

Novel Ideas in Managing City's Largest Hotel

E. M. Statler Outlines His Plans for New Pennsylvania—Once a Bellboy, He Formulates Maxims on Service, Prices, and Tips

SOME time in 1918 the largest hotel in the world will be opened on the Seventh Avenue block between Thirty-second and Thirty-third Streets, opposite the Pennsylvania Railroad Station. Erected by the railroad and known as the Pennsylvania Hotel, it will have 2,200 bedrooms and 2,200 baths. The building will occupy one-half of an entire block, 200 feet on Seventh Avenue and 400 feet on each street. McKim, Mead & White are the architects, and the entire cost will represent about \$15,000,000.

As statistics go, these may be interesting facts even to the New Yorker, who has been surfeited in the last few years with accounts of a continuous series of hotels, each in turn either larger or more elegant than its predecessor. But of more vital interest is the fact that the hugest hostelry will bring a new man into the managerial ranks of New York hotels. Ever since it was announced a short time ago that E. M. Statler had taken a twenty-one years' lease of the hotel from the date of its completion, the bonifaces of New York have had something to talk about, and their curiosity has found frequent expression in the query:

"What will Statler do to the hotel system of New York?"

Mr. Statler is famed for the novel ideas he has introduced into hotel management. He has tried out these ideas in Buffalo, Cleveland, and Detroit. In the Fall he will open a fourth house in St. Louis, and the Pennsylvania will be his fifth. He attributes his success to his study of human nature, from the time he was a bellboy in West Virginia some forty years ago. Without knowing it, he then adopted literally the poet Pope's dictum: "The proper of study of mankind is man."

That has been his life's hobby and business, and it is expressed in one of his service maxims that "the guest is always right."

"In all minor discussions," he says, "between Statler employes and Statler guests, the employe is dead wrong—from the guest's standpoint and from ours."

That explains something of the Statler method. Whether it will mean anything as radical, as revolutionary in the orthodox management of New York hotels, time will tell. Mr. Statler has very positive ideas about running a hotel, the prices to be charged, the character of his employes, and the principle of giving a man who is paying a minimum rate identically the same service as the one who pays more.

"New customers," he says in another of his characteristic codified rules, "are just as valuable to us as old customers, for each new customer is an old customer in the making."

The ideas that have made his system a success in three cities will be embodied in his New York hotel, but he disclaims any ambition of starting a hotel revolution as the proprietor of the largest hotel in the world. During one of his twenty-four trips to New York to study the human nature of the architects and contractors in the line of progress on his new hotel, he was asked the other day to tell why he was coming to New York and something of his plans as a hotel keeper here.

"Let it be understood, first of all," he replied, "that I am not coming to New York with the object of 'starting something,' in the general meaning of that slang phrase. I am going to try to please every New Yorker and every out-of-town visitor so well that, whether he pays 10 cents for a sandwich or \$10 for the most expensive dish, he will want to come again. The why of my coming is perhaps to satisfy one of my early dreams, but outside of that the real reason is that I know I can do business in the biggest and busiest hotel city of the world."

"I have been studying the business and hotel needs of your city for several years, and I took the Pennsylvania because it was in the heart of the three great hotel centres—centres which I believe are per-

manently fixed in view of their exceptional transit facilities. These centres are Times Square, the Grand Central Terminal, and the Pennsylvania Station zone. Everything else is secondary or contributory to the three areas."

"Are you going to revolutionize hotel prices in New York?"

"Ah, that's it, the price," he answered. "You doubtless mean, 'Am I going to give more for the minimum price than any other first-class hotel?' I will try to, but my first aim will be not so much in dollars and cents as in service. A hotel has just one thing to sell, and that is service. It does not sell rooms or meals; these go with the service, and a good hotel is the one that sells good service. It has always been my object to sell the best service in the world. The Pennsylvania will be first-class from the cel-

are invariably reserved hours in advance, and one of the greatest trials of the desk clerk is in making scores of applicants believe that the cheapest rooms are gone and then making them satisfied in taking one at a higher rate. The first-class hotel cannot afford to keep a large number of minimum-rate rooms. I do not know whether the Pennsylvania Hotel will have any rooms at \$1.50.

"We are in a peculiar condition now. Everything has gone up in price, and may go higher. The rates of our first-class hotels have not been advanced proportionately, and it is absolutely true that in the majority of our best hotels the guests are getting more value for what they pay than was the case a few years ago. In other words, there is a smaller percentage of profit to the hotel."

"While I am afraid to predict any

house can be sold at minimum rates. There will be no double room-rates for one occupancy. I have never allowed that in my houses, though there are many first-class hotels where the guest, when all the single rooms are filled, is required to pay the double rate or go elsewhere. The hotel will be managed as economically as possible from the standpoint of giving the best service in a house which will be the equal of any in the city. How low our minimum rates can go will depend upon the cost of the goods.

"The cry of hundreds of big hotels is that their restaurants lose money. Look here." He took from his pocket a weekly report from his Cleveland hotel. The figures were all on the profit side of the ledger. "That includes feeding all the help, too," added Mr. Statler. "A first-class restaurant with good cooking means management and capable stewardship. Fortunately, I have men who know how to do it."

"In the Pennsylvania I shall have six different eating rooms in addition to those which I am planning for the roof. In the basement will be a large grill room and a separate lunch room. On the ground floor will be the main restaurant, a men's café, and a quick lunch room for men and women. This last will be one of the new features. Only soft drinks will be sold in it, and for luncheons its specialties will be salads and a few simple dishes. The prices will be somewhat lower than in the main restaurant rooms. There will also be a tea room, of course, at the end of the main lobby. On the mezzanine floor will be the grand ball and banquet room, accommodating over 1,200 persons on the main floor.

"The roof problem is being worked out. The four wings offer four enormous roof areas, facing Thirty-second Street and extending back more than half of the entire block. On the Thirty-third Street side will be an extra floor devoted to kitchens and other uses. The kitchens will be large enough to furnish luncheons and evening suppers to more than 2,000 persons on the proposed roof dining rooms. Two of the roof sections may be taken by clubs as uptown luncheon headquarters. There is a distinct need for them in the growing business centre of the Pennsylvania zone."

An inkling of what Mr. Statler's restaurants will be like may be got from the only comment he made on hotel restaurants in general:

"Many of them serve portions much too large, while a few serve them too small, but invariably charge prices too high. We endeavor to strike the medium of the average personal want at the most reasonable price."

"Prohibition is one of the many new problems which are facing the hotel men today," he continued. "No one can tell to how great an extent the prohibition movement may affect New York hotels. My opinion, however, is that it will have little material effect."

In the Statler service code, a copy of which is found in every room of his hotels, the proprietor sums up his philosophy of hotel keeping for both employe and patron. What he says on tips is interesting. He could run a tipless hotel, but he doesn't, because some of the guests would tip, rules or no rules. To those who don't tip, however, he guarantees everything that the tipper gets. In closing, he says to his guests:

"Please do not tip unless you feel like it. But if you do tip, let your tipping be yielding to a genuine desire—not conforming to an outrageous custom."

"Get Rid of the Grouches" was the theme of a recent talk to his managers, in which he said: "You are instructed to employ good-natured people, cheerful and pleasant—those who smile easily and often."

Mr. Statler is an example of his policy of good nature. He smiles easily and often, and his fifty-four years have not seen any fading of the one-time bellboy's rosy view of life.



After Experience in Smaller Cities, E. M. Statler Comes to New York with New Methods in Hotel Management.

lar to the roof overtopping the twentieth story. I am working on the assumption that New York wants a first-class hotel where the ratio between the minimum and maximum rates will be nearer together than is usually the case. That is, instead of having a rate schedule of \$1.50 to \$7, it will be easier to manage a house with a rate of \$2.50 or \$3 to \$5. I have stopped advertising \$1.50 rooms in my three hotels. We have them, but they

definite price rates, I think I can safely say this much: The majority of rooms will be from \$2.50 to \$3.50. I believe I can sell any number of rooms at those prices to the patrons of a first-class New York hotel. The hotel is being built in four large wings, with rooms overlooking wide, airy courts. Every part of the most desirable sections is being cut up into as many small units as possible, so that a portion of the best space in the