Hotel: Radisson Blu Hotel Addis Ababa Publication: Addis Standard Magazine

INTERVIEW

AHIF Special Edition

Date: September 2014

"Konkurrenzbelebt das Geschäft"

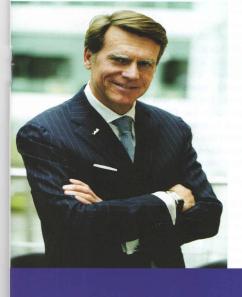
AS - You are the President and CEO of one of the world's largest hotel groups. Why is participating in Africa Hotel investment Forum so important to you when you have so much happening outside the continent?

Wolfgang Neumann - Rezidor is indeed present and busy all across Europe, the Middle East and Africa; and together with our strategic partner Carlson (as Carlson Rezidor Hotel Group) we do business worldwide. But Africa is one of our most important markets: Rezidor strongly focuses on an asset-light, profitable and sustainable growth through noncommitted contracts in emerging markets. Africa offers a great development potential due to its size, natural resources, demographics, constantly improving infrastructure, increasingly stable systems, and last but not least imbalance of supply and demand when it comes to internationally branded hotel rooms. Rezidor has the largest pipeline of hotels and rooms under development on the African continent (30 hotels with 6,300 rooms). Our main focus is on sub-Saharan Africa and "powerhouses" like South Africa and Nigeria. Together with our strong regional owners and partners we want to establish our core brand Radisson Blu as the premier upper upscale brand in Africa, and also want to pursue a scaled growth of our young and dynamic mid-market brand Park Inn by Radisson. We also see development opportunities in Africa for our two new brands, the luxury Quorvus Collection and the lifestyle select offer Radisson Red.

In your opinion, is AHIF helping to promote the sector in the continent? What was the best thing the Rezidor Hotel Group picked from the previous year's event in Kenya, if you will?

AHIF is a great networking event. It brings together all the big global players of our industry and the regional players. I enjoy the exchange of opinions and experiences, and am grateful for the new insights about Africa I get — the continent is a region very close to my heart. AHIF is a platform to promote the exciting developments on the African hotel market and to push them further.

You are (correct me if I am wrong) listed as one of the key speakers at this year's AHIF. As a veteran who spent more than 30 years in the industry, what will be the nucleus of your message in the wake of the changing dynamics of the hotel industry both in Africa and beyond?



Wolfgang M. Neumann is President & CEO of The Rezidor Hotel Group. He was born in Austria, educated at the Institute for Hotel & Tourism Management Klessheim (Austria), and attended Senior Executive Management Courses at Insead Management School (Fontainebleau, France) and Cornell University (Ithaka/N.Y., USA). He spent more than 20 years with Hilton International — building his career from General Manager positions at Hilton hotels in Brussels, London, Paris and Frankfurt to Vice President Western & Northern Europe, Senior Vice President Scandic/Nordic Region, President UK & Ireland, and President, Hilton Europe & Africa. Before joining Rezidor in May 2011 as Chief Operating Officer, he served as Chief Executive Officer for Arabella Hospitality and was a member of the supervisory board of Schoerghuber Holding Group in Munich, Germany.

The African market has become very competitive in the past years since all major global players are now present on the continent and since there are strong regional players, too. All of them have ambitious development plans - Africa is such a promising market; just imagine that the continent will soon have the world's largest workforce (by the year 2050, 25% of the world's workforce will be in Africa). I see several key points for success in Africa: A deep regional knowledge and excellent personal relationships to regional owners and business partners; a focused strategy; a thoughtful project management process to avoid washouts and delays where possible; an efficient regional and international sales system; smooth operations; and last but not least great people. Rezidor takes the responsibility to be an employer of choice very seriously - we want to give back to the communities in which we operate. In almost every hotel that we open more than 90% of all staff members are locals.

What was the best outcome of Rezidor Group's decision to open the Radisson Blu in Addis Abeba? And what are the challenges?

The Radisson Blu Hotel Addis Abeba was our very first property in Ethiopia and has opened this market for us. It brought a new level of international standards to Addis Abeba – and combines them with local touches. We have many repeater guests from all over the world who regularly return to the hotel because they truly enjoy our personal way of service which we summarize in our unique "Yes I Can!" service philosophy. The hotel is also located at a relatively stable destination; we therefore do not experience challenges related to health, safety & security for our guests and employees and are very grateful for it.

I quote a statement from your company: "Rezidor's core brands are Radisson Blu – Europe's largest upper upscale bland – and Park Inn by Radisson, a young mid-market brand." Here in Ethiopia we have a Radisson Blu for nearly two and half years, and we also have a burgeoning middle class. Can Ethiopia brace for Park inn by Radisson?

Africa's population, economic activity and intra-regional connectivity attract hotel operators and investors. Rezidor will focus especially on Ethiopia, Kenya and Tanzania and will further drive the deAfric nomi giona

Africa's population, economic activity and intra-regional connectivity attract hotel operators and investors. Rezidor will focus especially on Ethiopia, Kenya and Tanzania and will further drive the development of both Radisson Blu and Park Inn by Radisson

velopment of both Radisson Blu and Park Inn by Radisson. Addis Abeba is certainly an interesting market for multiple Radisson Blu and Park Inn by Radisson hotels and we will pro-actively drive our development and business in this hub.

Addis Abeba is witnessing a rapid increase in the number if International chain hotels that are lined up for opening within the next two to three years. Do you think that will make it too competitive for Radisson Blu Addis?

There is a saying in Austria where I'm from: "Konkurrenzbelebt das Geschäft" which means "competition makes your business lively". We believe in the Radisson Blu Hotel Addis Abeba and in our strong position on the local market; it will be our goal to maintain and expand our fair market share.

