



A Conversation with James

TRANSCRIPT: Bernhard Bohnenberger Tells James Berkeley Don't Forget The Little Guy

Today in *A Conversation with James*, James Berkeley talked to [Bernhard Bohnenberger](#) Vice Chairman, at Six Senses Hotels & Resorts. He is building a remarkable collection of destination resorts with an emphasis on sustainability and distinctive relationships with their customers and associates. We talked in-person and over the phone over the past six months, at a time of significant change for the Bangkok-based Company. Indeed shortly after we finished our last coffee the sale of the hotel operating company was announced to US private equity investors. We talk about WHY SIZE AND SCALE ARE LESS IMPORTANT THAN A BRAND'S CULTURE IN ARRIVING AT YOUR DESIRED DESTINATION.

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JAMES BERKELEY, HOST: Thank you for joining me today.

What are you seeing today and how is that shaping your business in the next 12 months?

BERNHARD BOHNENBERGER, VICE CHAIRMAN SIX SENSES HOTELS & RESORTS: We are in a distinct space within luxury hospitality – “barefoot luxury”. Signs of recovery are very mixed. The UK or European inbound tourism to our resort properties is weak. In contrast, we see strong demand and tremendous potential in Brazil, Russia, India and China.

In the past 15 months, we have made a conscious effort to bring in-house and re-cast our sales and marketing and promotional approaches. Our judgement is that we are more effective proponents at communicating our knowledge, passion and the desirability of our product. It is not

about saving money on external PR expertise rather re-directing our resources, talent and energy towards creating a “marketing gravity” (pull) to our brand opposed to traditional “push” marketing tactics. We have tripled our sales team in London, and brought in brand and web marketing expertise in Bangkok. I am delighted that our owners have readily embraced our strategy and backed it with a sizeable share of the total investment.

BERKELEY: People and culture are often talked about as essential to realising entrepreneurs’ visions. What are you investing in now, and why?

BOHNENBERGER: People are one of our top business investment priorities. It is a virtuous circle. Our core values control our ability to attract the right “hosts” (employees), the right hosts control our ability to offer a customer experience that is consistent with the core values of our brand, the customer experience controls our ability to attract repeat business from existing customers and new customers to the brand, demand from existing and new customers controls our profitability, our profitability controls our ability to re-invest in our brand, the quality of our hosts and our multi-dimensional growth.

Where are we investing right now? In my judgement it is a top priority of our executive team and owners to create conditions for our hosts to excel. We are unique in our segment of the industry in the amount of investment (time, money, energy, reputé, focus, priority and support) directed to quality housing for our hosts. I defy another organisation to match or exceed our host accommodation and facilities.

What do we expect to gain from the investment and attention? From our perspective, we would like to be seen as the “preferred hospitality employer”. Depending on the host, our results show it is dramatically impacting our reputation, our market position, our income, credibility and most importantly, our hosts’ self-worth.

BERKELEY: There is a lot of confusion, and cynicism amongst some owners, about the correlation between employee and guest satisfaction scores and a property’s operating performance. I include in that increasing customer loyalty. What is your advice to those seeking to *really* exploit the economic upturn?

BOHNENBERGER: At Six Senses, we prefer to look at this as Maslow’s “hierarchy of needs”. Host satisfaction doesn’t equal guest satisfaction. Impacting guest satisfaction requires hotel operators to firstly address the host’s pride, ownership and purpose of career and life needs. That is what drove our thinking 15 years ago to invest heavily and revolutionise host housing. Over time we have fine-tuned our approach such that hosts, and their families today have access to world-class facilities, learning, and career opportunities within each property or the surrounding community.

BERKELEY: Let’s talk about the competitive playing field for talent in support of growth. How are you prepared to handle your competitors luring away your best people, any thoughts on preventative action?

BOHNENBERGER: We started at a time when it was easy to find talent. Our founders wanted us to enjoy what we were doing and made that the basis of the business from the outset. Since then we have recognised that we need to apply a mix of preventative and contingent action. Today a greater focus is placed on improving the operating performance of our business while continue to excel at what we do best. That sense of focus includes 360 degree evaluation and a minimum two host reviews per year. We actively celebrate hosts, who have left and rejoined our organisation. Providing them different platforms (company events, forums, postings in our internal newsletter and electronic media etc.) to share their experiences. Nothing speaks louder than action and the words of those who have explored life outside our organisation.

BERKELEY: What are you doing to generate increased expenditure and repeat visitation from your best customers? What is the impact of investments you may or may not make now in your people to achieve those outcomes?

BOHNENBERGER: First and foremost, we are pioneers. We have never seen ourselves as anything other than a lifestyle company creating dreams and true experiences with local feel. We offer our customers an extraordinarily high return on investment. Whether it is a floating platform to watch marine life in a lagoon, a US\$100,000 astronomy toolkit, or an exotic vegetable garden, all actual investments we are making today, they are based on this simple objective.

Success requires that we hire a distinctive kind of host, create a culturally sensitive and self-perpetuating host community at each of our properties. As the quality of hosts we attract to our brand grows, so do the numbers of hosts, which attracts still more hosts who want to be part of a global, dynamic learning endeavour. Early next year we will launch our first Six Senses Spa in the Baglioni Marrakech, which will substantially open these communities to a new benchmark of luxury and wellness in that region.

All of you reading this have host or employee communities but most are by default and are ignored or misunderstood. Operators who don't foster this type of host (hotelier) community mentality will probably continue to decline and disappear. Hosts don't just want a place of work they want interaction with peers, the chance to form subgroups, and the ability to customise their learning and development. In this technological age, there is no reason not to provide that, except a lack of understanding of hosts and your guests' needs

BERKELEY: Any closing thoughts?

BOHNENBERGER: In our line of business, people are the key to success and looking after each and every one of them is the top priority.

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