

Hospitality

Luxe Luxury



The Penthouse Suite of the Luxe Rodeo Drive Hotel in Beverly Hills (above);
the pool at the Luxe Sunset Boulevard Hotel in Bel Air (below)

An Interview with Efrem Harkham,
Chairman and Founder, Luxe Hotels

EDITORS' NOTE Efrem Harkham, a visionary veteran hotelier, bought a struggling hotel in Los Angeles' Bel Air neighborhood 29 years ago and launched the Luxe Hotels brand and the Luxe Worldwide Hotels representation company 15 years later.



Efrem Harkham

COMPANY BRIEF Luxe Hotels, (www.luxe-hotels.com) an international hotel brand, is recognized for its distinct individuality and personality. The Luxe brand epitomizes exceptional design, unique style, and a sense of place. Luxe Hotels includes the Luxe Worldwide Hotels representation company, with nearly 200 members; corporately owned properties including the Luxe Rodeo Drive Hotel in Beverly Hills and the Luxe Sunset Boulevard Hotel in Bel Air; and branded properties including the Luxe City Center Hotel in Los Angeles and the Luxe Stoneleigh Hotel & Spa in Dallas.

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How is the industry faring today? Is this a time for growth?

Yes, the numbers are very encouraging – we saw an 11 percent increase in revenue in the summer of 2012 over the summer of 2011 and an 18 percent increase year to date as of October 2012. Hotels that can remain true to their brand vision and commitment to service, even in difficult times, will weather the storms. Our hotels are boutique and it is easy to fill 250 rooms when you personalize service, when you're genuine in your approach, and when you have a team that cares, so we're doing very well.

How tough is it to differentiate in this space today?

I don't think it's tough to differentiate when you're offering something of value that fills a very specific void, and that's what we're doing. Many independent hotels aren't being taken care of and that's where we come in.

The methods other companies use are not realistic – they're not immersing themselves in their hotels' communities and businesses. We have brand standards that involve going out and meeting people in the neighborhood. The GM should be stepping out a few times a year to visit the corporate neighbors and to build relationships within the community they are in. That is an example of our unique standards.

Our standards are also about being practical, about the comfort of the guests, and our

offer of five-star service at four-star prices. These days, standards like this are second to none.

We also offer brand standards training at no cost to our member hotels, which demonstrates how invested we are. We show the employees how to turn the pride in what they do into exceptional service for the guests.

What exactly does "four-star" mean?

It means we are still under the true American model of the five-star type hotel like The Beverly Hills Hotel and the Bel Air Hotel that epitomize upscale luxury, but we represent affordable luxury. We still provide that luxury environment and all the services, but we don't charge that five-star price. There is a huge void in that category.

Do you need to provide a high-level spa offering?

Yes, if it's possible. We are fortunate that most of the Luxe-branded hotels have them. The Luxe Stoneleigh Hotel & Spa has a beautiful award-winning spa; the Luxe Sunset Boulevard has one, as does Luxe City Center.

We are focused on getting owners a return on their investment and we've found that a spa brings people into the hotel and is a very profitable investment.

How have you been so successful with food and beverage?

We have learned how to appeal to both the local community and our hotel guests with a lively atmosphere and exceptional food. Luxe City Center recently opened its new restaurant to rave reviews.

Olivier Rousselle, our head Chef at On Sunset at the Luxe Sunset Boulevard Hotel, is constantly experimenting and enhancing the menu – he recently returned from Provence and what he tasted and learned there has already been implemented in our menu.

The Luxe Stoneleigh Hotel & Spa recently opened a new restaurant called T/X and the business plan targets the neighborhood market, so we're not just depending on hotel guests for business.

When the neighborhood is invested in the property, hotel guests want to be part of that.

Also, in the next few months, we're excited to launch On Rodeo Bistro & Lounge, the new bar and restaurant concept at the Luxe Rodeo Drive Hotel. Again, it's about staying current, using fresh ingredients, offering great food, and engaging with the local community.

How much potential is there for expansion with the Luxe brand?

My goal is to add another hotel to the Luxe Hotels group every six months.

We're working on adding a hotel in New York City in the early part of 2013 and we also have prospects in Boston, Chicago, and Washington, D.C.

Our goal after Washington is perhaps Seattle and San Francisco – we want to cover the country. We also have prospects in London, Paris, and Shanghai.

Luxe Worldwide Hotels business model follows The Leading Hotels of the World model and we have found the secret to taking care of independent hotels. We've capped membership at 200 hotels, for whom we provide connectivity and sales and marketing support worldwide.

Overall, many hotel owners are gunshy. They have been so mistreated by other representation companies that they're afraid of being disappointed again. We've found success by getting like-minded owners together in key locations and showing them what we can offer them that they have

been missing and that can truly bolster their hotels.

What strikes you first about a potential opportunity?

Location is key, as well as having an owner that cares about the outcomes and about succeeding, and who will genuinely partner with us. We look for a hotel that also has good bones and the potential to become elegant, sophisticated, and luxurious; it has to have a good look. We're focused on working with these types of clients, we know what their needs are, and we can offer them something truly unique. ●

