Quality with a Smile

Dilki Wijesuriya

Hotelier, Gamini Fernando, divisional director – Hilton International – for Sri Lanka, Maldives & Myanmar & general manager of the Colombo Hilton is the driving force not only behind the Colombo Hilton but every other Hilton International project in this region. In an interview with ‘Business Today’ Fernando said that his staff who worked non-stop to fulfill his vision was greatly responsible for his success in making ‘Hilton’ a name associated with ‘quality’ in Sri Lanka.

What is the extent of your experience in hoteliering and how long have you been with Hilton International and the Colombo Hilton?

I am 49 now and this year I complete my 34th year in the hotel industry out of which 20 years have been with the Hilton and 10 of those years with Colombo Hilton.

In the early days it was very difficult to go abroad to study. I applied to the Tourist Board to get exchange out of my own money. I went abroad in 1966 to study Hotel Management in Austria for 3 years. I finished that and went on to Germany for another 3 years of Hotel Management and then started working. From there onwards I’ve been with various hotels. I joined the Intercontinental in Hanover, Germany, then worked 2 to 3 years in Frankfurt, went on to Philippines and then I came here to open the Intercontinental in Colombo in 1973 as front office manager and stayed on till 1975 (I was 23 at the time). I went back to the Frankfurt Intercontinental as a food & beverage management trainee. I joined Oberoi in Egypt for one year starting 1976.

Gamini Fernando

In 1977, December, I joined Hilton in Cairo. I worked for the Nile Hilton for 21/2 years, went on to Abudhabi, Dubai and worked for the whole of Emirates. Then I got a promotion to the Middle East Head Office of Hilton, based in Cyprus to overlook 20 hotels as their area operations analyst. So I was based in Cyprus and traveled to Athens, Corfu, Dubai, Abudhabi, Cairo, Khartoum, Addis Ababa, Nairobi, Madagascar, Lesotho, all of these countries. I worked there for 4 years and went on to Alizabeba to open a hotel. After 3 years in Alizabeba 1 came back to Colombo.

So, Hilton has been your last destination so far?

Yes, and I don't think I will ever change. The Colombo Hilton is now 10 years old, how has the hotel developed in these intermittent years? We opened the Colombo Hilton at a bad time- when the riots were going on. Despite this, we were always very confident that we would do well. We started with 6% occupancy and sometimes during the troubles there were 10 guests in the hotel, when I was manager. But it gradually went up from 6%. We had only 3 restaurants when we opened and my idea was to make the Colombo Hilton a place where people meet for business or for pleasure. So we gradually started expanding. We opened our 4th

restaurant, 5th, 6th then 7th. As we grew, the number of employees also grew, so we have basically today gone from 6% occupancy to 80% average occupancy.

We have always created business for Sri Lanka. If the country's economy was not doing too well, we have made things happen in our hotel for the employees. Of course I must be very thankful to the owners of the Colombo Hilton, Hotel Developers Lanka Ltd., and most of all to my employees because whatever I have in mind, whatever my vision, they will work non-stop, sometimes 36 hours straight to finish the job. Likewise we have made them to look very special here, they have good facilities. So we have made Colombo Hilton a meeting place. People come to the hotel to buy bread, they come to swim, for business meetings etc., and it is not just foreigners who come, locals too are regular visitors-it has become a familiar place to all of them.

The Colombo Hilton has grown from strength to strength and 3 years ago we started expanding even further. When the World Trade Center was coming in Hilton had an investment with them to manage and operate the World Trade Center Club and 2 restaurants i.e., 'Deli Market' and 'Windows On The World', as well as to build a bridge linking the two buildings. The bridge is now in the process of being built and once this is complete there will be better interaction between the two buildings, and the Colombo Hilton will have access to 2 more restaurants bringing our total number to 9.

In addition to that we have the JAIC-Hilton towers and hopefully there will be a resort coming into the scene in another 2 years time. So the Hilton name in Sri Lanka is becoming stronger and stronger and I am also proud to say that the name represents quality whatever we have done, we have done it to international standards and we are confident that we can only go from strength to strength. Because our training programs for employees are very good, the working conditions are good and ours is a very transparent management policy.

Do 5-star hotels in Colombo undercut each other where room rates are concerned?

I wouldn't like to comment on my competitors, because I feel that if someone has a strong will they must do what they want to do. I do not undercut.

Does it operate on a demand and supply basis?

No, it is not on demand and supply. You position yourself. Our room rate at the Colombo Hilton is 50% higher than the other hotels. It is up to each hotelier to decide where they want to be. Demand and supply is fine but you have to create the demand. For example, you cannot say “business is not good right now so I cannot increase my price’, this year you have your price, next year you have a following you have to create that artificial environment and then raise the price. I am competing with the other 5-stars but I am not competing with them pricewise no way, my prices are much higher because my expenses are also very high.

Do your earnings support the maintenance and up- keep which is such an integral part of running a hotel such as the Hilton and do you still run at a profit?

Of course.

Are your earnings more on rooms or other facilities that the hotel provides?

More on rooms, yes. The profit on rooms is about 85% whereas the profit on food and beverage is about 40%.

What are your views on the hotel industry in general?

The Colombo Hilton mainly depends on businessmen-80% on businessmen and 20% on tourist traffic. Unfortunately, quality tourism is going down but we fill in the gaps. It is also sad to know that less and less foreign airlines are coming into Sri Lanka, the last one to pull out was KLM, which means the business traveler has lesser opportunities to come to Sri Lanka. As for the hotel industry, if there is a growth in the economy it will definitely go up. I do not have to mention that if there is an ethnic war all will be finished. The growth of everything in the country depends on the economy. But for us I don’t see a problem.

The only thing is if many more hotels come into the country it would be difficult because the hotels existing now do not have enough business. But otherwise I am confident, provided the economy continues its present trend, that all the 5-star hotels will have a positive growth.

You are Hilton International’s divisional director for Sri Lanka, Maldives and Myanmar (Burma) – what does that entail?

I am responsible for any development in those 3 countries. For example, I have developed a hotel in the Maldives and I am also looking for other opportunities. I am totally responsible to Hilton International and represent them wholly in whatever negotiations I make for development of any form, be it a hotel or any other project in Sri Lanka, Maldives or Myanmar.

Do you have any new projects planned for the future?

I have a few but I wouldn't like to mention what they are because for some of these projects to materialize it might take as much as 6 years from now. There are around 3 projects planned, 2 in Sri Lanka and one in a neighboring country but it would not make sense to discuss them now because these are all long term plans.

If the economy turns and the present war situation did not exist what would you foresee as the future of the hotel industry?

We will run with very high occupancy and our room rates would be in the region of a minimum of US$150, today we are running at US$95. All the owners of the hotels would have more profits. There would be more business, more employment, more purchasing etc., it is all a cycle.

Has the present change in the economy made an impact?

Yes. Right now you can see things are moving. The stock market is going up, privatization is coming, so it is a good sign of growth again. It has made a change and I think it will improve further.

What is your opinion of the resort hotels in the country?

In my opinion, today's resort hotels must be more quality-oriented, not luxury but quality. They need to start upgrading their property. When I say quality I do not mean that every hotel needs to be air-conditioned. I mean nice, clean, functional, have an identity, very service-oriented and try to obtain better customers. In my opinion tourism should be divided into several segments. There can be sports tourism, have events like water skiing, diving etc., culture-oriented tourism like the Perahera or even have events such as cycle racing. We could also make use of the many archeological aspects we have. So, tourism can be divided and marketed better internationally. I think there is a lot of room for improvement and proper image building outside the country is very important. The Government too has

recognized the need for this and is in the process of planning a major international PR campaign.

What are your future plans for the Colombo Hilton?

I plan to upgrade the present hotel because it is 10- years-old. The hotel is showing its age in certain areas and refurbishing it is number 1 priority. I want to add around 2 more restaurants and then start upgrading all the facilities so that even when it is 15-years-old this hotel will be even better than when it was new. That’s all the plans I have for now except maybe to instill more quality servicewise etc., so that we would always stay ahead in the business.