trash, electric usage and water used in hotel meetings. Marriott estimates that the average three-day meeting attended by 1,000 people produces more than 12 tons of trash, uses 200,000 kilowatts of power and consumes 100,000 gallons of water.

Eco-friendly products and services include:

- 100% post-consumer fiber writing pads
- Bic Evolution pens made from recycled materials are biodegradable (Marriott purchases 47 million pens per year)
- Access to recycling containers in or near meeting rooms
- Meeting rooms set with water service in pitchers or coolers instead of plastic bottles.
- Boxed lunch containers made of recycled content including biodegradable cutlery kits and napkins.
- Organic, sustainable and natural food and beverage options
- Organic flower options
- Linen-less banquet buffet tables made of 49% recycled aluminum and 99% recyclable
- Safe-to-donate food given to America's Second Harvest network of food banks.

Since 2004, Marriott has received the Partner of the Year Award for Excellence in Energy Management and awarded more Energy Star labels than any other hotel company. Marriott's hotels have replaced more than 450,000 lightbulbs with fluorescent lighting and installed 400,000 low-flow showerheads and toilets. The hotels use two million gallons of low VOC (Volatile Organic Compounds) paint per year and are switching to one million "room ready" towels. By not having to wash towels before using them for the first time, it saves six million gallons of water annually.

Meanwhile, InterContinental Hotels Group (IHG) has unveiled its online, futuristic solar-powered Innovation Hotel. The concept includes an outline of the latest technology in energy and water conservation and recycling. Among the green features of the futuristic hotel: the forwarding of all unused non-perishable foods to charities or food banks; solar panels on the roof to heat water; a rainwater harvesting system to supply water to toilets; a roof garden rich in shrubbery to provide extra insulation; wind power to generate electricity for the hotel; recycled glass windows; furniture and fittings made entirely from recycled materials; and household waste to provide heat and power.

Question: What are the environmental strategies of the other

large hotel management companies?

4. Quote of the Month

“If we did all of the things we are capable of doing, we would literally astound ourselves.”

Thomas Alva Edison

Stanley Turkel, MHS, ISHC operates his hotel consulting office as a sole practitioner specializing in franchising issues, asset management and litigation support services. Turkel's clients are hotel owners and franchisees, investors and lending institutions. Turkel serves on the Board of Advisors and lectures at the NYU Tisch Center for Hospitality, Tourism and Sports Management. He is a member of the prestigious International Society of Hospitality Consultants. His provocative articles on various hotels subjects have been published in the Cornell Quarterly, Lodging Hospitality, Hotel Interactive, Hotel Online, AAHOA Lodging Business, etc. If you need help in negotiating a franchise agreement or with a problem such as encroachment/impact, termination/liquidated damages or litigation support, call Stanley at 917-628-8549 or email stanturkel@aol.com.

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