

Brian Williams discusses Swire's hotel business

By Lara Wozniak | 17 March 2010

We chat with Brian Williams, the man responsible for building the boutique brands of Swire Hotels in the region.

Jumping out of a taxi whose driver was sighing and moaning, cursing in Cantonese at the traffic and simultaneously reading the racing pages of the newspaper while driving -- despite my protests -- I found myself a bit wound up by his stress levels.

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Then I walked into the Upper House at Pacific Place. The usual barrage of happy hotelier staff greeted me at the door, at the escalator and then the elevator. I thought nothing of their sugar-plum friendliness for it is par for the course at an upscale hotel.

Then on the 10th floor another employee got on the elevator. She looked at me navigating my Blackberry and asked: "Tough day?" Something in her tone, and her smile, made me stop. I must have been wearing my taxi-driver-induced tension. She mumbled other pleasantries that somehow came across as genuine. Not canned.

Ironically, I was travelling to the 49th floor to Café Grey to meet with a man who ultimately, far up the food chain, must have been her boss. Minutes later, Brian Williams, the managing director of Swire Hotels, would then explain to me how part of his hiring agenda for Swire's new House brand of hotels, which includes the Upper House Hong Kong and the Opposite House Beijing, is to find employees who have those magic people skills that you can't teach.

"Some people-management rules can't be written," said Williams. "This sort of hotel is all about character. And you can't just follow rules, you have to think about and understand what experience you want people to have."

Little did Williams know that I had just witnessed precisely what he was selling to me.

Williams' enthusiasm for the new projects is evident; the 117-room Upper

House opened in October, while the 99-room Beijing hotel opened just before the Olympics in 2008, and there are more of these upscale boutique hotels planned for the mainland during the next few years.

A more "consumer-friendly brand", East, which is located in Tai Koo Shing, was scheduled to open days after we met, on January 25. Priced at HK\$998 (\$128) a night (as opposed to the HK\$3,000 to HK\$4,000 range for the Upper House), East is targeting the business clientele who might be stopping into the companies headquartered in Swire's Tai Koo Shing complex.

That's more likely to be an IT specialist or an engineer rather than a CEO of a multinational, so the price is set accordingly. The rooms are obviously smaller, the ambiance "not so stuffy" but the aim is "to deliver quality for less money". And not to make the customer feel as if he's been fleeced. A nice touch: the internet is free.

When I joked that one does feel "nickel and dimed" for daily internet charges at many five-star hotels, Williams interjected -- "ripped off is more like it". And that was a message he didn't want to send to his customers.

Williams steered clear of any discussions about the [possibility of an initial public offering of Swire's property unit](#). "That's not anything I'm privy to, that's for others to worry about," he said. His job is to make an owner-operated business work.

And being charged tasked with that clear-cut but mammoth task is obviously something Williams is pleased to do. He spent 17 years with the Mandarin Oriental, hopping back and forth between Hong Kong, Macau and London. "For a while, I thought my furniture had air miles," he joked.

Now he lives in London, but spends months on end in Asia. Prior to joining Swire he spent four years working on a project of his own. He paired up with a venture capital group that took over a small hotel group. He said he wanted to test himself -- to find out if what he thought he was good at was truly his doing, or if it was the larger institution.

"I quickly worked out I could do what I do -- that is run hotels -- quite well. I could make them more profitable," said Williams. "But I also found out I fundamentally had the wrong financing when the venture capital group closed. I then spent two years doing nothing but corporate finance and raising money." During the fund-raising process he met up with Swire. Hong Kong's biggest commercial landlord wasn't interested in that project, but did have some other ideas -- the Upper House and East -- in mind for Williams, so he went back to a conglomerate to concentrate on what he knows best: running a hotel.

The four-year lesson was important for Williams. "They don't teach you corporate treasury in hotel school. But hotels need long-term cash, and they need someone who is focused on running the business, not cash flow for the third-party financiers."

His experience has been that Swire has focused on that long-term business. "My remit has been to make the hotels profitable experiences in their own right, to make Upper House add another dimension to Pacific Place that increases the footfall and diversifies the mix of people who are in a mixed-use development," said Williams. "The aim is to add pixie dust to all of Pacific Place."

If Swire does IPO the property business, the trick will be to retain people like Williams who focus on long-term profitability, not short-term shareholder gains. As a Hong Konger who can dip into the Upper House for lunch to escape from mad taxi drivers, I hope that goal is put front and centre.

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