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My Place opens flagship hotel as brand gains traction



More than 500 persons gathered May 1 for a ribbon-cutting ceremony to mark the grand opening of the My Place flagship in Aberdeen, SD.

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ABERDEEN, SD— At this time last year, parties interested in My Place hotels could use their fingers to count the number of properties open. This year, they'll have to take off their socks.

The nascent brand has gone from five to 17 hotels in the time period and, if the executives behind the economy extended-stay product have their way, the Midwest-based chain will hit 100 hotels around this time next year. The hotel group's cofounders-chairman and hospitality entrepreneur Ron Rivett, a pioneer of Super 8, and his grandson, Ryan Rivett, the company's president and COO—are bullish on the franchise brand and its strong momentum. Indeed, May 1 marked an early milestone for the brand—the opening of the company's flagship property here.

"It fits perfectly into our business plan. It's essential we have an operation in Aberdeen," said the chairman.

The 46-room property is unique in that, in addition to operating as a full-fledged hotel, it also will house My Place University, a training center for franchisees and their employees to hone their operational skills. The first-floor training space has an entry separate from the guest entrance to the hotel lobby. While the university is proprietary to the flagship, other My Place hotels could use the space for a commercial component accessible to pedestrian traffic.

"In the past 45 days, we've utilized [the training space] several times for tours with franchisees, and to host meetings with potential franchisees and others interested in the brand," said Ryan Rivett, noting the hotel model is serving multiple purposes. "We're not only renting rooms in the hotel and operating a revenue-generating asset; we're

also able to test new product we develop for the brand standards. We're able to train franchisees and management people, giving them on-the-job training in an operating hotel, as well as in the classroom with product and process. We're also able to bring in franchisees, have them stay and understand how the product feels from the consumer's perspective. They can spend as much time as they want during their visit in the hotel. Then, in a few minutes, they can be at our office, meeting with the corporate staff and understanding that side of it," he said.

The property is owned under an LLC held by Ron Rivett and other family members, and is managed by My



Ron Rivett
My Place Hotels of America, LLC

Place affiliate Legacy Management, LLC.

The flagship's first-floor hotel space also includes the brand-centric My Lounge, which features a business center with space for individual work or meetings, and free coffee; My Store, a 24-hour convenience outlet and a 24-hour guest laundry facility. Guestrooms occupy the second and third floors of the property.

The Aberdeen My Place already has seen business on the books, ramping up with direct-bill business and repeat customers "very nicely," said the COO.

While the flagship debut has been a key focus for the executives, they will open three more My Place hotels by the end of this month, with close to three dozen more expected to open by the end of the year. Thus far, each of the properties is owned via partnerships, with the Rivetts investing into the hotels, either together or individually.

"We've broken through the skepticism," said Ron Rivett, noting acceptance of the brand by developers and owners accelerated much quicker than when he, together with the late Dennis Brown, conceived and developed Super 8 Motels, opening the first one here in 1974.

Although the brand will not reach the chairman's slated goal last year of 100 hotels by the end of 2015, Rivett told Hotel Business, "I can sit here today and say that we have a very, very, very good chance of reaching that level by mid-2016, which would be tremendous. We have a lot of people calling and saying,

'Here we are. It looks like you guys are real.'"

"We're being extremely aggressive in franchise sales, and in promoting the brand in general, to bring in new franchisees and grow the brand that way," said Ryan Rivett. "We'll continue the volume we've been seeing with hotels that are related-party hotels or for our own account, but our primary focus is really on franchise sales and bringing new people into the system."

According to Terry Kline, EVP of franchise development, My Place "has a broad spectrum of new franchisees. We have multiple [property] owners who are coming on with us; we have first-time franchisees; we have people from the construction industry who have built hotels but have never owned; and we have entrepreneurial-minded attorneys. Every one of these new franchisees that have signed on with us has signed on with the intent of doing more properties."

Given the number of new hotel brands that have emerged alongside My Place, Kline was asked why developers/owners have shown such interest. "They certainly have a lot of choices, and that's probably the reason they do look as closely as they have been at the My Place brand. It fits that space in the industry that's been somewhat neglected... I think operators are finding the benefit of the operational platform that an extended-stay hotel provides," he said.



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**-Ryan Rivett
My Place Hotels of America, LLC**

Ryan Rivett indicated an additional benefit is the company's approach. "The people we're talking to are able to identify with us very well because we're speaking as [similar] industry components as opposed to simply a franchise salesman. We're talking operator to operator or builder to builder," he said.

With one exception in Pennsylvania, My Place has been expanding west of the Mississippi. However, that is likely to change within the next 12 months due to more demand in the East. "We have properties under development that will go under construction in the next few months in Atlanta, Pennsylvania, West Virginia and Maryland," said the COO.

The brand also has been listening to its guests, with some tweaks to enhance service elements. After a period of beta testing, My Place earlier this year introduced a "Breakfast in Bed" program. Guests may select from a variety of food and beverage options via a simple-format electronic or printed ordering form online or from the front desk at check-in and have it delivered to their rooms a la room service. "It's a service we felt could expand our value to the customer. It's going well," said Ryan Rivett.

One caveat for those looking to add My Place to their portfolio: They will have to go the new-construction route, as Ron Rivett said the brand will "absolutely not" entertain any conversion plays now, if ever. "I don't foresee that happening for a long period. In fact, I can't see it happening. It's a pretty big negative in the industry as I see it. It certainly was in Super 8 after we sold it [to Hospitality Franchise Systems, Inc., now Wyndham Worldwide]. There absolutely will not be conversions."

Kline said he's had inquiries from owners with properties that are one or two years old who are looking to convert to the brand, but said it becomes a quick discussion. That's the decision we've made going into it, and there's great value in that. Franchisees are very pleased to know what they're committing to here is going to be consistent. The quality's going to be there from one location to the next, and so there's a level of real satisfaction on their parts when they know that truly is our commitment," he said. **HB**



Terry Kline
My Place Hotels of America, LLC