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Houdré: SD boosts bottom line

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There are many great reasons to integrate sustainable development into a hotel or a hotel company's strategy. Aside from the fact that each of us is responsible for the world we leave to our children, the main argument to give those who still doubt is that SD actually helps develop the image and the revenue of a property and keeps operators and owners focused on reducing their carbon footprint, thus reducing their operating costs.



Hervé Houdré

There are no negatives to adopting the triple bottom line strategy. It considerably improves the image that all stakeholders have of a property: customers, employees, shareholders, vendors, banks, etc. It also brings a lot of media attention. The recently opened—and first—Leadership in Energy and Environmental Design-certified hotel is the platinum-certified Proximity Hotel in Greensboro, North Carolina. Proximity executives recognize that the hotel received US\$400,000 of additional business thanks to their green strategy and the media exposure they obtained before the hotel was opened.

Consumers have come around to sustainability

In terms of revenue, customers now are saying they would give their preference to a "sustainable" hotel versus one that does not have sustainable development initiatives. A recent Deloitte survey showed that 40 percent of business travellers were ready to pay 10 percent to 50 percent more to stay in a green lodging facility. Corporations now are interested to know about a hotel's SD initiatives. Major companies, such as Coca-Cola, GE and Dow Chemical have embedded SD in their global strategy; they will put more and more pressure on their executives to stay in hotels that share the same culture and eventually will be able to reduce their own carbon footprint.

In the 1980s, companies were asking if hotels had a fitness room; then they asked if they had a spa. In the coming years, it will be common to be questioned on the green and community initiatives that a hotel undertakes. The National Business Travel Association already is suggesting that their members include such questions in their requests for proposals. Florida state employees are required to stay and organize conferences in Florida hotels that are "green certified" by the Department of Environmental Protection for best practices in water-, energy- and waste-efficiency standards. It is reasonable to say that in the next three years, particularly with the emphasis that the incoming U.S. administration will put on environmental practices, those hotels that have not embarked on green initiatives will definitely be at a competitive disadvantage. I am not yet convinced that you can sell a room at a premium because it is ecologically friendly, but one thing I am convinced of is that it gives an incredible added value when hotels are struggling to be competitive in difficult times. In Addition, the next generation of clients, our children, will be totally persuaded of such efforts and will challenge their parents to act accordingly.

As for expenses, it is quite simple. By focusing on reducing its carbon footprint, a hotel automatically reduces its operating expenses. Take care of the low-hanging fruits first. Install compact fluorescent lighting and other energy-efficient lighting. That can reduce the electricity consumption from 10 percent to 20 percent immediately and then reduce the amount a hotel spends on replacing bulbs by more than 50 percent annually. Install water-saving devices and implement a serious waste-management system (recycling, composting) that will help reduce the cost of sending waste to landfills.

The best advice I have is to follow the instructions of the U.S. Green Building Council, which issued an updated 2008 certification for existing buildings to be LEED-certified. Even if you do not intend to ask for the certification, what counts is the journey and regular assessments of your progress. You may also ask for an energy audit of your building and, over the next five years, plan major renovations that will help decrease energy consumption, such as changing windows, installing grey water systems for the

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laundry plant or landscaping, solar panels, etc. Economic times are difficult but some third-party financing companies still might be interested in helping. All these major investments will have to be done at one point during the life of the building and it is important to make them sooner rather than later in view of the energy savings they can produce and the return on investment they offer.

And the journey does not stop here. Think of all the possibilities that could reduce your carbon footprint and at the same time reduce your costs, such as working from home several days of the week (or the full week) for certain administrative categories of staff. Vendors are now ready to help you improve your carbon footprint because they understand that it presents a great added value to the relationship. Xerox is a perfect example: It offers companies the opportunity to reduce basic administrative costs by 10 percent by re-engineering their work processes. Stop printing everything, start scanning; send faxes via email, communicate by email rather than paper, etc. Why not send holiday season greetings via email (and donate part of the savings to a charity that cares for children or the elderly)? Some insurance companies are lowering their fees for hybrid cars; it will not be long before they lower their fees for environmentally conscious hotels.

The beauty of being environmentally conscious and socially responsible is that it obliges us to measure and evaluate our results to ensure we are on the right track. By doing this, hotels will keep focused on decreasing their costs. It is all about changing your mindset and thinking of environment or social responsibility when you make any decision in your professional life (and in your personal life). The train has obviously left the station, so quickly jump on it and help your economic bottom line feel better!

PS: Two websites (among many others) that can be helpful:

Energy Star: www.energystar.gov

U.S. Green Building Council: www.usgbc.org

Hervé Houdré began his tenure as general manager of the Willard InterContinental Washington D.C. in 2004. He is recognized for introducing refinements that impact profit and increase market share. Under his leadership, the Willard InterContinental has embarked on a sustainability program, Willard InterContinental - The Next 100 Years. Houdré, who has written a white paper, Sustainable Hospitality© : Sustainable Development in the Hotel Industry, and his team have put into place a five-year roadmap that defines and quantifies the mid-term SD goals for the hotel. The hotel published its first GRI Standard Sustainability Report available at www.willarddc.com/sd.

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