

HOTEL-A-PORTER

ENGINEERING FF&E
VALUE

EXECUTIVE SUMMARY

THIS RESEARCH PAPER HIGHLIGHTS THE MAIN CHALLENGES IN ENGINEERING FURNITURE, FIXTURES AND EQUIPMENT (FF&E) VALUE AND DREES & SOMMER'S PROPOSED SOLUTIONS TO ACHIEVE THIS. IN THE FIRST INSTANCE THE PAPER WILL ADDRESS THE FOLLOWING POINTS:

1. Introduction: What is interior design?
2. How is Hotel Interior Design different than normal Interior Design?
3. What are the common challenges in hotel interior design?
4. How to align interior design with budgets and procurement strategies.
5. Drees and Sommer's recommendations on how to overcome the common challenges and create efficient hotel interior designs

INTRODUCTION - WHAT IS INTERIOR DESIGN?

Interior design is the combination of science, economics and art, with the aim of bringing to life a three-dimensional spatial experience, blending materials, textures, colours, loose furniture and lighting.

Hospitality designers must elevate spaces with a specific style and mood in mind while also maximizing the functionality of a space for financial gain.

When it comes to hospitality interiors, business comes first! Interior designers in the hospitality field work in tandem with architects, contractors, and manufacturers to ensure all physical structures and architectural elements are aligned with the client's vision and business requirements.

When implementing hotel interior design, there needs to be a balance between visual appeal (furniture, wallpaper, light fixtures etc.) and necessary amenities (safety, economics, general functionality of basic requirements). Visually, this can be done by adding specifically themed colours, textures, and lighting. The design approach differs based on desired effect; guests can be greeted by an exciting, modern lobby with geometric, brightly coloured furniture and large, steel floor lamps or on the contrary stroll through a cosy, home-style lobby with sheer curtains, comfortable furniture and polished, wooden table tops. First impressions are extremely important, and specifically themed hotel interior design can leave a lasting perception of the business. The necessary amenities for the hotel must be functional and easy-to-use to avoid a situation where guests are surrounded by strikingly beautiful interior design while attempting to use a broken elevator.



WHAT IS THE ROLE OF THE INTERIOR DESIGNER:

Interior design is a multi-faceted creative and technical discipline. Primarily the Interior designer is the architect of the interior who spatially plans, researches the ambiance and ensures design coordination with all the stakeholders; mainly structure and mechanical, electrical and plumbing (MEP) as well as develops the look and feel of the hotel. The interior designer is the creator of the concept, and the guardian of its appearance through the modification of inefficiencies.

The interior designer typically focuses on the front of house and some back of house areas. Especially where there is an operational overlap and co-ordination is required by the interior designer: (e.g. food and beverage (F&B) outlets and spa facilities).

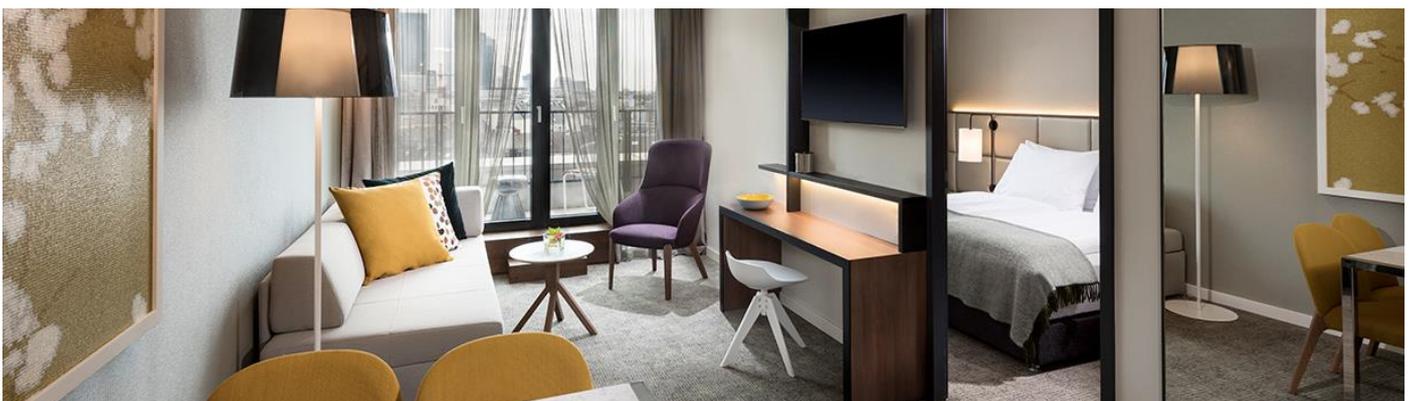
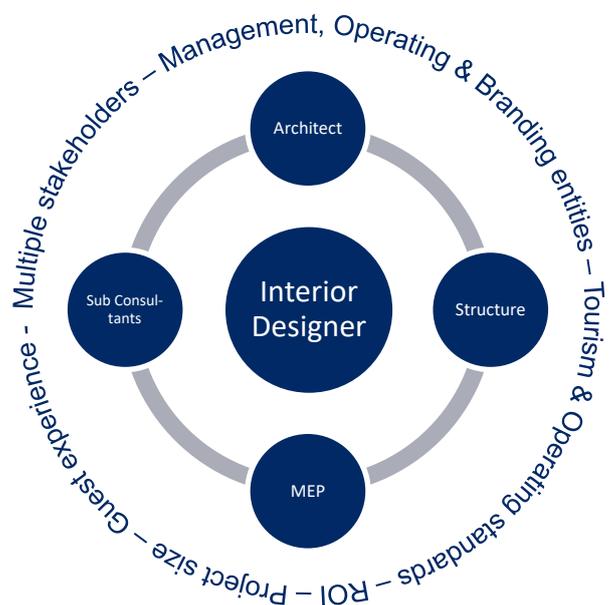
HOW IS HOTEL INTERIOR DESIGN DIFFERENT TO OTHER SECTORS

On a practical level there are multiple elements to consider when developing the Hotel Interior Design.

- Multiple Stakeholders who have an input with decision making and individual preferences of design
- Management, operating and branding entities all have individual unique contracts, standards

and agreements and rights that need to be considered

- Local tourism standards unique to every worldwide location
- Return on Investment (ROI): Budgeting correctly so it protects the project return for the long term
- Size and scale of the project adding additional complexity to the deliverables, documentation and complexity of construction
- Guest experience so it is memorable and guests return multiple times
- Appropriate usability and durability standards of specifications to avoid costly replacement too soon after completion



The concepts of hotel design and demand for hotels are highly correlated. Research by Nobles H (1999) emphasized that 'the design of the hospitality establishment can lend an identity to the business and project the operation's appeal and vision to visitors or potential visitors'. Furthermore, Stipanuk M (2006) highlighted that 'design in hospitality and tourism facilities is regarded as the core aspect that contributes to adding value for both operations by tourists'. A recent study conducted for Sri Lankan hotels highlighted that 67% of travelers admitted that interior design has an impact on their decision, thus reinforcing the fact that there is a close association between the design and the income of or demand for hotels.

INTERIOR DESIGN CHALLENGES & MISTAKES

THE BIGGEST DESIGN CHALLENGE IS TO HELP OWNERS AND THE ASSET TO OBTAIN SUSTAINABLE COMPETITIVE ADVANTAGE AND DIFFERENTIATE THEMSELVES FROM COMPETITION.

Hotel design is a result of socio-cultural changes, technological advancements, economic and political situations, and environmental factors. Those elements create the macro-environment of

a hospitality business and strongly influence the customers' demands, wishes, and desires.

HARD CHALLENGES

All new build hotel and refurbishment projects benefit from having an interior designer on board from the start. Without proper planning and specific project timelines of the below points, it is easy to get the result of a fragmented visual performance.

- Insufficient time to develop original ideas can result in copycat interiors
- Lack of zoning and flow
- Disconnect between the interior design and the FF&E requirement
- Too many items making a space look cluttered and affecting the circulation flow
- Incorrect scaling of elements within the space
- Materials not fit for purpose can create speedy wear and tear or dangerous health and safety issues
- Bad lighting design with poor light levels
- Absence of art and accessories that finally dress the space



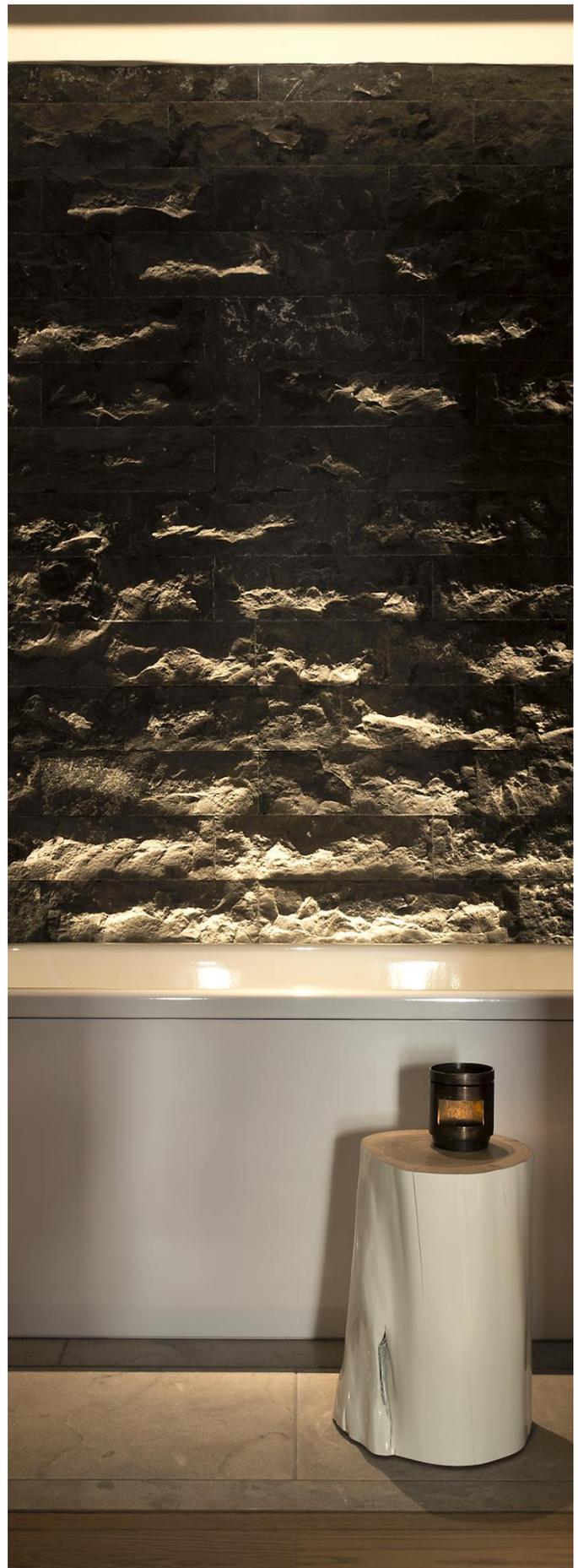
SOFT CHALLENGES

It is always a wise decision to select a designer with a proven track record in the hospitality industry. This doesn't always mean selecting the costliest practice or international design agency because that can also bring its own challenges. Whether it's a three or five-star property they all benefit from the clever use of space, materials and FF&E placement.

FF&E PROCESS

The most critical segment of the pre-design phase is the development of a sound budget through good preliminary cost investigation. A project can be made or lost in those crucial first few days or weeks if careful thought is not put into the budget. Most of the time budgets are developed with little, if any, design documentation. This initial budget estimate may be required prior to any plans or sketches and be based solely on a "concept" or "program," hence the need for a well thought out and written scope of work and project requirements, which should be developed in parallel with the budget and will provide the detail of what is included in the budget.

Based on hotel category, FF&E constitutes approximately 8-9 % of total investment. FF&E is a value driver that should not be underestimated, considering that the interior of a hotel reveals within which category it is positioned. Even more important however, is the guest experience, which is decisive for whether a guest will return again. It is therefore surprising that FF&E is left as a last minute item for the project developer, rather than a strategically planned and sourced item from the beginning of the project.



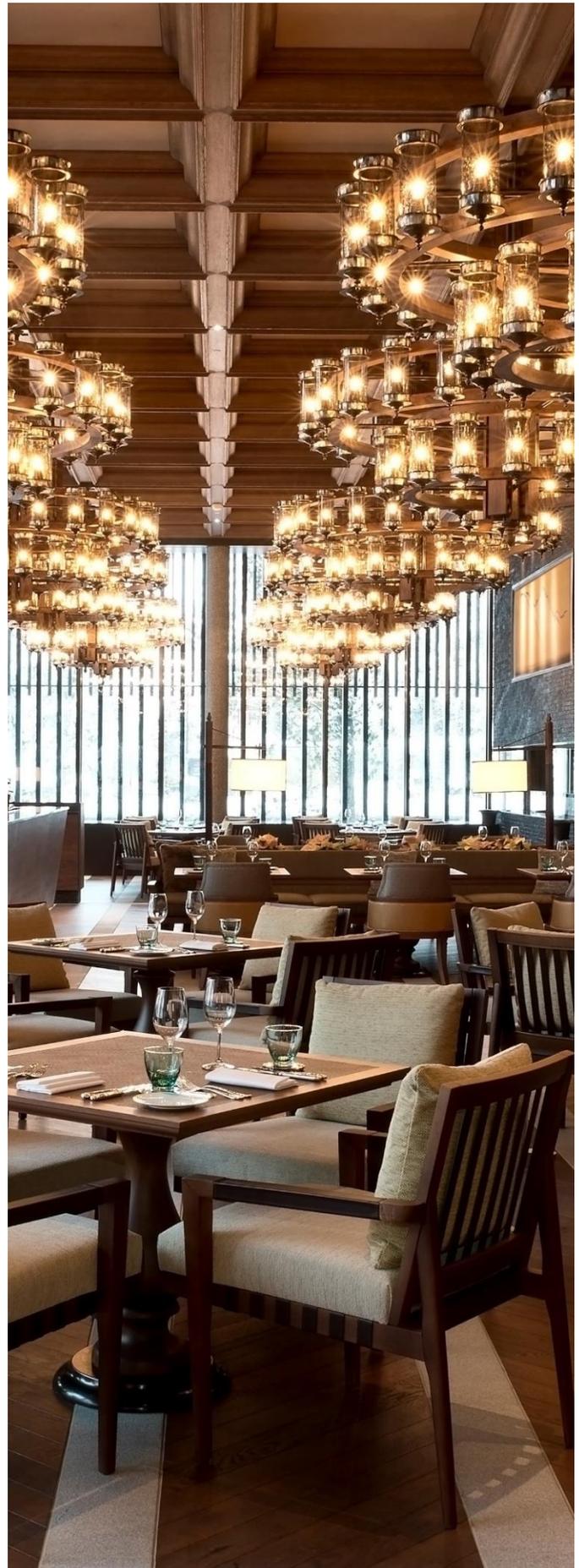
Actual estimates will typically be limited at this stage to broad budget numbers based on areas. Those areas should be included in a written scope or project requirements (program). In any budget breakdown, notes should be added to line items to ensure that others understand what was considered and be able to follow the budget logic.

At the start of any project there should be a preliminary budget allocation for the FF&E provided by the project manager. During each stage of the design process the designer will select materials and FF&E from suppliers they believe will fit within the boundary of the budget. One point to note is if an international design agency is employed they will often select products from their local market. Meaning that the cost of procurement will increase exponentially thanks to additional shipping and the timeline for delivery. It is a significant point to note, at the value engineering stage most specified products that fit into this remit will most likely need to be reselected to reduce costs and speed up the process.

VALUE ENGINEERING

To go through the value engineering exercise without affecting the overall approved look and feel is always a challenge and the design integrity will most likely be affected. As a result, additional design fees need to be factored in to the equation. A local designer can monitor the process and gain approvals from the client and operator.

You could allocate this process to the main contractor of the project however, it is not advisable, as the design runs the risk of being compromised for quality as it is within the contractors benefit to select lesser costly materials to maximise profits. Consider also the geographical location of the project in a developing country.



CONCLUSION

In the pre project phase it is critical that the client and project manager work together to create a realistic brief and budget that is aligned and communicated with all consultants, especially the interior designer.

Managing value during the design phases will result in successful design delivery, avoiding value engineering at a later stage and impacting the time, quality and look of the finished hotel interior design.

By following Drees and Sommer's guidance successful projects can be achieved minus the costly revisiting of the design along the way.

Opportunities for value management at pre design phase:

- 1. SET THE DESIGN BRIEF**
- 2. SET THE BUDGET**
- 3. SELECT THE RIGHT INTERIOR DESIGNER**
- 4. CHOOSE PROCUREMENT STRATEGY**
- 5. SHARE ALL THE ABOVE INFORMATION IN ADVANCE AND REVISIT REGULARLY**

(Source: Drees and Sommer Hospitality)





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