

Chief Executive Officer, Yotel

HUBERT VIRIOT

The distinctive hotel group's CEO tells Catherine Chetwynd about its rapid growth after a relatively low-key beginning

Yotel's recent growth has been phenomenal. A year and a half ago, the company had only one hotel in the US that catered primarily to domestic New York customers and European guests. Now there are also Yotels in Boston, San Francisco and Washington, and a recently opened tenth US property, in Atlanta.

And expansion is not just restricted to the US. "The announcement in July of our hotel in Melbourne [planned for 2022] was the turning point for the organisation. Our growth is not just wishful thinking, it is a strategy and it is happening," says the group's CEO, Hubert Viriot.

"We are not only a good, efficient operator, we need to demonstrate operational synergies across hotels and reach our customer base. To do that we need to have multiple properties within the market."

The idea is to follow the same strategy elsewhere: Australia, where Yotel Melbourne will be joined by YotelAIR and YotelPAD; the Far East, in Japan, Singapore and Hong Kong; and Dubai. By the end of this year there will be 16 Yotels in operation and by the end of next year, 24, with the company on track to have 60 open by 2023.

"Our strategy so far has been to open up new markets with a flagship, which is what we have done in New York, Singapore and Istanbul. The next phase of development is to grow within these markets."

The group's very first properties opened in

2007 at Gatwick and Heathrow airports. They have since been joined by a property in Edinburgh (this summer), while Glasgow and London Clerkenwell will open later this year and Amsterdam and Porto follow in September and the year-end respectively.

Yotel destinations are not chosen to fill a gap in the budget hotel market, they are based on the group's target consumer and "on certain realistic dynamics", as Viriot puts it. The Yotel customer is urban and well travelled and, being independent, will go out to explore their surroundings, so their requirement is premium accommodation and limited facilities. Properties are also in locations that suit Yotel's investors.

"Two things are unique in our organisation. We are going through tremendous growth in a new market segment, so we are building our own destiny to some extent. We cannot follow and cannot do what others have done, and that takes a lot," Viriot explains.

"The second thing that takes a lot is that we immediately decided to occupy a global

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footprint because our customer is not a specific nationality. We find him or her in Sydney, or San Francisco or London or Paris, so we are meeting the challenges of a new segment and building a business with the complexity of doing it across the world."

Viriot joined Yotel in 2014 and was living in Dubai at the time. "At the time, Yotel was a small enterprise – 12 people and four hotels under management. We could have based this business anywhere, it didn't have to be London, but there were several reasons to be in London and stay in the UK.

"Firstly, logistics. If you are going to grow a business into a global concern, the centre of gravity is London," he explains.

"Secondly, looking for capital, and that worked out well. We raised capital with Starwood three years ago and frankly, had we not been in the UK, it would have been a much harder job to achieve," says Viriot.

"Thirdly, and most importantly, if you are going to grow a global business, you need to attract the best talent and where else but London to do that?"

The availability of foreign operational employees post-Brexit is a concern, although its new Edinburgh property opened with a full complement of staff.

"So far, we haven't suffered much and I am a great believer that it is not an endgame and there is a bright future ahead," says Viriot. "It might take a few more years than it would have, but it will all work out."



HUBERT VIRIOT

Hubert Viriot joined YOTEL in May 2014 to roll out an aggressive growth strategy targeting key city centres and international airports worldwide. Prior to this, he was CEO of Raimon Land PLC, a real estate developer listed on the Stock Exchange of Thailand. During his four-year tenure, Viriot orchestrated its successful turnaround and increased the company's development portfolio from \$200m to \$1.1bn. Previously, he spent four years as VP of Investments & Acquisitions with IFA Hotels & Resorts, YOTEL's parent company, and five years with global consulting firm MVS.

in brief...

What was it like living in Bangkok?

Bangkok is one of the best cities in the world and Thailand is a fantastic country – a great market. Ironically, I was there from 2008 to 2013 when most of the world was going through a global financial crisis. However Thailand was immune because it had been the origin of another crisis in 1997. As a result, all banks and companies across the country were restructured between 1997 and 2008, and had very healthy balance sheets, which is why we were going through tremendous growth – triple digits year on year. It was a great experience. Also, that background has helped me understand how developers think and what is important for them; that has facilitated our growth to date.

What do you do when you are not 'yotelling'?

That doesn't leave much time! I don't know whether it's a good idea but I don't have a very clear border between work and not work. This is the second business I'm growing and I know how much it takes – and so does my family. My job and personal life involve a lot of travel. Most of my spare time is spent with my wife and two kids, letting them get used to a normal lifestyle and trying to build a social life in fantastic London, which I am very much enjoying.