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Quality reigns for hospitality expert

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By Karen Dybis

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Hospitality expert **Ron Wilson** can determine within minutes whether a hotel he is visiting is in financial trouble.

Wilson is the CEO of Troy-based Hotel Investment Services, which owns, operates and develops a portfolio of 14 hotels, conference centers and golf courses throughout Michigan and the United States.

The first sign of weakness in a hotel is sick sheets — those thin, worn-out linens and towels that feel like sandpaper — that the struggling hotel management has not replaced as often as it should, **Wilson** said. Long-time customers will realize the difference, and new customers will sense something amiss at the property.

"Cheap may win a battle or two, but it will always lose the war," **Wilson** said. "Users of hotels are interested in price, to be sure. But service, safety, standards, quality, consistency and integrity are key to selling and marketing one's hotel to the customer."

The problem lies in the managers' attitudes about quality and price — two things that are challenging to balance in good times. But when consumers are as tight with a buck as they are now, it can be tempting to let quality slip in hopes of gaining more cost-conscious customers, **Wilson** said.

Rather than follow this trend, Hotel Investment Services is going in the other direction, **Wilson** said. It is maintaining its pricing structure and resisting price drops. This way, the company has enough profits to make sure its sheets and towels are up to snuff. Some of its properties include Staybridge Suites Hotel in Novi, The Inn at St. John's in Plymouth, The Inn at Stonecliffe on Mackinac Island and the Yarrow Golf & Conference Resort in Augusta.

Wilson also insists that properties in the HIS portfolio are run in an honorable way. That means no pay-per-view adult movies. Employees follow strict standards, like no harsh language in front of guests or behind the scenes.

These standards may cost the company some income. But in the long run, **Wilson** said, he, the management and his "team members" can hold their heads high. And that positive attitude is felt in their properties.

It is one of the reasons investors like Jon Cotton of Detroit-based Caidan Enterprises Inc. work with HIS. Cotton, who heads the insurance holding company, said **Wilson** not only is a financial success, but also a man of honor.

"A man's word is his bond, and that is especially true of **Ron**," Cotton said. "He's always does what he says he is going to do."

Across the board, hotels of every ilk are struggling. According to the latest hotels.com Hotel Price Index, the average price of a hotel room in the United States fell 17 percent in the first six months of 2009 compared to the same period in 2008. Room rates in the United States cost on average of \$115 a night during the first and second quarters of 2009, down from \$139 the year before.

"Trying to sell below cost and make it up on volume does not work; many airlines went into bankruptcy with that strategy," **Wilson** said.

Wilson founded Hotel Investment Services in 1989 after a lifetime in hotels. His parents loved to travel (his mother was a Hollywood magazine photographer), and he even spent a year in Ecuador as an exchange student. He graduated with a degree from the School of Hotel Management at the University of Nevada, Las Vegas, and received a master's degree in finance from Walsh College.

He worked for a variety of hotels and hotel management firms for the next two decades, going from a busboy to director of hotel management for a Birmingham-based firm. He branched out to start Hotel Management Services with the money in his bank account and one employee.

These days, **Wilson** supervises about 1,000 employees and is looking forward to celebrating the company's 20th anniversary. His properties dominate their competition in occupancy and average daily rate — something many hotels cannot say these days. "We try to meet and exceed a guest's expectations and provide a positive price-to-value relationship," **Wilson** said.

How they did it

Strategy: To maintain its quality standards, Hotel Investment Services is bucking the industry trend and keeping its prices steady. It also is raising the bar on employee conduct to maintain a high-end feel to its properties.

Specialty: Hospitality management and consulting

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