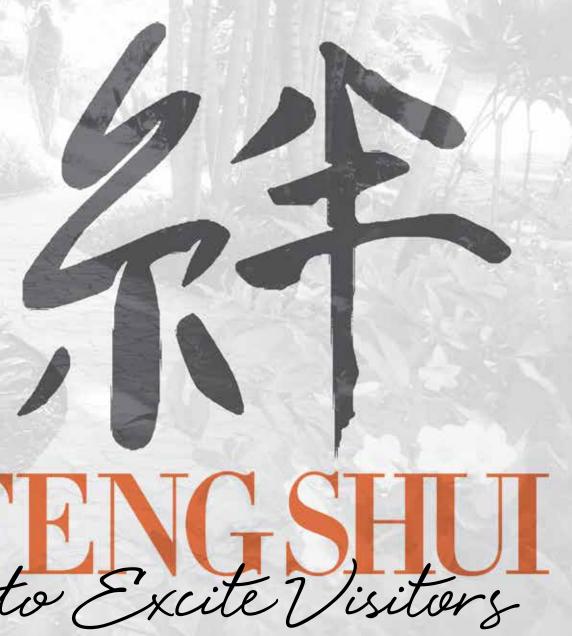
INSIDE: HOW TO FIND GREAT EMPLOYEES * HAWAII RIDE-SHARING APPS

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checking in

In the wake of the arrival of Uber and Lyft over the past four years, Honolulu cab companies like TheCab and Charley's Taxi today rely more on their own mobile apps to claim their share of riders. According to our report in this issue, their use of "dispatching and fleet management technology" helps level the playing field on Oahu.

The concepts of feng shui are being embraced by Hawaii's hospitality industry as hotels and restaurants shift toward open-air rooms and lobbies and natural lighting.

Takeout food offers a "new dynamic," according to the head of the Hawaii Restaurant Association, by adding brand exposure and revenue.

Hotels also are seeing more guests reach out beyond room ser-

vice for local grinds.

The spirit of aloha "isn't something you can learn from a book, or get certified in after taking a course," a Hawaiian Airlines official says. Aloha, however, is the primary core value found among the the Islands' best hospitality employees.

Lavishing guests with special accommodations in Hawaii could mean plush pool-side cabanas, splendid ocean views and more plush menities, according to our report in this issue.

We also take a look at key issues for the hospitality industry involving liability and insurance.

Aloha!

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The Hawaiian Pie Co. ohana (from left): Matt Spencer, Matthew Chun-Hori, Lindsey Chun-Hori, Joel Hori, Richard Hori, Andrew Chun-Hori, Jan Hori and Derick Tamaye

Cooking Up a Pie Empire

The Hawaiian Pie Co. keeps alive a family baking tradition that goes back to Holy's in Manoa, and before that, Kohala

Of all the slang terms for the human mouth—grill, trap, yap, puss, gob and maw among them—I've always been partial to pie hole. And I've seldom been so glad to have said pie hole than during a recent visit to the Hawaiian Pie Co. on Waiakamilo Street.

I must say, lower Kalihi is not the place I'd have expected to be hit by a slice of nostalgia, suddenly and fondly remembering fruit pies with perfect buttery, flakey crusts baked long ago by my Oregon great-grandmother in her wood-fired stove, but there you go. This is the sweetest of comfort foods.

Founded in December 2014 by the baking Hori family, Hawaiian Pie Co. exceeded their business plan's most optimistic goals (and pie charts), achieving within two years what they hoped to do in five. This was not just some pie-in-the-sky dream.

It helped that they were bringing three generations of baking expertise and artistry to the table, so to speak, and initiating a fourth generation. The ancestry of the mom-and-pop pie shop goes back to the Big Island, where co-owner/baker Joel Hori's grandfather Yoshio Hori established a bakery in Kohala. These were the days when Kohala was one of Hawaii's most bustling towns, thanks to the sugar plantations. As Joel tells it, his grandfather was a cook aboard a big transport ship steaming between islands, and after one particularly rough passage he jumped ship, stayed in Kohala and started a bakery.

"I've seen old pictures," his grandson says. "He had all this big equipment, like you'd see at Love's Bakery," which Yoshio used to produce countless loaves of bread for plantation families.

The bakery's name, Holy's, was entirely accidental. Yoshio planned to call it Hori's, but the Caucasian agent who supplied all the packaging and labeling materials misunderstood his Japanese-tinged accent, and Hori's became Holy's.

"It had taken so long to get everything printed and shipped over already, he decided to just go with Holy's," Joel says.

Fast-forward a generation, and Yoshio's son Richard learned his father's baking secrets so well, he moved his family to Michigan to run a large commercial bakery. Joel was in the fifth grade when his grandfather called his dad and asked him to come home and help with the business.

"He wanted to move to Oahu and needed my dad's help," Joel says, because he was losing so much of his baked goods that were shipped to Honolulu.

Likewise, when Joel's father said he needed help at his new Holy's in Manoa Valley (East Manoa Road and Lowry Street), he said yes. That was 1979. It flourished, even supplying pies and baked goods to small markets in the area, as well as hotels and restaurants. When Richard decided it was time to retire and return to the Big Island, the shop closed and Joel went to work as an air traffic controller at Honolulu International Airport. (Guiding

making and freezing pumpkin pies for Thanksgiving.

Other flavors include a pie of the month (blueberry-peach when I visited), as well as a rotating list that can include Bananas Foster, pear-passion fruit, caramel apple, apricot, chocolate,

The Hawaiian Pie Co. opened mid-December 2014, and sales immediately took off, fueled entirely by word of mouth—or pie holes—from happy customers.

jetliners to land safely and baking pies, he says, have nothing in common.)

Fast-forward again, and by 2014 Joel had reached the FAA's mandatory retirement age (56). The family—he and wife Jan, along with children Matthew, Lindsey and Andrew—had kept the family pie tradition alive over the years at home, baking and freezing pies to give as much-anticipated Christmas gifts for friends. Everybody loved their pies, and when they shared bites with friends and family, those folks raved too.

So Joel and Jan started doing some low-key R&D. As he explains, "Some people said, 'oh, we love your crust, but wish there was more of it.' Other people would say, 'oh, we love your fillings but wish there was more of it.' So we added more of each."

The result is three-pound pies filled, their motto goes, "with butter and happiness." Smaller mini pies come with those same ingredients.

The Hawaiian Pie Co. opened mid-December 2014, and sales immediately took off, fueled entirely by word of mouth—or pie holes—from happy customers. That and some savvy marketing from Jan Hori. (Full disclosure: We were colleagues when she did marketing for Oahu Publications Inc. and I was at MidWeek.) Daughter Lindsey helps with branding and social media marketing, today assisted in that by husband Matt Spencer, who heads retail sales and special events and also works the front counter. Jan and Joel's sons also contribute, Matthew doing IT and baking, while Andrew oversees day-to-day production working alongside cousin Derick Tamaye, who bakes and keeps the moving parts moving. Yoshio would be proud.

Today, the Hawaiian Pie Co.'s reputation is such that in mid-October Joel and his crew were already busy

even POG. During the holidays, ask about the pumpkin-custard pie.

Other than the shop at 508 Waiakamilo, which sells both fresh and frozen pies as well as other baked goodies, frozen pies are available at Y. Hata's Chef Zone, Safeway, Foodland and Sack n' Save. Whole Foods Market will soon be offering baked pies. And Hawaiian Airlines first-class passengers flying to the Mainland from Oahu, Kauai, Maui and Kona are now being treated to a mini Hawaiian Pie Co. creation.

The word is getting around. Joel and Jan have already been approached by



For more information or to order a pie online, go to hawaiianpieco.com

The Hawaii Pie Co. bakes its pies "with butter and happiness."

potential investors from the Mainland, interested in shipping frozen pies over. And on the day I visited, two 20-something female Japanese tourists were there buying mini pies, having ridden over on

their rented Bikis.

This could be the start of a pie empire.

Have a good story about a good person in the Hawaii hospitality industry? Please e-mail me at don@ tradepublishing.com.







The Cab's management team: Vice President Darwin Abenoja, President Howard Higa, Operations Manager Ryan Matsumoto and Manager Dorothy Requilman.

Cabs Embracing Ride-hailing Apps

Honolulu taxi companies utilizing technology to compete for market share with Uber, Lyft

BY BRANDON BOSWORTH

Honolulu taxi companies, feeling the crunch of competition from rise-sharing services Uber and Lyft, are fighting back with their own apps.

"We launched our own app, The-CABHawaii, in 2014," says Dorothy



Dale Evans

Requilman, manager at TheCab. "It was already in development before Uber ever came to Hawaii. We got the idea for the app and then utilized a developer to create it. Uber just happened to beat

us when it came to the release."

Charley's Taxi also has an app, Charley's Taxi Honolulu, released in 2015. "The app and the technology that supports it were planned well before Uber and Lyft arrived," says company President Dale Evans. "Charley's Taxi is on the leading edge of dispatching

and fleet management technology.

"In 2011 we first implemented an intelligent, fully web-connected system. That greatly improved how we managed supply and demand, especially for hot spots like Waikiki and the airport. Our system has evolved and improved continuously since then

and goes far beyond the app."

Both TheCab and Charley's Taxi say their apps have been downloaded between 10,000 and 18,000 times. Evans says that while some local residents use Uber and Lyft, she is "seeing a growing number of residents using our app to book Charley's Taxi."

Using a tradition-

al cab service offers certain advantages, including flexibility.

All Charley's taxis feature wo-way cameras and two-way radios

PHOTO COURTESY CHARLEY'S TAXI

combined with in-vehicle emergency systems.

"TheCABHawaii mobile app has a range of selections what type of vehicle you want," Requilman says. "Groups who need a van can choose a vehicle that can fit everyone. Passengers can also choose a pet-friendly driver, or a driver that gives kamaaina discounts to and from the airport. Some people prefer to pay in cash on their taxi fare, so there is a choice to pay the driver in cash. Other mobile apps only accept credit card payments."

There is also the issue of access. According to Requilman, "some pick-up locations such as military bases require permits or passes" for vehicles to enter.

And there is the issue of trust, Requilman says. "The people using TheCab feel comfortable because we are a regulated company that has been in the business for more than 40 years," she says.

Apps are just one way cab companies are embracing technology. As part of their driver safety training, Evans says Charley's Taxi uses "a combination of a state-of-the-art simulator plus ride-along and classroom training with a National Safety Council certified instructor."

She adds that "all Charley's Taxis also have a two-way camera (with audio) installed, which greatly simplifies dispute resolution."

As for the app, Evans says it "will continue to improve and offer new features."

The Cab updated its mobile app in late October. "We are having a meeting soon with the firm that developed our app," Requilman says. "We're looking to add a

way for customers to prepay on their phone.

"Our company keeps innovating, and the mobile app is better than what it was before."

Charley's Taxi released its mobile app in 2015.

PHOTO COURTESY CHARLEY'S TAXI











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Eating Out. Out, Eating

Food delivery services are making their mark on the hospitality industry

BY BRANDON BOSWORTH

or better or for worse, more people want to enjoy restaurant meals without leaving their homes or hotel rooms. According to market research, food delivery sales have grown 20 percent over the past five years, while restaurant traffic

has flatlined.



Gregg Fraser

Warren Solochek

"It's a new dynamic for restaurants," says Gregg Fraser, executive director of the Hawaii Restaurant Association. While he notes that "many restaurants have a delivery aspect," the benefits are not always clear.

"It's an expensive way to get your product into people's hands," Fraser says, noting that restaurants pay fees to delivery services. "They will say little about the costs, but delivery services can charge restaurants up to 25 to 35 percent of the cost of the meal being delivered."

Warren Solochek, senior vice president of industry relations at New York-based market research firm The NDP Group, says "delivery has become a need-to-have and no longer a

nice-to-have in the restaurant industry. Restaurants need delivery in today's environment in order to gain and



Craig Key

maintain share. It has become a consumer expectation."

Among companies providing delivery services are Uber Eats, Bite Squad and GrubHub.

"Hawaii has been an incredi-

ble market for us," says Craig Key, chief marketing officer at Bite Squad. "We purchased Aloha 2 Go in late 2017, and are thrilled with the demand for our services."

Key says Bite Squad already has "great restaurant penetration" in Hawaii and "is not focused on bringing in any new restaurants." He adds that delivery service "is becoming an important part of the future of restaurants" and can make up a "substantial part of a restaurant's monthly profit."

Watching Costs

On the other hand, Fraser, who also is the owner of the Opakapaka Grill and Bar on Kauai, says "if all I did was home delivery I wouldn't be able to stay in business. It's not a good way to bring in additional revenue. You're not really saving money with delivery. It sometimes cost more because you have to use bags and containers."

Not that Fraser finds food delivery



Nathan Hambley

services useless. "Quite often with restaurants, out of sight means out of mind, and a restaurant that is out of mind goes away. Being featured by a company like Bite Squad gets your name out there

and fresh in people's minds," he says. "At some point you have to consider food delivery as an extension of advertising instead of an extension of revenue."

Ideally, Fraser says he would like to see companies offering delivery services "do something to drive people into the restaurants."

"By being a part of the Uber Eats marketplace, restaurants receive visibility and placement in the Uber Eats app,



Bite Squad says food deliveries can be a "substantial part of a restaurant's monthly profit." PHOTO COURTESY BITE SQUAD

often based on the personal taste of consumers," says Nathan Hambley, an Uber Eats spokesperson. "Restaurants often see an increase in new customer traffic and sales through the app."

He adds that Uber Eats will partner with restaurants to help them build their establishment based on integrated technology services, data and business analytics.

More on the Menu

While it's mostly local residents who use food delivery services, guests at hotels often take advantage of these services as well.

Hotel deliveries make up a "healthy minority chunk" of Bite Squad's Hawaii business, Key says. "It's something we pay attention to. We make sure hotels know about our services and have partnered with some properties to put our info on their keycards. It's proven to be healthy for us."

Hambley sees a natural connection between food delivery services and hotels. "Both food delivery apps and hotels empower tourists to get the most out of their cities while traveling, including in Hawaii," he says. "This in-



Scott Obley

volves exploring beyond the confines of physical parameters and trying new foods and cuisines. Instead of leaving the comforts of a hotel room, guests can use Uber Eats to browse a wider

variety of options to get their favorite foods delivered right to their hotels."

Scott Obley, general manager at Aston at The Whaler on Ka'anapali Beach, says his hotel doesn't specifically promote any of the food delivery services except through recommendations given at the concierge desk. "We do see it is a convenience for some of our guests and owners, and they add to the perceived value of staying in a condo where all of our units feature a full kitchen rather than a hotel."

"At The Surfjack we have Mahina & Sun's, so we don't see many of our



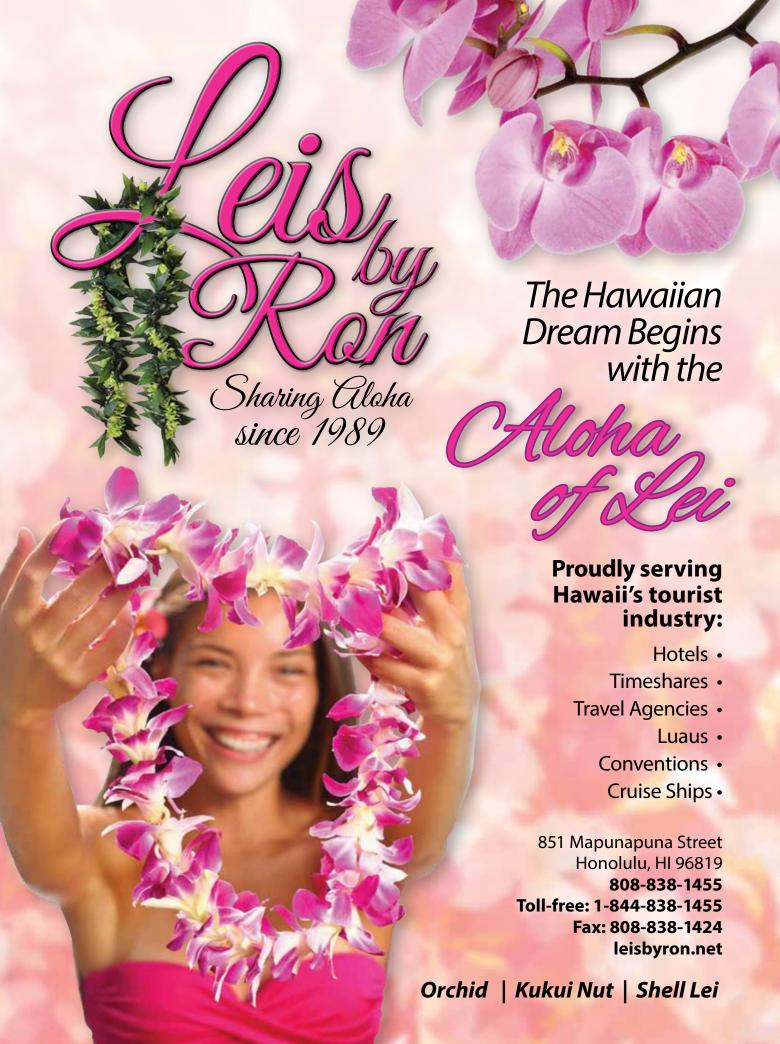
Lynette Eastman

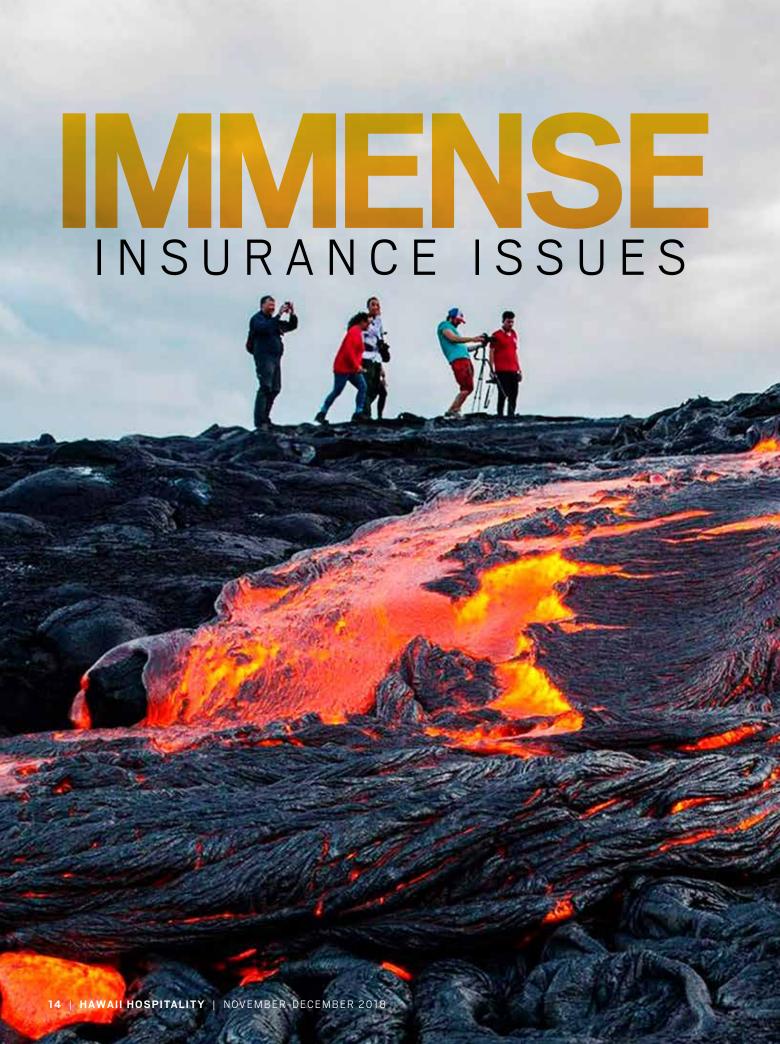
guests utilizing the food delivery service," says Lynette Eastman, general manager of The Surfjack Hotel & Swim Club. "However, I personally like it and see the value of these services. With visitors

taking shorter vacations and more three-generational travelers, time is precious and it's very helpful if a hotel can pre-shop and have your favorite snacks, drinks, etc. in your room upon arrival."

The NDP Group predicts that the food delivery sector will continue to grow over the next five years, meaning there will no doubt be increased competition among delivery services. Fraser sees that as a good thing.

"With more competition, such as Amazon coming in with drone deliveries, then the costs of delivery might be reduced enough to make it more affordable," he says. "If delivery services only charged 10 percent or a flat fee, they would be more appealing to restaurants. As it is, restaurants stay away from home delivery because of the costs."







Legal and insurance experts urge Hawaii hospitality properties to carefully review their coverage

BY BRETT ALEXANDER-ESTES

s Hawaii visitors mount, so do potential liabilities at Hawaii hotels, such as stolen wallets, slip-and-falls and other mishaps.

In 2018, Hawaii hospitality properties are also seeing a rise in potentially damaging events—an alleged assault in September of a Hawaii hotel employee, Hurricanes Lane and Olivia and the

looming threat of cyber crime.

"Insurance policies on any type of commercial property are complex. Hospitality properties, even more so," says Kenneth Kasdan, a senior partner at Hawaii



Kenneth Kasdan

law firm Kasdan LippSmith LLLC. "Considering the variety of activities that occur in a hospitality property, the issues are immense."

Russell Park, a senior vice president at Atlas Insurance Agency Inc., says that in

Russell Park

general, liabilities covered in a good hospitality insurance policy aren't necessarily related to the size of the property.

"It doesn't matter if (a hotel) is small or big," Park says. "Both of those

hotels are going to have employees. The insurance policy for workers' compensation for the small hotel will just have a smaller payroll and hence, smaller premiums."

Therefore, Park says, both large and small properties "need all the coverages. The need is still equal."

Are Catastrophes Covered?

Despite the dramatic destruction caused by Hawaii's hurricanes and Kilauea's eruption, "environmental events are not prompting any (insurance) changes that I've seen," says Tawana Scott, vice president of commercial lines at DTRIC Insurance Ltd. "In general, catastrophic events don't normally prompt specific changes to policies, because most catastrophic

> events are excluded."

Standard Coverage In addition to hurricane and

commercial auto

insurance, Park

Tawana Scott

says a typical Hawaii hospitality property needs the following coverage:

 Commercial General Liability (CGL): "Very important. That's the hotel's liability to others," Park says, and includes premises liability and operations liability for damages caused by the business. A hospitality CGL may also include 'innkeeper's legal liability' and 'liquor liability'. "Usually, you can get most of these together," Park says.

• Umbrella Liability: "General liability for the industry usually offers limits of a million dollars for each occurrence," Park says. "So if you want more limits, you need to buy an umbrella liability."



- Property Coverage: "The big one," Park says. "Business income coverage is predicated on the property, which can be damaged."
- Workers' Compensation: "Employees get injured every day at large hotels," Park says, and this can result in a firm's biggest losses.
- Employment Practices Liability: Covers claims from "sexual harassment, wrongful termination and discrimination," Park says.
- Crime Coverage: "There are all kinds of crime coverages," Park says. "But the ones you might think of are 'employee dishonesty', 'robbery', 'burglary' and 'cyber liability'." Park notes that companies—including global hospitality vendors—that don't address cyber liability as per the European Union's General Data Protection Regulation (GDPR) are subject to penalties of up to 4 percent of annual revenue. If a Hawaii hotel "doesn't have a presence in Europe, they may not care," Park says. "If you're a big Hilton, you care."

A Cast of Companies

With so many lucrative premiums in the offing, a hospitality property can get all its insurance from just one company, right?

No, says Park. "For a hotel, you might have an insurance company or group of insurance companies that put together a hotel insurance 'program'—and it might be for commercial general liability, slip and falls or what not, on the premises. They'll specialize in that, and put together a program, and be competitive with coverage and pricing.

"But that same insurance company might not be able to offer hurricane coverage. That's a whole different animal."

The No. 1 Driver of **Hotel Claims**

Insurance claims at Hawaii hotels are "staying pretty steady," says Scott, but



Large crowds gather at a screening of "Hawaii Five-O" in Waikiki.

claims for the hotel industry."

Devil in the Details

When purchasing or reviewing a policy, hospitality properties must pay close attention. For example, it is often assumed that a conventional CGL policy covers claims resulting from sexual harassment, but in a hospitality propexcluded from coverage."

ventional commercial general liability policy may not be adequate to cover

this risk, or it even may be specifically

Many Risks, One Broker

"It is no longer one-policy-fits-all types of prospective losses or needs for liability protection, nor one-policy-fitsall types of properties," says Kasdan. "It is preferable that one insurance broker place all coverage so that there is continuity in the coverage. This broker can obtain specific policies from specialty lines agents. There are major insurance brokers throughout the country that specialize in the placement of policies for hospitality coverage."

"Slip-and-falls are the number one driver of claims for the hotel industry."

- TAWANA SCOTT

"from an operational perspective ... there are probably more claims from slip-and-falls on the premises. Slipand-falls are the number one driver of erty, says Kasdan, where "the risk is magnified by a large number of employees and multiple levels of supervisory personnel who might not be sensitive to the liability of the owner ... the con-





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BY SUZANNE ROIG

awaii hotels have embraced the concepts of feng shui with open-air lobbies, tropical ambiance, natural lighting and abundant green plants. In a tourist destination so lush with beauty, feng shui is an obvious choice.

The art of feng shui—wind and water—is the Chinese practice of creating



Kathy Norton

a harmonious environment by balancing qi, or natural energy, and can be found in hotels along the shores of Kaanapali and Waikiki beach. Many lobbies, rooms and restaurants use

feng shui just by attempting to mirror the natural beauty of the Islands, designers say.

The concepts of feng shui revolve

around the placement of key elements and color: natural elements, circulation of air, plants, even the placement of a bed in a room can have an effect in the feng

There, designers incorporated feng shui -like concepts into the design of the hotel's suites and guestrooms, says Fritz Mesenbrink, co-founder and creative

"When it comes to hotels in Hawaii or commercial space in Hawaii, the best thing is nature. That's a main element in feng shui."

- KATHY NORTON

shui of a hotel room.

"When it comes to hotels in Hawaii or commercial space in Hawaii, the best thing is nature," says Kathy Norton, owner of KN Design by Design Management. "That's a main element in feng shui. We have that abundantly surrounding us. That's why people feel so good when they go to hotels."

While it's hard to replicate nature, some places, like the new Laylow, a 251room Marriott property in Waikiki, did just that with its \$60 million renovation.

director of OMFGCo, a Portland, Ore.based design company.

"We wanted something to feel innately Hawaiian and have that organic richness that is everywhere," Mesenbrink says. "We felt that was missing in the properties in Waikiki. We wanted something that feels uniquely like Hawaii. You really want to feel like you're at a place that is more than just a beach. We wanted to play into people's expectations."

Feng shui is all about the art of placement. On the pool deck, Mesenbrink

"We wanted something that feels uniquely like Hawaii. You really want to feel like you're at a place that is more than just a beach. We wanted to play into people's expectations."

- FRITZ MESENBRINK

Leilani's on the Beath restaurant in Kaanapali, left, offers plenty of open spaces for its guests to relax, as does (below) The Modern Honolulu and the Montage Kapalua Bay



says the designers planted a wall of bamboo, which is considered a lucky plant in feng shui. When the bamboo is grown, it will create a wall of good luck while at the same time greening up a rooftop area and providing a natural visual block

Fritz Mesenbrink

to the concrete structures that are stitched together on Kuhio Avenue.

Designers selected bamboo, Mesenbrink says, because of its aesthetics and because the former Aqua Waikiki Wave property

needed elements of earth, one of the five elements of feng shui along with fire, metal, water and wood.

At the Laylow, wall coverings create pops of color with vivid pink-and-teal monstera leaf designs that epitomize the past and present of this mid-century modern property that embraces 1950s Hawaiian kitsch, Mesenbrink says.

"We wanted to vibe the experience," he says. "A place to kick back for several hours, be cozy without being overly squishy."

Many Hawaii hotels and restaurants naturally tap into feng shui concepts with their use of natural light and by taking advantage of the tradewinds. When it comes to creating a feeling of harmony and balance, these two concepts are key elements for feng shui, Norton says.

After eight months of remodeling at

Leilani's on the Beach at Whaler's Village in Kaanapali, guests have greater access to the tropical outdoors and and are directed away from the inner workings of a business. The 274-seat restaurant added a lanai and made glass railings so that guests could have a vivid blue, unobstructed view of the Pacific beyond, says Jason Donez, Leilani's general manager.

"Our color scheme is koa wood tables," Donez says. "We refinished the original wood because we wanted the restaurant to look and feel more natural, rather than high-gloss. We took out the carpet and went with a wood-look tile, all natural feeling elements."

Regular customers greeted the multimillion-dollar remodel well, Donez says.

"There's such a grandness of the open space. I love being here," he says. "It's important that we honor our past so we felt we did our job."

At The Modern Honolulu, a Diamond Resort International property, the Ala Wai Harbor serves as a natural backdrop. With the tall masts and the ocean, the designers attempted to bring a relaxed atmosphere into the 350-room boutique hotel.

During a 2011 renovation that wasn't purposely feng shui, designers—hotelier Ian Schrager was part of the design process and the principal architect of Yabu Pushelberg Co.—sought to incorporate the philosophy of feng shui into the designs, says Marybeth Kiaaina, the hotel's promotions and special events manager. Paying attention to Waikiki's unique mid-century aesthic, the hotel's

design focuses on the senses using light and the tradewinds to balance indoor spaces with nature, she says.

"Some of our main color is white and grey with a pop of color," Kiaaina says. "It could be a colored ukulele hanging on a wall, pareos that guests may use to go to the pool. The hotel takes advantage of the light and brings in our ocean views, our city views and the ewa views.

"We're one of a kind. We are not cookie-cutter. We're high luxury."





If "yes," pull up a chair at your property's next planning session. And you might want to share some of the following strategies that Hawaii hotels are using to amp up their powers of attraction:



Hale Cabanas

At the Outrigger Reef Waikiki Beach Resort, new Hale cabanas are making a big splash this year. Inspired by the spirit of the Polynesian Voyaging Society, Outrigger's Hales offer poolside

Kelly Hoen

privacy—and more.

"More," as Outrigger defines it, includes plush furnishings, a select snack basket and a dedicated concierge.

"With the engaging pool concierge, our

guests can enjoy Island-inspired cuisine from Kani Ka Pila Grille, and dive into Hawaiian culture with live music performances and personalized storytelling," says Kelly Hoen, the resort's general manager.

Moet champagne and other top-tier libations are also available through the Hale Bottle Service.

By Day and By Night

Can attractions that shine by day be even more alluring at night? Philpotts Interiors thinks so. The design firm's



Marion Philpotts-Miller

Hotel Wailea renovation team has "created a juxtaposition of 'by-day' and 'by-night' atmospheres" at the pool, says Marion Philpotts-Miller, a firm partner.



A private Hale cabana at Outrigger Reef Waikiki Beach Resort

PHOTO COURTESY OUTRIGGER HOTELS AND RESORTS

"During the day, there is a fun and colorful vibe. From a mai tai at the pool bar to lounging in the custom-designed cabanas, there is a lively energy."

New energy was sorely needed at this older property, says Philpotts-Miller. "The challenge was to create a fresh, exotic and rustic atmosphere. Philpotts Interiors worked with the new Hotel Wailea ownership to create a romantic couple's getaway that was ultimately worthy of becoming Relais & Chateaux's first Hawaii location."

To dramatize the hotel's appeal, "by night the pool area transforms into a moody and romantic gathering place for couples to mingle," says Philpotts-Miller. "The fire pit and softly lit cabanas provide the perfect backdrop for cocktails or simply gazing at the stars."

"With the engaging pool concierge, our quests can enjoy Islandinspired cuisine."

- KELLY HOEN

A Golden Age

Deck, a new Plan Do See restaurant on Queen Kapiolani Hotel's airy third-level lanai, offers guests a sweeping view of Kapiolani Park and Dia-



Jeff Perkins

mond Head. The open vista recalls Waikiki's golden age, and is just one facet of the hotel's \$35 million renovation.

"Lush views that energize and encourage guests to get outside are amplified

by the on-site surf school, Hawaii's first dining concept by international culinary sensation Plan Do See, and a collection of vintage Hawaiian art that allows guests to immerse themselves in dreamy scenes of midcentury Hawaiiana," says Jeff Perkins, general manager at the Queen Kapiolani Hotel.

"The property always has, and will

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Poolside "By Night" at Hotel Wailea PHOTO COURTESY LINNY MORRIS

continue to be, set apart from other properties by our unique heritage and association with Queen Kapiolani, who was an integral figure in Hawaiian history and culture."

A Black-Tie **Beachcomber**

When the \$32 million renovation of the Waikiki Beachcomber by Outrigger is complete, the resort "will be an upscale property featuring modern Ha-



Mike Shaff

waiian elegance in the heart of Waikiki," says Mike Shaff, vice president for hotel operations in Hawaii and Guam for Outrigger Hotels & Resorts.

The renovation. which is nearly

finished in some areas, will modernize the property's guestrooms (which will number 498 when done), the pool area, lobby, meeting rooms and porte cochere.

"The pool deck will undergo a modernization that includes all new furnishings, shade structures and an expanded spa," Shaff says. "The public spaces include lobby, corridors,



Coral-clad walls in a Hotel Wailea suite PHOTO COURTESY TRAVIS ROWAN

elevators and the hotel exterior. The exterior porte cochere will feature an eye-catching living wall."

The upgrades, Shaff says, are directed "to those with an affinity for travel to high-end boutique hotels, international travelers, those who have looked at our resorts and decided not to book. and similar profiles of those customers who booked our hotel.

"Guests will enjoy a fully modernized experience, the end of December 2018."

A Grand Finale

Kapiolani Hotel's lanai

Hotel Wailea's poolside luxury echoes throughout the resort.

Deck, a Plan Do See restaurant on Queen

RENDERING COURTESY PHILPOTTS INTERIORS

In the guestrooms, oak hardwood floors, a small kitchenette with handcrafted ohia cabinetry and flamebrushed granite, and sliding barn doors and custom trough sinks in the bathroom evoke a custom vacation home. "The headboard wall is anchored with a coral-stone skin which adds rustic elegance," says Philpotts-Miller. "This is repeated as a signature finish throughout the property."

As Hawaii properties increasingly compete in the global market, Philpotts-Miller may be speaking to the aims of many current upgrades when she says, "Beginning as a simple renovation, this project ultimately evolved into a full-on re-invention." Hotel Wailea, she says, is now "internationally recognized for its fresh and vibrant atmosphere."







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What Makes a Great **Hospitality Employee?**

The visitor industry puts major resources into developing employees' core values

BY BRETT ALEXANDER-ESTES

If you're pursuing a career in Hawaii's hospitality industry, bring an open heart to the interview.

"At Hawaiian, we care a lot about the intangibles," says Robin Sparling,



Robin Sparling

vice president of in-flight services at Hawaiian Airlines. "Embodying aloha isn't something you can learn from a book, or get certified in after taking a course. It's something that is internal-

ized after you experience and live it."

For Chael Kekona, a Spring 2018 intern in the Hawaii Tourism Authority's community programs department, aloha is something she knows by heart.

"The greatest lesson I learned from my time with (my hospitality industry



Chael Kekona

mentor) was the importance of developing my core values," she says. "These values are a solid foundation for what I stand for, and will help guide my decisions for the rest of my life."

As Hawaii's hospitality ohana looks forward to the 2019 Na Po'e Pa'ahana Awards in January, industry professionals assert that core values like Chael'sover and above specific industry skills—make all the difference in great hospitality hires.

"We recently relaxed recruiting

Aloha Instilled

Business training designed to enhance the aloha experience include:

School of Travel Industry Management, University of Hawaii

"Employers desire candidates who understand the industry, are customer-service



Jerry Agrusa

focused, embody the aloha spirit and have the ability to manage and work with a diverse population of guests and associates," says Jerry Agrusa, associate professor at the UH-Manoa

School of Travel Industry Management.

"The rigorous curriculum, internship experiences, professional engagement and industry mentorship make our students well-prepared to step into supervisory and management roles upon graduation.

"Our degree requires a minimum of 800 hours of internship. Our seniors are fortunate to participate in the Hawaii Lodging & Tourism Association's (HLTA) yearlong generational mentorship program, where students are paired with local general managers. Recent hotel internships have included Marriott Vacation Club, Montage Kapalua Bay, Four Seasons Resort Oahu at Ko Olina, The Kahala Hotel & Resort, Halekulani, Prince Waikiki, Outrigger and many more.

"We have virtually 100 percent placement

within the first three months of graduation in the areas of hotel, transportation and tourism. The top hotels are placing students six months prior to graduation, and offering jobs at the first interview."

Waipahu High School Business Pathway

"Waipahu's Business Pathway offers the opportunity to explore all areas of the hospitality industry through a three-year program," says Todd Nakayama, the school's hospitality and tourism director.

Nakayama says the high school's program is "focused on all areas of the hospitality industry by having students take courses in marketing, accounting and finance to address back-of-the-house positions within the industry." Connecting to hospitality- and tourism-related programs in high



Todd Nakayama

school, he says, can often lead to gaining experience through internships and other opportunities.

"I believe there are many things that contribute to the great

employees that serve our guests-like communication, passion, problem-solving, patience and drive. When teaching students, I sum up all of these qualities by addressing the love to share, serve and educate our guests about the Islands."

guidelines requiring all applicants to have service industry experience," says Sparling. "This allowed us to find some fantastic candidates we might otherwise have missed."

Denise Wardlow, general manager at The Westin Princeville Ocean Resort

Villas, says she always hopes "to get applicants for our open position that have some kind of experience in the hospitality industry, and in the roles that they are applying for."

But in many cases, she says, this is not required. "At the conclusion of



"Internships provide opportunities for students to demonstrate initiative; hone knowledge and skills gained in the classroom; develop responsibility, integrity and a strong work ethic; as well as acquire an appreciation of service and excellence."

- Deborah Fitzgerald



Denise Wardlow

process, if we feel that the person has the positive attitude, passion and personality to be a good team member and is open to learning, we will provide them with the

the interview

opportunity."

Employment opportunities and on-site learning are enhanced through participation in the Generational Mentoring Program, developed by the Hawaii Lodging & Tourism Association (HLTA).

"The HLTA Generational Mentoring program is a good program that partners college students studying hospitality with current general managers from various resorts throughout the Islands,"

says Wardlow. "I think it is very valuable for students to have industry leaders mentor them and share real-life experiences with them.

"One area is coaching a mentee on what they stand for—what their core



Deborah Fitzgerald

values are, and using this as a key selling point when doing interviews or in conversations with other business leaders."

Deborah Fitzgerald, director of internship and career devel-

opment at the University of Hawaii ar Manoa School of Travel Industry Management, concurs: "Internships provide opportunities for students to demonstrate initiative; hone knowledge and skills gained in the classroom; develop responsibility, integrity and a strong work ethic; as well as acquire an appreciation of service and excellence."

Kekona, currently enrolled in Colorado State University's master's in tourism management program, says "With the realization of my core values, I was able to better see who I am and the direction I want to take in life. These values provide me a sense of consistency, and stability to become a reliable leader in the future."

Aloha Shared

Hawaiian Airlines

"Hawaiian Airlines flight attendants act not only as safety and service personnel, but also as stewards of our company culture and proud ambassadors of our home state," says Robin Sparling, vice president of in-flight services at Hawaiian Airlines. "Aloha (love), ho'okipa (hospitality), malama (care), and lokahi (harmony) are all key qualities that define every single one of our people.

"Prospective flight attendants receive seven to eight weeks of intensive training on all aspects of safety, security, service and culture when they are hired. We believe that our mea ho'okipa (I am host) approach to customer service is what sets us apart, enabling Hawaiian to expand and thrive in new markets."

The Westin Princeville Ocean Resort Villas

"The success of the resort is dependent on our team members being interactive with our guests and providing exceptional service," says Denise Wardlow, general manager at The Westin Princeville Ocean Resort Villas.

"I am very passionate about integrating our rich culture and customs. I feel that this is important to today's travelers as they seek authentic experiences rather than what they view as commercialized, or not genuine, or not unique.

"This creates memorable experiences that make a huge difference to them, and they become (eager) to make a return visit when they depart."

HRA to Induct 10 into Hall of Fame

The Hawaii Restaurant Association's (HRA) 12th annual Hall of Fame Induction ceremony will be held on Nov. 19 at the Sheraton Waikiki Beach Hotel.

The HRA's induction event will be held along with the annual "Chefs of Aloha" Dine-Around.

The 2018 inductees are, from Oahu: Conrad Nonaka. Culinary Institute of the Pacific, Hawaii Food & Wine Festival; Don Dymond, Kalapawai Market/Deli; Wilfred & Mary Kawamura, W&M Bar-B-O Burger; Andy Anderson, John Dominis, Michel's at the Colony Surf, Haleiwa Beach House; George and Irene Fukuoka, Pearl City Tavern; and Paul Uyehara, Aloha Tofu Co.

Neighbor Islands inductees are: Mankichi

Sueoka, Sueoka's Snack Shop, Kauai; Paul Horner, Lodge at Koele, Maui/Lanai; and Duke Baker. Tex Drive In & Restaurant. Big Island.

The event will begin at 5 p.m. followed by the Dine-Around at 6 and the Hall of Fame program at 7:30. A portion of the proceeds will benefit the University of Hawaii Foundation. To register or for more information, email info@hawaiirestaurant. org or call 944-9105.

According to the HRA, the inductees are being honored for their "dedication and commitment to the growth of the restaurant and food service industry in Hawaii" and who have "contributed to the enhancement of its quality and image, and demonstrated service through outreach."

The Chefs of Aloha lineup includes

Michels at the Colony Surf Executive Chef Hardy Kintscher: The Brilliant Ox Executive Chef Brian Gremillion: Sheraton Waikiki's RumFire Chef De Cuisine John Salcedo; Diamond Dining (Buho and Shokudo) Chef Arnaldo "Masa" Gushiken; Haleiwa Beach House Executive Chef Chris Blanc: Kalapawai Café Executive Chef Jason Iwane; Mark's Place (Kauai) Executive Chef Gavin Onishi; Bamboo Catering Executive Chef/Owner Jason Takemura: MW Restaurant Executive Pastry Chef Michelle Carr Ueoka: and Agu Ramen Executive Chef/Owner Hisashi Uehara. Desserts will be provided by II Gelato Maestro Gelatiere/Owner Dirk Koeppenkastop and MW Restaurant Executive Pastry Chef Michelle Karr Ueoka.

New Halepuna Waikiki Underway

The new Halepuna Waikiki by Halekulani, a venture by Halekulani Corporation, broke ground in October.

The new hotel is on the site of the current Waikiki Parc Hotel on Helumoa Road, and will complement the Halekulani, its nearby sister property on Kalia Road. The new Halepuna Waikiki is expected to be complete in fall 2019.

The luxury boutique hotel will include 288 guest rooms and suites, a three-meal restaurant, and an eighth-floor pool deck featuring a bar, a fitness center, a hospitality lounge, a garden and an infinity lap-style swimming pool.

RENDERING COURTESY CHAMPALIMAUD DESIGN

Lobby in the future Halepuna Waikiki by Halekulani.

Cipriano Heads **Nui Italian**

Hilton Waikoloa Village has appointed Gino Cipriano as chef of Nui Italian, the



Gino Cipriano

resort's new signature Italian restaurant. A native of Italy with a 25-year culinary career that includes notable restaurants in Europe and the U.S., Cipriano most recently

served as executive chef of ClubCorp in Marvin, North Carolina, where he earned a AAA Four Diamond award.

Pedone Heads Sales and Marketing for 4 **Marriott Sites**

Jim Pedone has been appointed director of sales and marketing at the four Marriott International properties—Sheraton Waikiki; The Royal Hawaiian, a Luxury Collection Resort; Moana Surfrider, A Westin Resort & Spa and Sheraton Princess Kaiulaniowned by Kyo-ya Hotels & Resorts.



Jim Pedone

In his new position with Marriott's Waikiki Complex, he will be responsible for strategic planning in growing target markets and overseeing markets such as North America, Asia-

Pacific, Oceania, Europe and other emerging markets, as well as wholesale, FIT, group, incentive, leisure and business travel.

Pedone most recently served as director of sales and marketing for The St. Regis Princeville Resort.



Golf Tournament Helps TIM School

JTB Goodwill Foundation President Tsukasa Harufuku (far right) and board member Lena Young (far left) present a check to University of Hawaii at Manoa's School of Travel Industry Management Dean Thomas Bingham (second from left) and UH Foundation Senior Director of Development Harriet Cintron (second from right) to establish an endowed scholarship for students pursuing degrees in the field of tourism and hospitality. The funds were raised at the JTB Goodwill Foundation's 29th annual Golf Tournament on Sept. 6 at the Hawaii Prince Golf Club.

Yu Joins Stripsteak Waikiki

Justin Yu joined Stripsteak Waikiki, a Mina Group restaurant, as general manager and will oversee all in-house operations.

Justin Yu

Yu. who has been with the Mina Group since 2012, helped direct the openings of Mina Brasserie at Four Seasons Hotel **Dubai DIFC and Mi** Almita Cantina at The Street Food Hall by Michael Mina in Honolulu.

Yu holds a degree in hospitality administration from Boston University.

Jimenez Joins HHV

Mahealani Jimenez has joined Hilton



Mahealani Jimenez

Hawaiian Village Waikiki Beach Resort as director of national accounts citywide associations. Jimenez focuses on association clients. potential customers for Hawaii's citywide convenEslinger Joins HVCB

at Outrigger Hotels & Resorts. She also held leadership positions at Kimpton Hotels in San Francisco. She has a bachelor's in hospitality management from USF.

Jeffrey Eslinger joined the Hawaii Visitors and Convention Bureau as senior director of market insights, responsible for analyzing trends affecting tourism in



Jeffrey Eslinger

Hawaii and HVCB programs. Eslinger brings broad travel destination research and marketing experience gained over 17 years in the industry. Before joining HVCB, he served as senior

director of client

insights with DK Shifflet, a research and strategic marketing firm where he managed numerous destination marketing clients including Hawaii, New York City, Visit Florida, Washington D.C., Fort Lauderdale, Tennessee, Georgia and Texas.

tions and meetings, and works closely with the Hawaii Convention Center. Previously, Jimenez was sales manager at

the Ala Moana Hotel where she focused on group markets, and senior sales manager



Members of the Puu Kukui Watershed Preserve team with the Kapalua Maui Charities Board of Directors and Board President Richard Holtzman (center).

Kapalua Maui Charities Donates \$10,000

The Board of Kapalua Maui Charities, which oversees the Kapalua Wine & Food Festival, donated \$10,000 to the University of Hawaii Maui College Culinary Arts Program. The board's record donation to its longstanding beneficiary will support the college's scholarship program. The board also approved several new charities benefitting the West Maui community as beneficiaries.

"We are pleased to provide ongoing financial assistance to support the University of Hawaii Maui College Culinary Arts Program, Puu Kukui-The Living Pono Project, a critical entity for water preservation based here in the backyard of our own Kapalua Resort, and several other entities that support culture, education and community in West Maui," says Richard Holtzman, president of Kapalua Maui Charities.

Action on Transient Vacation Rentals a Must

The problem of illegal vacation rentals and bed-and-breakfast operations in Hawaii has vexed legislators and government regulatory agencies for a while, and particularly in recent years with the emergence of online booking services like Airbnb, VRBO or hometogo.

A 2015 study by the Hawaii Tourism Authority placed the total number of these vacation rentals at 27,000—defined as rented for under 30 days, and with bed-and-breakfasts classified as having the property owner present. On Oahu alone, the city administration has estimated the existence of 10,000 rental units, of which a scant 816 are legally permitted.





for an answer, in the hopes that county action will spur a similar effort on the part of the state government.

However, I should point out that the

On Oahu alone, the city administration has estimated the existence of 10.000 rental units. of which a scant 816 are legally permitted.

In addition to irritating neighbors with traffic, strangers and parking, most of these operations are avoiding the payment of the state's transient accommodations tax, commonly called the hotel room tax, and the general excise tax. Uncollected taxes could be as high as \$30 million a year, by some projections.

The Hawaii Lodging & Tourism Association and others have, for three years now, attempted to persuade the Legislature and state administration to adopt legislation that would ensure the collection and remittance of taxes from transient vacation rental brokers like Airbnb on behalf of their operators, and concurrently address transparency, accountability, enforcement and registration to help ensure parity between our traditional brick-and-mortar businesses and transient vacation rentals.

But, for three years now, the state government has failed to come up with a solution. This past year, a measure failed during the conference committee process as the negotiating parties in both chambers could not reach an agreement.

Given this untenable situation, the hospitality industry, through the HLTA, is turning to the county governments

answer is not what the Caldwell administration has proposed despite their best intentions for Honolulu. Mayor Caldwell had recommended a prohibition on short-term vacation rentals in residential areas, but allow unlimited bed-and-breakfast establishments in owner-occupied properties.

The Honolulu Planning Commission, which consists of members that were all appointed by the mayor, rejected his proposal in September. In short, the commission voted unanimously not to recommend the proposal to the City Council. The bill can still go before the council for a vote, but it will require the approval of six of the nine councilmembers instead of a simple majority. We are hopeful that Council Chair Ernie Martin will provide the decisive leadership to get the job done.

Those who favor these rentals argue that it allows homeowners to make a few bucks and give visitors a different vacation experience. Opponents say these operations reduce the availability of housing and create the other problems I noted earlier.

For the hospitality industry, we want a level playing field. We need to ensure that all vacation business operations from the big resorts, to the small inns, to

2019 Na Po'e Pa'ahana Awards

The Hawaii Lodging & Tourism Association's 29th annual Na Po'e Pa'ahana Awards luncheon is set for Jan. 10 at the Sheraton Waikiki Resort Grand Ballroom.

Each year, the HLTA honors individuals who have contributed to the visitor industry through their service, professionalism and spirit of aloha. The awards recognize finalists in groups of small, medium and large-size properties in the following categories:

- Bell/Valet Person of the Year
- Housekeeper of the Year
- Security Officer of the Year
- Front Desk Person of the Year
- Food & Beverage Person of the Year
- Engineer & Maintenance Person of the Year

In the following categories, one group of finalists will be awarded:

- Manager of the Year
- Outstanding Lodging Employee of the Year

For more information, go to hawaiilodging.org.

the home rentals—play fair and that we all follow the same laws and regulations and pay the same taxes. The incentive for government to act on this is that



there are millions of dollars to collect that would bolster their coffers.

Mufi Hannemann is president and CEO of the Hawaii Lodging & Tourism Association.

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HLTA Gathers at Ko Olina



Glenn Vergara, Kyoko Kimura, Sen. Josh Green, Denise Wardlow, Mufi Hannemann,

PHOTOS BY LEAH FRIEL

The Hawaii Lodging & Tourism Association held its General Membership Meeting on Oct. 11-13 at the Four Seasons Resort Oahu at Ko Olina.



Caitlin McCaffery, David Bearden, Abby Gardner, Emily Mendez-Bryant



Arsena Kailihiwa, Sherry Ravago



Karen Fowler, Lisa Paulson, Julie Arigo



Shantelle Pierce, Marc Bennor, Denise Wardlow



Branden Gedeon, Jean-Paul Gedeon, Vince Mitchell



Kim Soares, Brooke Lee, Howard Lee, Garriann Ho



Cami Yano, Justin Yushino, Debbie Jokovich, Michael Jokovich, Julie Morikawa



Keoni Vaughn, Denny Miyasato, Sanj Sappal, Claire Kobayashi, Bruce Schneiderv



Naomi Hazelton, Jessica Caires, Melina Hicks



Chris Stanley, Sarah Knox, Sean Knox





Theresa Maman, Guillaume Maman, Sen. Josh Green, Miki Wakai, Sen. Glenn Wakai



Dominic Locascio, Rena Iwami, Jared Higashi, Cody Assenmacher

The Bottom Line: Get Out There and Sell

In previous articles we covered the importance of budgeting, and tracking expenses to revenues on a daily basis. Now let's talk about other things that impact your bottom line and how to reverse a negative trend.

Let's say that you are doing all the right things with your budgets, you have projected sales and you're only allowing a certain amount to be spent on all charts of accounts. In addition, you are adjusting those budgets daily and weekly to allow for fluctuating sales. But you are still not realizing a profit or the net income isn't between 5 percent and 15 percent each month. What next?

If your labor costs are in line with budget, you can't do much to change that. But you can work on training your staff to be more productive. Training the kitchen staff to be more productive will help, and probably make things run much smoother in the kitchen. But the biggest opportunity is with the front-of-house staff. In a word, it comes down to selling.

Too many times, you are greeted at the door and the host says, "two for lunch?" Then you are escorted to a table with "your server will be with you in a moment." The busser brings you water, and the server shows up and says, "are you ready to order?"

If we're lucky, the customers will ask questions or be hungry and thirsty enough to order appetizers and beverages. But why rely on luck? Why not train the staff to sell?

Selling does not have to be limited to the servers. Why not train the hosts and bussers to inform the guests of the daily specials, beverage option or appetizers that everyone loves?

The title we give our staff is part of the problem. The server should be "sales person;" then they would feel the need to sell more at each table and to every guest. The first opportunity for our sales people is a beverage; water should only be given upon request, so sell a beverage.

Come up with refreshing nonalcoholic options during the day and a specialty cocktail list at night. Be careful though: Selling wine does not always help your bottom line because wine has an average pour cost of 33 percent. In relation to cocktails or non-alcoholic beverages that have closer to a 10-15 percent pour cost. Anyway, how many



Training the staff to focus more on selling can boost your restauant's income.

customers are buying drinks as opposed to drinking the free water?

Now comes the real selling time: It's much harder to sell an appetizer during lunch than at dinnertime. So the focus at lunch should be light desserts and add-ons. "Would you like a small side salad or a cup of our Chef's Special soup with your entree?" As with desserts, not everyone will order, but if you get half of the customers to order, that will add a lot to your monthly sales.

Now the supposed easier time to sell: Dinnertime. The more knowledgeable your staff is with menu items, the more they will sell. It will take a while for even your longtime staff to memorize the entire menu, so ask them all to pick two things a week and sell, sell, sell. Pick a couple of beverages and appetizers and become well-versed in selling them, the following week, pick two others. Eventually they will know the entire menu.

So we have trained our staff to be salespeople, not just servers; is this going to change my profit margin? Maybe, and it might change for a week after the training and then disappear once you stop training. So the key to a successful sales program is follow-through, tracking and incentives.

You would think that the incentive of earning more tips, because the check

averages are higher, is enough incentive, but not always. So I recommend an incentive program that is open to all of the staff. Track the sales per customer per shift, per employee and display it on a board in the staff area. Set a goal for all of the staff to hit and the ones that hit or hopefully pass the goal get a reward. There are many forms of reward, but I can tell you that cash works the best.

Make the goal obtainable and hand out the rewards in an open manner, during a pre-shift meeting or training session. If everyone increases their "per cover average" sales by just \$2 and you are doing 100 covers a day, you will realize an extra \$6,000 per month in sales.

So training, follow-up, tracking and rewarding for a job well done will help create a healthier bottom line and a much more successful business. Plus, your staff will be happy making more money. Now get out there and sell.



Gregg Fraser, executive director of the Hawaii Restaurant Association, can be reached at gregg. fraser@hawaii restaurant.org or 944-9105. For information, visit hawaiirestaurant.org.



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