

**TOURISM SOCIETY
THE OLYMPICS-ACCOMMODATION & CUSTOMER SERVICE
THURSDAY 28 FEBRUARY 2008**

**SPEECH GIVEN BY MICHAEL J. GRAY, GENERAL MANAGER,
HYATT REGENCY LONDON – THE CHURCHILL
'HOTELIER OF THE YEAR 2007'**



Good evening ladies and gentlemen.

I must admit that when I considered the question that I have been asked to address for the Olympics:

- Does London have enough beds?
- How can we ensure that they are up to standard when we are told that 50% of all complaints from visitors are about the quality of accommodation?
- How do we compare with other Olympic cities?

I thought oh dear they must think that I have some incredible access to deep fonts of knowledge on all these aspects that will allow me to cast my mind into the next 4 years.

But then I thought, wait a minute these questions give me an opportunity to raise a few heart-felt thoughts when there is hopefully still time to do something about them.

So – you won't hear from me endless statistics, but I hope that I can share some related issues that I strongly feel need addressing, to ensure that we are in that position of strength, to welcome visitors for the Olympics and have them leave us satisfied and wanting to return.

So lets's start on the Number of beds:

We are told that a strong element of London's winning bid was the 40,000 rooms that London's hoteliers committed and were included in the bid.

We are told that perhaps up to 55,000 are actually needed, so it's good that so many are "in the bag" already.

So let me share with you what London has committed:

- Hotels in Park Lane have committed 80%-100% of their Rooms
- Other in the Central West End area have committed 65%
- (At Hyatt Regency London – The Churchill for example we have committed 65%)
- Those in the Docklands areas have committed 100%

As well as the Number of rooms – Room Rates will be capped from 2 year's before the Olympics, allowing only inflationary increases up to the Olympics, to prevent profiteering.

An example, we have already had to start submitting our room rates from 2007, and this will continue up until 2010 after which they are locked-in with only inflationary increases added.

But will we have enough Rooms? Only if Planning Authorities recognise that their timely decisions are now critical. Hyatt has no immediate plans to build, but other major operators do and they need supporting. I have already heard from colleagues that Planning authorities are dragging their heels over granting Planning permissions... this needs speeding-up, otherwise the Industry will still be running the Marathon when the race is over!

Now let's turn to our Standards of Accommodation:

My blood really boils, when a Minister goes on public record and their words then appear in print, effectively denigrating Hotels and through this, our Industry, stating that:

"50% of visitors are dissatisfied with the standards of their accommodation here".

I become incensed, because these are not real hotels that are being judged. They could be any building that puts up a Hotel sign above the door and hey presto; they are a Hotel. What a crazy situation, when those in Power do not provide the Control and Regulation to prevent sub-standard buildings from presenting themselves as Hotels, and then, when surprise! surprise! the people staying in them are not happy, they use that data to beat-up the Industry they are in power to support!

Real hotels meanwhile, are Passionately Investing in their Employees, Investing in Recruitment, Investing in the Training for them, Investing in their Development. On top of this Real hotels are investing in improving their physical product and facilities. Investing Thousands on the former and investing Millions on the latter.

So, how do we sort this one out in time for the Olympics?

Enter the Cavalry, in the guise of the London Development Agency and supported by Visit London, the AA and Visit Britain.

They are promoting the Get London Graded programme - Now this is a good programme.

Only one third of London's hotels have a star rating. So the GLG team is undertaking a mammoth task to visit hotels to advise them on the improvements they can make to become star-rated. Whilst I fully support and applaud the initiative, I do wish that they had some TEETH.

I wish these so called Hotels that fail the inspection would have their right to the word 'Hotel' withdrawn, and be closed-down; removed. They are undermining our industry and should be recognised as such. Our local authorities always find enough inspectors to put Scores on Doors, or catch us allowing people to smoke, so where is the Regulation when it's needed? Bring it on and give the Graders the Teeth is what I say.

I would also like to say something else here and it relates back to the need to support those building new Hotels:

I really 'take my hat off' to the 3 and 4 star new build hotels, Travelodge, Premier Inns for example. These are wonderful products and we should be proud they are in our cities, offering excellent efficient facilities. I bet they are charging probably even less than these other so-called hotels held together with plasterboard and wood-chip wallpaper. These are the guys that need the Planners' support to be up and ready for 2012.

And then of course You can't serve people without Staff.

We cannot operate at the moment without overseas staff. We like them, they are willing and enthusiastic, but they will soon be going home – following to where they are now sending their money. And so where are our local people to take their place? Some of them are in our schools right now.

Ladies and Gentlemen, we have lost a generation in our Industry and if we are not careful by the time of the Olympics, we will have lost another one.

But there is another Cavalry charge coming. And this is the best news for our Industry

The 14-19 Diplomas:

From September this year, our school, who elect to teach the Diplomas, will give lessons, alongside the core GCSE subjects, in a range of 5 subjects in which children can develop a Career.

First comes; this year –
Engineering, Construction, Social Health, IT and Creative Media

Then in 2009: our 14 year olds will have an opportunity to learn from 5 further Career subjects, including HOSPITALITY.

By 2010 – there will be 17 subjects which will be worth GCSE or A Level grades and with which these young people can use to enter further education or into Industry. This really is a tremendous programme and a tremendous opportunity for us, which will hopefully reverse the trend of ever diminishing local people in our industry. However, it needs full support from all those in key positions in Hospitality to firstly understand the Diplomas and then to talk them up and above all- to inspire, School Children, Parents, Career Advisors that ours is an exciting and rewarding career.

And my final point tonight is about Promoting London and Britain for the Olympics. I do not understand why for such an important period of time that the Tourism budget for Visit Britain, which includes Visit England, actually falls from:

£49.6 Million in 2007/08, after having been static for the last decade, to £40.6 Million in 2011. Can someone help me answer that one?

Let me close by concluding: I think in the Hotels and Hospitality Sector:

- We are nervously excited about being part of something so absolutely world class as the Olympics.
- London, which I think has never been more exciting, stylish, enthusiastic and vibrant for many years and will rise gloriously to the Occasion.
- The industry has proved it is ready by putting tens of thousands of rooms, properly priced, on the table.
- Planners must support the new-build applications and fast track them.
- So called Hotels must be exposed by the Get London Graded Programme and the programme should be given the teeth to get tough and weed out the imposters in our industry.
- Ministers and those with voices must support, encourage and talk up our industry, in a half Full way, not in a half empty way and Industry must deliver the very best of service and product.
- Government must give more money to tourism in this country not less.
- We must not lose another generation of potential hoteliers of the future. Those in the industry must embrace the 14-19 Diploma in Hospitality and be ready to give inspiration to those considering entering this wonderful industry of ours.