

Expanding Shangri-La

An Interview with Giovanni Angelini, Chief Executive Officer and Managing Director, Shangri-La Hotels and Resorts, Hong Kong



EDITORS' NOTE A 40-year veteran of the hospitality industry, Giovanni Angelini joined Shangri-La Hotels and Resorts in August 1993 as vice president of operations and general manager of the Island Shangri-La, Hong Kong. He was appointed to his current positions in July 1999, and also serves as a director of Shangri-La Asia Limited, which owns Shangri-La Hotels and Resorts.



Giovanni Angelini

COMPANY BRIEF Founded in 1971 and based in Hong Kong, Shangri-La Hotels and Resorts is Asia Pacific's leading luxury-hotel group, comprising 43 luxury properties in key cities and tourist destinations throughout Asia and the Middle East. Six of these are Traders Hotels, a sister brand established in 1989 to deliver mid-range, quality accommodation to the business traveler.

Shangri-La presents itself as the leading luxury-hotel group in Asia. Will you continue to focus on that region?

Shangri-La is primarily an Asian company. Our 43 properties are concentrated mostly in Asian countries, including Hong Kong, Thailand, Malaysia, and Singapore, and we're especially strong in China. India is becoming a major market too, and we will open a new hotel in New Delhi at the end of this year. That said, we're now ready to expand into other parts of the world. We recently signed a deal in Vancouver, Canada, and we're looking at other areas in North America and Europe as well. North American and European travelers constitute almost 30 percent of our total room business, so we're looking forward to pushing our brand more in these parts of the world to achieve a stronger brand presence in the years ahead.

What makes your hotels unique?

Basically, it's our consistent attention to service that makes the difference. Because we thoroughly investigate any market before entering it, then build our property around local needs, our service always feels very personal. Yet we remain

consistent in our service quality, so our brand is reliable. Even if a Shangri-La in Hong Kong looks completely different from a Shangri-La in China, the values behind our service are the same. We base our operations on a simple philosophy: "Shangri-La Hospitality from Caring People," which can be translated into five core values; namely, respect, sincerity, helpfulness, courtesy, and humility. These values we passionately embrace and live as a company, and it is our firm commitment to providing guests with this unique Asian standard of hospitality that makes us stand out as a prominent brand.

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How do you find local talent with the skill levels you need?

Finding talent is certainly a challenge, but we have that covered. More than 99 percent of our total workforce in any given area is made up of locals. We place a very strong emphasis on the development of our staff through various effective programs geared toward improving service, product innovation, and management capabilities. We spend a considerable amount of money training our staff because we believe this forms an integral part of our success. In fact, we have just opened our own hotel school in Beijing.

How has the recent slowdown in the travel and tourism industry affected Shangri-La's business?

I like to believe we are one of the most profitable companies in the industry. Last year, due in large part to the SARS epidemic, my hotels were running at about 20 percent occupancy for three months. Even so, we ended the year with a small profit, which was great given the circumstances. This shows that our group is solid, and that we can thrive in any situation. As the owner of 36 out of 43 hotels, we are very much hands-on. We have a very proactive, strategic, and visionary five-year plan in place and would like to control our own destiny.

What are some of your most important sources of revenue?

The food-and-beverage side of our business is extremely important. In some locations, food-and-beverage revenue is higher than what we earn from the rooms. Our meeting and convention facilities are very impressive and are larger than average. They boast state-of-the-art equipment and technology, and are all designed to bring out the best in the convention business. They are proving to be quite profitable too, and that helps boost our revenues substantially.

Are your spas also moneymakers?

Spas have become critical elements in quality hotels. We have developed an exciting concept for our spas called CHI, which is Chinese for "breath of life" and implies vitality and healing. We offer a whole suite of massages, baths, and other therapies that use traditional Chinese and Himalayan techniques. Twenty or 25 years ago, fitness centers became popular in the industry. Now you don't build a hotel without a fitness center. I think in the future no one's going to build a hotel, and especially a resort, without a spa. Today's special features become an expected part of luxury hotel service tomorrow.

How important has technology been to Shangri-La's success?

In this modern age, technology is critical and all our hotels are equipped with state-of-the-art technology. However, the personal touch has to remain. A computer will never cook your dinner or make your bed, so we don't forget about those important personal details.

Does it ever concern you that Shangri-La could grow too big and lose some of that personal touch?

No. We have 43 hotels now in operation, and 29 more under development, so it's true that we'll see major growth for, say, the next three years. But we're not aiming to achieve 500 properties. We will continue to keep Shangri-La an exclusive, quality operation, synonymous with luxurious and comfortable accommodations, fine food, and caring, personalized service. ●

Lemon Garden Cafe (top, left); meeting and banquet space at Shangri-La Hotel, Singapore