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THE NEW BRIGADE

NIRUPA SHANKAR, DIRECTOR,
BRIGADE HOSPITALITY, TAKES CHARGE

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THE NEW BRIGADE

NIRUPA SHANKAR, DIRECTOR,
BRIGADE HOSPITALITY, TAKES CHARGE

By Shafquat Ali

She has just turned 31 and barely has five years' experience in the hospitality business. But that has not deterred Nirupa Shankar from challenging one of the overriding philosophies of the hotel business.

The young and ambitious director of Brigade Hospitality – a subsidiary of Brigade Group, a real estate conglomerate – makes no bones about the fact that she does not agree with the idea that the guest is always right. In a country where 'Atithi Devo Bhava' (Sanskrit for 'guests should be treated like God') isn't just lip service, Nirupa is not afraid to challenge conventional wisdom. "I don't believe that the guest is always right. I'm not saying we should not cater to guest needs because that is our business after all, but I don't think they are right at all times," she reiterates.

A certified Six Sigma Black Belt, Nirupa uses her analytical bend of mind to not only to take on cost-reduction measures and create a culture of data-oriented decision making, but also to change the rules of the game.

Having interned at the Ritz-Carlton Pentagon City, Nirupa says her thinking has been influenced by the brand's motto – "We are Ladies and Gentlemen serving Ladies and Gentlemen" – that stuck with her long after she returned to India and joined the family business in 2009.

"Guests are becoming more demanding – everyone has an opinion on everything and everybody is an expert because anyone can post a review," Nirupa scoffs. "But I will always support my staff in front of a guest, especially an ill-behaved one. I firmly believe hospitality is about providing a service, not about servitude."

So, how far is Nirupa willing to go to stand up for her staff? "There are many instances where we have backed our staff," Nirupa recounts. "I don't handle customers on a one-on-one basis most of the time but if somebody is treating my staff badly, we have given them the liberty, authority and respect to say, 'I'm sorry sir, but we are unable to serve you if you continue to behave this way or use abusive language'. It is very demoralising for the team if you don't support them."

And will she support her staff even if they are caught on the wrong foot? "In food and beverage especially, it's very hard to retain loyal customers," she explains. "If and when customers become rude, say if the food took too long to get to them or the order was incorrect and we know we are wrong, we will do whatever we can to try and ensure they leave happy by rectifying the situation. Customers, particularly in India, can be very demanding and if they start abusing my staff, I have an issue with that. I don't care what went wrong; they can be angry about something but they don't have the right to verbally abuse people. No one does."



➡ The Sheraton Hotel Bangalore at Brigade Gateway, the first newly built and managed Sheraton by Starwoods in the country, is hugely successful.

↓ Nirupa stresses that it is her priority to take care of her staff – even if it is at the cost of losing business. “Honestly, there are many times when I have lost out on businesses, lakhs of rupees worth of business, but I am comfortable with my decisions, because dealing with a particular customer was demotivating for my team. If people do not treat my staff well I just say no thank you to their business and I’m okay with that,” she says emphatically.

Clearly, with her disarming smile, she has got her heart in the right place. But that’s not all. Nirupa also has her head firmly screwed on the right way. In a male-dominated sector – only 11% of the total workforce in the hospitality industry in India is women – it is rare to find someone like Nirupa, who holds her own.

“Although I had not worked in hospitality before I joined Brigade Group, I had interned at Ritz-Carlton, Pentagon City, Four Seasons Hotel, Singapore, and Kempinski-Leela Palace Hotel Bangalore and had done everything from cleaning the dirty trash cans to overflowing toilets, so I now know the inside tricks of housekeeping, finance and front office,” Nirupa informs. “I have deep respect for those in operations because what they do on a daily basis is taxing. When choosing my career path, though I wanted a role that balanced working with numbers and working with people.”

Nirupa can take comfort from the fact that she can always turn to her dad, MR Jaishankar, founder and CM of Brigade Group, for advice. “My dad always said that to succeed in any business, you require hard work and common sense. So, that’s the mantra I have applied,” Nirupa quips.

Not surprisingly then that things did not come on a platter for Nirupa. She had to learn things the hard way. When she joined Brigade Group, she had to work her way up from a management trainee. “I did not claim to know much, I just sort of shadowed people, spoke to the front of house and back of house team members and got them comfortable with me,” she admits. “I tried to understand operations and took on very small roles in our self-managed properties. I did marketing and sales initially, then I slowly moved to rev-

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If people do not treat my staff well I just say no thank you to their business and I’m okay with that.”

enue management in year one.”

So what did she achieve in her initial years? “When I joined, our website was old, for instance, and we hadn’t even ventured into online marketing or signed up with online travel agencies,” she recalls. “I redid the online space before slowly taking up more operational strategy issues.”

To make her point, Nirupa starts tossing numbers. “When I looked at some of our existing self-managed units, for example, our food costs were 32% plus then and I managed to bring it down to 26% which is more standard,” she says. “Our energy costs were around 14-15% and I got it down to 11%.”

By her own admission, it was the prospect of growing and nurturing a company from the initial stages is what really appealed to Nirupa and made her return to India to join the group. However, today, after five years in the company, Shankar still isn’t ready to leave behind hospitality for pure real estate.

But the obvious question is why didn’t she consider joining the real estate sector, which accounts for 70% of Brigade Group’s business? “If I knew I’d pursue real estate, I would have done civil engineering,” she replies. “But I did economics, which is the major for the undecided. During my summer internships, I tried a little bit of advertising and then went to PwC in their mergers and acquisitions department. I then did the Leela Palace stint, where I was always pulled up for being the girl who never had her shirt tucked in or shoes polished, and I thought, ‘gosh! I don’t think I can handle operations. I’m just not prim and proper enough for this!’”

“Even when I was doing my internship at Four Seasons I got pulled up for not having enough makeup on my face or for not

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➡ Grand Mercure Bangalore has climbed from 40% occupancy in the first year to around 85% in subsequent years, giving Brigade Hospitality the confidence to launch more hotels.

“

I am keen to learn the A to Z of hospitality. My understanding of the hospitality business is limited today and I have a long way to go.”

↓ having my hair tied back neatly in a bun. So, operations was a little too straitjacketed for me,” Nirupa admits. “I’m not a hard-core operations person, but both my internships at The Leela and Four Seasons were in operations. I was at Four Seasons for two short months during my Masters programme at Cornell University in hospitality management and I was put into the front office and from day one, was dealing with customers. The highlight of this internship was the \$50 dollar tip I got from a Russian guest and thought, ‘wow, \$50 for just showing him his room!’”

However, Nirupa adds that it was her numerous stays at hotels during family vacations that lead to her early fascination for the hospitality business. “Our meal-time conversations at various hotels that revolved around the architecture, design, décor, service and staff in the hotels, was crucial in influencing my decision to take up a career in hospitality,” she explains. “The passion started from analysing everything from a customer’s perspective.”

Further, Nirupa took to the hospitality business because it is a people-oriented industry and she is a people person. “I like being around people because they energise me,” she says. “I didn’t want to work by myself on a laptop somewhere in oblivion. All I wanted was the right balance and I thought hospitality would give that to me.”

Nirupa adds: “I also like numbers so I don’t want to ever leave the numbers game because I think that it is a very important aspect of the business. In the end, the numbers have to stack up and make sense for the business’ sustenance. While operations is the heart of the business, one can get caught up in minute details, worry-

ing about things like, is this napkin folded properly or is the knife or teapot placed properly? All this is important for the day-to-day running of the hotel and, of course, in the ‘moments-of truth’ from a customer’s perspective but it wasn’t my cup of tea. When I was working outside on my internship, I kept asking my colleagues, why are we doing this? Or why are we doing that? But not many people would have the answer. People would ‘just do’ things based on the SOPs that were laid down. And I always thought I can’t live not knowing the ‘why’ of what I am doing. Things are changing now and the next generation is beginning to ask a lot more questions and is demanding answers.”

In fact, it is this curiosity to unravel the bigger picture, decode the secret to successful hotel management and forge a deeper understanding of the hospitality industry that helps Nirupa grow as a hotelier.

She readily admits that she wants to dedicate the next five years to improve her understanding of the construction side of the business and learning “the A to Z of hospitality.” “My understanding of the hospitality business is limited today and I have a long way to go,” she says with a straight face.

Despite her limited experience in the hospitality industry, Nirupa and her team, along with Vineet Verma, executive director of Brigade Hospitality, have done extremely well. For starters, they have proved detractors wrong by making a success of both their hotels. “Many thought we were wrong to open a hotel in a residential area (Koramangala),” says Nirupa. “But Grand Mercure Bangalore has climbed from 40% occupancy in the first year to around 85% in the subsequent years, giving us the confidence to open more hotels.”

“Similarly, when the Sheraton Hotel Bangalore at Brigade Gateway was planned in Malleswaram-Yashwantpur – it was the first newly built and managed Sheraton by Starwoods in the country – many were skeptical and very few operators at that point were willing to come forward because of the location,” she recalls. “But my dad was keen to have a five-star deluxe property there and we eventually went with the Sheraton brand because it’s a well-known brand in the Indian market. Today, we have made a success of both these properties.”

Buoyed by the success of Sheraton and Grand Mercure, Nirupa is now ready to roll out her expansion plans. There are eight more hotels in the pipeline, she informs: two five-star hotels in Mysore – one of them will be a Grand Mercure – a five-star Holiday Inn in Chennai, two hotels in Kochi and three more hotels in Bengaluru.

According to her, the most crucial step of the initial phase of setting up a hotel is to find the right parcel of land and the positioning for the hotel. “We first study the market and cost of land,” she says. “Once you’ve procured land, you then shortlist the operators you want to work with based on the positioning of the hotel and the potential demand generators.”

Even though Nirupa loves her five-star projects she is smart enough to realise that it is the mid-market budget segment where opportunity lies. “The luxury segment is growing much slower than the mid-market and budget segments. While we currently get mostly business travellers and foreign tourists, India has more than 650 million domestic travellers who eye mid-market and budget hotels. And since we do not plan to do too many budget hotels, mid-market is the way ahead for Brigade,” she admits.

Hardly surprising that Nirupa has tied up with InterConti- ↓



BEING FUNCTIONAL

By her own admission, Nirupa is a functional person who hates wasteful expenditure. She is happy driving a Honda City because she does not see the point in owning a fancy car and driving 4km to and from work at a speed of 20km per hour. "Why would I need a fancy car?" she asks, adding, "I am a very functional person and even when I give gifts, they are functional ones. If I don't think somebody's going to use it, I don't give it."

Similarly, she advises, if you look at most luxury hotels, they have a lot of facilities that customers are not really paying for. "For example, a large business centre or bathtubs in every room, or six bars in one hotel is wasteful," she retorts. "When you have your phone and iPad, which most people do, why would you require a business centre? Why do you need such a large pool? How many people actually swim in it at any given point? Clearly, we are building a lot of things that people are not using and, hence, not willing to pay for."

↓ nental Hotels Group (IHG) focusing mainly on opening Holiday Inn Express properties. However, she is quick to add that if the land is expensive, it is not possible to opt for a mid-market hotel. "That will not give you the returns and you will be forced to do a five-star hotel," she points out. "But in places where we are able to get the land at a reasonable price, sometimes lease it instead of buying it, we look at mid-market."

Again, Nirupa is ready to go against conventional wisdom by opting to go for mid-market hotels in tier I cities instead of tier II and III cities. Her logic is pretty straightforward. "Initially, I thought of doing mid-market hotels in tier-II cities but realised that tier-II cities are fairly soft, so the price difference between say a four-star and a three-star hotel is not very much," she explains. "If you have a four-star coming in and a three-star hotel also close by, then people are likely to go to the better-starred hotel because the difference in room rate will not be much and the facilities will be better. So, I have realised that budget hotels and mid-market hotels will always work better in a tier I city. Once the tier I is saturated, we can start expanding into a tier II market."

With her strategy firmly in place, what does Nirupa think of competition, especially from Bengaluru-based builders like Nitesh (Ritz-Carlton Bangalore) who have just jumped into the fray? "I don't think seeing a Ritz-Carlton open doors in the same city threatens us," she says. "Instead, with supply having nearly tripled in the last few years in Bengaluru, it has not only put the city on the global traveller's map but has also encouraged growth, innovation and quality in the sector."

She adds: "Luxury hotels can take around five to six years to be completed so it has taken some time for supply to catch up with demand. But with so many options in the city now, it's a challenging field to be a part of."

So, does being a well-known real estate developer help matters when a group like Brigade enters the hospitality industry? "Surely, there are certain advantages," Nirupa says. "You are able to make hotels in a relatively more cost effective manner. But building hotels when compared to residential projects is a difficult choice because the returns are not as quick and the ROI is much lower in the short and mid term. Sometimes, the return on investment is even lower than your cost of capital. So, logically, it doesn't make sense but hotels are appreciating assets and provide annual cash flows. What happens is, for all the advantages of residential real estate, it's a cyclical product; once a project is done, it's done. But with good hotels they provide annual cash flows and this helps a company that needs to show consistent annual growth stable cash inflows."

Given all her zeal, does Nirupa think of building a homegrown hospitality brand, for instance? "When I went to New Zealand a few years ago, I was impressed with the way even the cab drivers spoke so proudly of their country. There were plenty of 100% New Zealand-made stores, where everything was sold at a premium," she recounts. "I was fascinated by this, and on my return, I started thinking about creating a 100% Indian hotel including the construction material, equipment, furniture and fixtures. Everything!"

Is that mere wishful thinking? "It is right now," admits Nirupa. "But I actually think it can happen in the future. If we do get into the operations side of the business and create our own chain, it would be only for this purpose, otherwise we would not be interested."



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My dad always said that to succeed in any business, you require hard work and common sense. So, that's the mantra I have applied.”

Ask her whether she faces any challenges being a woman and pat comes Nirupa's reply. "Being a woman, it is the safety issue that I have a problem with more than anything else," she says. "I have major issues with not being able to travel wherever I want whenever I want. I have lived in Singapore and New York and I think that safety is basic. Why should anyone be prohibited from walking down the street at any hour?"

Nirupa adds: "I was a tomboy growing up, so played a lot of sports. I have been in many situations where I was the odd one out. I used to play a lot of basketball when I was younger and sometimes, would end up being the only girl playing among nine boys. Now, apart from being the only woman in the room on many occasions, I am also part of the Young Presidents' Organisation (YPO) where I am the only woman in the Bengaluru chapter. So, while there are 70-plus male members and me, it has never been too much of an issue for me. I have actually become comfortable being uncomfortable."

That statement also comfortably sums up Nirupa Shankar: a woman, who is not afraid to swim against the tide and leave her mark in a male-dominated industry. ■