

OWNER



INNER WORKINGS

HOW DYNAMIC
WORKING GROUPS
ACHIEVE RESULTS
FOR OWNERS



For nearly 70 years, the IHG Owners Association has represented the interests of owners and operators of IHG® properties. Founded in 1955 as the National Association of Holiday Inns of America, the organization was created to “ensure support, collaboration and cooperation” between Holiday Inn® and its rapidly growing system of franchisees.

In the decades since, the Association has evolved into one of the most well-established, successful and distinctive hotel owners associations in the industry, skillfully advocating on behalf of over 5,000 owners and operators of more than 3,500 IHG properties around the world. The Association's mission remains clear and straightforward: to strengthen the returns on members' investments in IHG hotels.

Fulfilling this core purpose takes the form of advocacy with IHG as well as providing benefits and resources to help members save money, stay competitive, operate more efficiently and grow their businesses. The global scope of IHG's regions and range of brands, together with the diversity of ownership entities, adds a daunting layer of complexity to this goal.

The highly effective Working Group structure was developed and honed over the years to enable the Association to be the “voice of the owner” to IHG, ensuring meaningful representation across the Americas (AMER) and Europe, Middle East, Africa and Australasia (EMEAA) regions. Currently, close to 300 Association members volunteer their time to serve on more than three dozen Working Group committees, councils and task forces, delivering measurable results for owners and satisfying experiences for guests. Over the past two years, their advocacy efforts have created more than \$50 million in owner value and savings (see the sidebar on page 4).

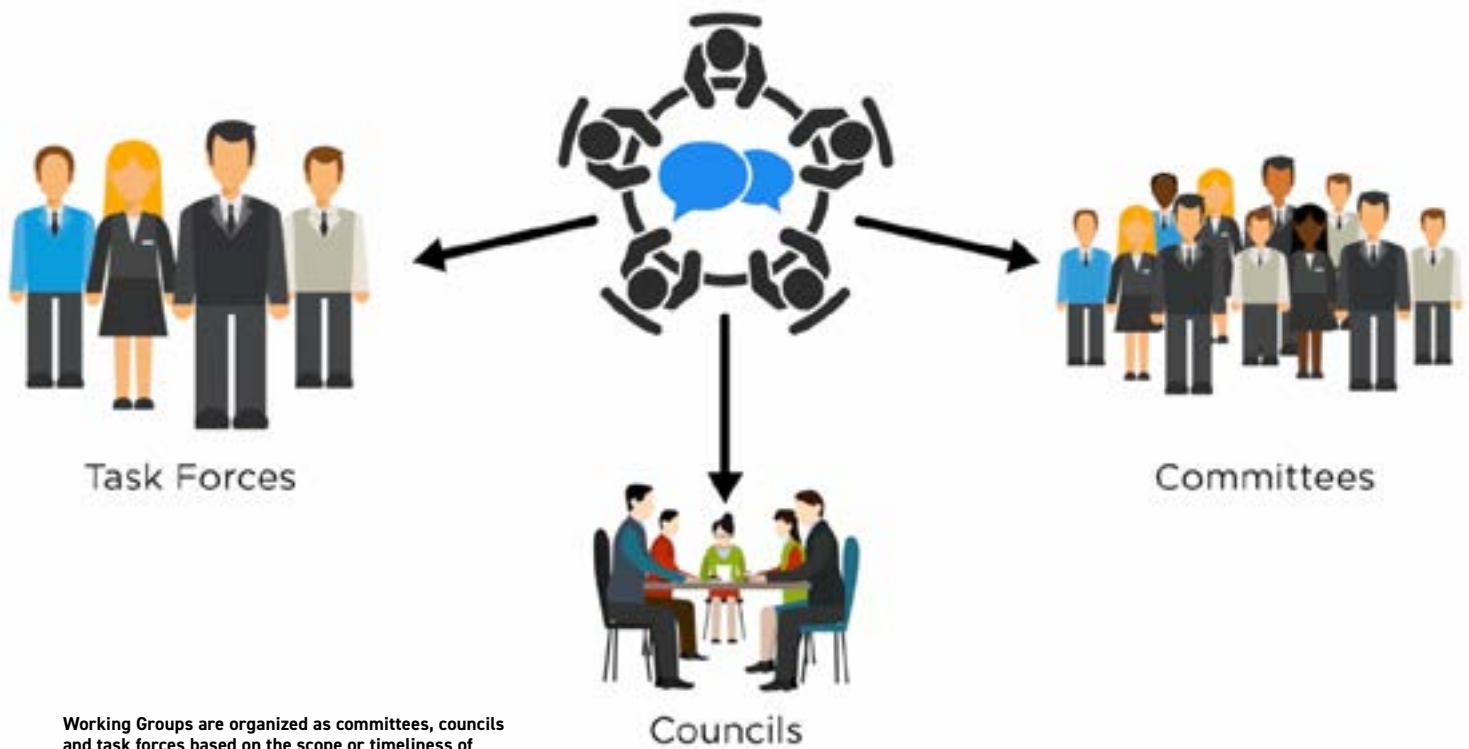
OWNER spoke with the Association's regional team leaders to get an in-depth look at how the Working Group protocols, priorities and teamwork help owners achieve success.

ORGANIZED BY GEOGRAPHY

The Working Group engagement model requires each committee to develop an annual charter that defines its objectives for the year and serves as a guide in achieving them. Several committees are global in scope, including IHG One Rewards, Technology and Sustainability, comprising representatives from both AMER and EMEAA.

In the AMER region, committees represent the five largest brand groups, as well as functions such as Operations, Commercial and People. Separate committees support the subregions of Canada and Mexico, Latin America and the Caribbean (MLAC). Each subregion has a representative on committees for AMER brands and functions and comes together once or twice a year to drive regional discussions with IHG.

In EMEAA, the Association manages committees and owner meetings in three subregions: Europe, Australasia (AUA) and India, Middle East and Africa (IMEA). The work of the functional committees in Europe—Standards, Commercial, People, Technology and Sustainability—is supplemented by a series of twice-yearly Regional Owner Meetings, bringing



together members in Southern Europe, Northern & Rest of Europe, France and the U.K. & Ireland to discuss the impact of issues and initiatives unique to their geographies.

The AUA region also holds Regional Owner Meetings two to three times a year, as well as meetings for functional committees such as People, Commercial and Standards. IMEA launched in 2022 as the newest subregion, holding both in-person and virtual owner meetings two to three times annually.

“Because of our broad geographic scope, EMEAA Working Group priorities and discussions have a strong cross-region focus,” says Carly Hunt, Association EMEAA Regional Director. “The Association team in EMEAA organizes the committee and owner meetings and is responsible for maintaining Allied Member relationships within the region, in addition to managing the Working Groups.”

The Association’s accountabilities for the MLAC subregion within AMER are similar to the structure for EMEAA. “We organize an Owner Summit in both Mexico and LAC. Our four regional and functional Working Group committees meet as part of these events,” explains Carolina Castillo, the Association’s MLAC Regional Manager. “We also manage Association relationships with regional vendors.”

In both the AMER and EMEAA regions, task forces are created to address specific issues and then disbanded once the

project is complete. The Association continues to refine the overall Working Group structure, streamlining or expanding to accommodate the ever-evolving business environment and the changing needs of owners.

INTEGRATION AND COMMUNICATION

Committees in both the AMER and EMEAA regions meet in person and/or virtually multiple times during the year to discuss common topics and concerns. Issues that bridge one or more committees or require an escalated conversation with IHG are brought to a governing body—the Americas Regional Council (ARC) or the Europe Regional Council (ERC)—for discussion with IHG senior leaders in the region. The chairs of the ARC and ERC also serve as Regional Representatives on the Association’s Global Board of Directors. The Middle East, Africa and Australasia subregions are currently represented on the Global Board by the chair of the AUA region.

Chairs of the AMER and Global Working Groups also come together quarterly to discuss cross-functional topics and brand standards at the Chair Leadership Committee meetings. “A priority for our team is ensuring the work of the committees is fully integrated, since so much of it is cross-functional in nature,” notes Melissa McFarland, Senior Director, Operations & Engagement. “Some central topics, such as technology, operations or loyalty, touch multiple committees, and this makes facilitating frequent



Depending on the needs of owners and the scope of each committee's topic, Working Groups can be either global, region- or country-specific.

communication among the committees' leaders invaluable in delivering solid owner feedback that supports achieving charter objectives. If a subject comes up in one committee that poses a material impact on another, the Association's team connects the dots and ensures the right people on those committees are providing the right input at the right time."

ANATOMY OF A COMMITTEE

A typical Working Group consists of volunteers from ownership and management companies, along with IHG executives from the applicable function or brand. They are led by an Association regional director or manager, who is generally responsible for multiple committees.

Members interested in serving on a committee must apply, and owners, principal correspondents, management company representatives and employees of ownership entities are all eligible to participate. Applicants are vetted and placed in the Working Group best suited to their subject matter expertise, experience and interests. Committee members serve one-year terms, generally with a two-year commitment. The Association teams work with IHG and the Regional Councils to select each group's chairs and vice chairs. Once decisions are made, chairs and vice chairs for the upcoming year are seated, and the new leadership is announced in December.

The Working Group manager for each committee works with IHG and committee leaders to create the annual charter, which

outlines objectives as well as timing, approach and accountability. Each charter's objectives are aligned to the Association's business priorities, which drive owner value.

MEETINGS THAT WORK

Working Group directors and managers coordinate and conduct all in-person and virtual committee meetings, serving as liaisons between the committee leadership and IHG stakeholders.

Preparation is essential, McFarland stresses. In advance of each meeting, committee members receive a package of pre-read materials containing background and updates on the various agenda items. Committee members also are surveyed prior to each meeting to get a sense of any other issues that may need to be discussed. The Working Group director or manager holds a pre-meeting with IHG and committee leaders to ensure the agenda aligns with the objectives of the committee. McFarland notes the time invested prior to the meetings pays off in more charter-focused, productive discussions that help advance progress toward each committee's objectives and deliver invaluable feedback to IHG.

The level of preparation applies to information from IHG as well. For initiation of new or changed standards, for example, IHG representatives are expected to provide a complete business case, including commercial justification, financial implications for owners, results of any pilot tests and compliance dates.

Protocol for the meetings themselves is also structured. Owners

SUCCESS THAT IMPACTS THE BOTTOM LINE

Owner volunteers meet regularly both in-person and virtually to provide advice and counsel to IHG throughout the year.



generally meet briefly in a “members only” session prior to the meeting to prepare for the full session with IHG. Chairs focus on promoting constructive discussion and encouraging each person on the committee to participate actively to ensure the committee’s work represents the full estate.

The first meeting of the year generally focuses on a review of the charter and assignment of work. Later in the cycle, committees complete a midyear scorecard to review progress to date. The final meeting includes a review of what was accomplished and identifies initiatives to be brought forward as part of charter planning for the upcoming year. “It’s critical to make sure we are working on the right things. The key to an effective meeting, and to the overall success of each committee, is to facilitate clear, consistent communication, to keep coming back to the charter and to continue building relationships with IHG leads,” McFarland explains.

THE POWER OF ADVICE AND COUNSEL

The advocacy at the center of the Working Group process is built on interactions that are transparent, grounded in facts and respectful. IHG relies on Working Groups for owner perspectives and feedback on the operational and financial impact of their planned initiatives. Association support is essential to the success of many major programs and helps IHG shorten time to market. The committees, in turn, ensure the voice of the owner is heard within the highest levels of IHG.

Here is a look at some of the major recent achievements of Working Groups that have driven value for owners:

- » Contributed advice and counsel for 766 brand standards in AMER and 866 brand standards in EMEAA. Achieved standards cost reductions across many of the IHG® brands.
- » In the U.S., worked with IHG on the performance of Loyalty Recognition and Enrollment standards. IHG to cover the costs of up to 10 Diamond Elite Priority Parking signs per hotel for 2023.
- » Provided cross-committee feedback from the People, Operations and Loyalty Committees for introduction of IHG Climb. This new gaming-based platform will help drive loyalty performance among hotel employees.
- » Advocated for a FedEx shipping discount program in the U.S. from IHG, helping hotels save on the increasing costs of transportation.
- » Through the Association’s advice and counsel to IHG, garnered a change in U.S./Canada Employee Safety Devices, saving typical hotels approximately \$10,000 over five years.
- » At the Europe Regional Council’s request, IHG developed a support document to assist hotels in achieving Green Key accreditation. IHG is collaborating with Green Key International to provide third-party validation of comprehensive IHG hotel sustainability efforts.
- » Advocated for the creation of an IHG Connect “entry level,” with competitive pricing structures and trial options across the EMEAA region.
- » Provided advice and counsel on the Performance Essentials program, mitigating more than \$160,000 USD in fines for owners.
- » Brought together hundreds of regional Association members to discuss industry topics, gain insights and hear directly from Association and IHG leadership. These occasions comprised 12 Regional Owner Meetings in EMEAA reaching 225 owners and representing more than 700 hotels; six Owner Summits throughout the AMER region reaching more than 250 owners; and an additional 32 in-person AMER Committee meetings.

SCAN THE QR CODE TO WATCH A VIDEO OUTLINING THE ASSOCIATION'S ACCOMPLISHMENTS IN 2022-2023.





Association owner volunteers and IHG leadership work hand-in-hand to ensure all standards, initiatives and programs benefit both the owner community and IHG's goals.

“We have a strong, collaborative relationship with IHG,” says Hunt. “Discussion is reciprocal and positive. We strive to provide well-structured feedback and a balanced view that represents owners in a constructive manner.”

An example of this dynamic in action was the Europe Distribution, Digital & Commercial Committee’s successful advocacy for the modification of IHG’s proposed rooms model and selling functionality within the new GRS system. The resulting changes accommodated the region’s current Executive and Club Room designations, ensuring continued inclusion of the upsell options and preventing loss of revenue for the hotels.

An EMEAA Holiday Inn Express® Task Force participated actively with IHG to test three breakfast options in the U.K. and across the continent, helping ensure the concept that was ultimately selected was both appealing to guests and cost-effective for owners.

In Mexico, the Regional Committee’s feedback to IHG led to more extensive translations of courses in the new IHG® University into local languages, as well as reinstatement of an in-country IHG procurement position to negotiate better prices with local vendors. “The committee’s advice and counsel reinforced the importance of understanding the unique market needs of the region, in order to provide more effective support,” Castillo says.

Sometimes there are areas for which the committees must engage more deeply with IHG to help demonstrate the impact

of a particular program or policy. In these instances, the Association stakeholders work with IHG to determine potential alternative solutions or coordinate with the committee to present findings that will further the discussion.

For example, given the external pressures on owner margins, procurement support is a key area of opportunity. To address this, a Procurement Task Force was created in 2023, comprised of an owner from each brand and regional committee as well as from the Operations Committee. The Task Force gathered data for a cross-brand market basket analysis of several key expense items and presented findings to IHG in order to help reduce owners’ operating costs.

“The topics requiring more in-depth discussions with our IHG counterparts are usually those important and pressing items that can greatly impact an owner’s returns,” says McFarland. “That’s how Working Groups drive value for owners while helping IHG develop successful programs for hotels.”

The unique relationship between IHG and the Association allows IHG to leverage input from the Working Groups to garner owner perspective on potential initiatives under consideration, which are generally confidential. For these items, all Working Group participants are held to strict confidentiality agreements, and the Association is limited in what can be shared publicly until the pending initiative is announced. As a result, the work of relevant committees on behalf of owners regarding these topics is not reflected in the Working Group recaps the Association



Comprised of owner volunteers, IHG leaders and Association managers, Working Groups help foster industry growth while empowering leaders to offer their diverse perspectives.

provides to members throughout each year summarizing key topics discussed and accomplishments.

BUILDING A PIPELINE OF FUTURE LEADERS

Sustaining and enhancing the momentum and effectiveness of the Working Group function is a priority for the Association. A major milestone in that regard was the relaunch in 2023 of the Emerging Leaders Network (ELN) in both AMER and EMEAA.

These Working Groups are designed to provide rising leaders within the Association with professional development experiences and exposure that allows them to bring their unique perspective and networking abilities to bear in helping create the Association’s future. The ELN designates one of its members to serve as a representative on each Working Group committee in each region. Paused during the pandemic, the ELN in both regions held reorganizational meetings earlier this year and are planning educational events and programs for 2024.

In AMER, the Association also launched a Women’s Network in 2023. The mission of this group is “to uplift, inform and empower women hoteliers within the IHG Owners Association,” developing female leaders to enrich the work of the committees and step into leadership positions within the Association. The network will meet virtually throughout the upcoming year to foster relationships, build leadership and discuss industry issues and opportunities.

CHOOSING TO GET INVOLVED

The regional team leaders concur that becoming involved with the Association by serving on a committee is the best way for owners to represent the interests of their businesses and brands. Participating also creates an unmatched opportunity to develop lasting connections with fellow owners and influential IHG leaders. “The Association is one of a kind—it’s the only hotel organization in the world that provides the level of advocacy and involvement that our Working Groups do,” says Hunt. “They make a difference, and that’s clearly perceived as a benefit of being an IHG franchisee. IHG sees that value as well.”

“Engagement with the Association also gives owners the opportunity to connect with other regions,” adds Castillo. “For example, Mexico and LAC have communicated with the Working Group in Canada to find out how they have addressed certain things with IHG, helping them better understand the differences in needs and opportunities among the regions.”

McFarland notes that joining the ELN or Women’s Network are great ways to “dip your toe” into involvement with the Association. “We are always looking for members with new ideas who are interested in leadership. The Association flourishes best when Working Groups include a diversity of types of ownership portfolios as well as member experience and opinions. Working Group volunteers get great satisfaction from taking part in conversations that shape the future of the Association and our industry.”

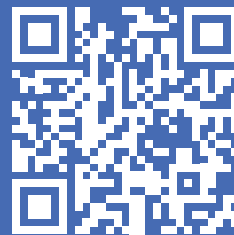
Scan the QR codes below to view informative videos on Working Groups and their protocols and processes.



WHAT ARE WORKING GROUPS



HOW WORKING GROUPS WORK



IHG OWNERS ASSOCIATION

Three Ravinia Drive | Suite 100 | Atlanta, GA 30346
770.604.5555 | owners.org

