

PASSION FOR HOSPITALITY

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NO COMPROMISE

LEGEND **HORST SCHULZE'S**
LIFETIME MISSION: "IS IT GOOD
FOR ALL CONCERNED?"

DO GOOD,

DO WELL

THE TEST PHASE
IS OVER;
SOUL COMMUNITY
PLANET'S FOUNDER
KEN CRUSE
IS READY TO ROLL.

Contributed by **MEGAN ROWE**

In a sea of niches and subniches, Ken Cruse eyed an opening and grabbed it. Cruse, founding partner of Soul Community Planet, noticed that despite the proliferation of brands, one aimed at the growing ranks of conscious consumers was conspicuously absent.





**Ken Cruse is
the founding partner of
Soul Community Planet**

Sure, a handful of luxury brands had a lock on affluent travelers concerned about the planet, but in the accessibly priced space, options were few and far between. Thus, Soul Community Planet (SCP) was born.

The mission of the San Juan Capistrano, California-based brand is to provide holistic hospitality experiences for individuals who want to make positive choices for themselves, society and the planet. The name is a mix of the three defining attributes: Soul, or personal wellness; Community, or social good; and Planet, or sustainability.

The initial SCP opened in Colorado Springs, Colorado, in 2018 and two additional properties have since debuted. Cruse says they have been the brand's "test kitchens," providing a chance to refine the look, feel and procedures before expanding further.

SCP is arguably the antithesis of cookie cutter. The development model relies on existing boutique hotels and vintage motels; in the conversion process they assume what Cruse describes as an eco-industrial vibe. The core design elements are shared, including eco-friendly sustainable materials, energy-efficient systems, solar power, coworking spaces, plant-forward foods and workout/yoga facilities or in-room fitness options like Peloton. "But from a design standpoint, they have a great deal of flexibility, mostly driven by what the market is looking for and what the asset is made for," he explains.

"If a bohemian barista/yoga instructor developed a product, it would look like Soul Community Planet," Cruse says. One of the core elements are "peaceful rooms" where 10% to 20% of the inventory is designed without clocks, radios or TVs and furnished with meditation pillows, yoga mats, salt lamps and other zen-like touches. Cruse chooses a peaceful room when he stays at one of the hotels. "Psychologically, I think I'm doing something good for myself."

SCP doesn't force feed the hippie vibe to guests. Cruse himself might subscribe to certain wellness practices — he eschews meat and alcohol, exercises daily and surfs for fun — but the idea behind the hotels is to make a variety of healthy choices available to anyone. "People can stay in whatever

journey they're on when they are staying in our hotels," Cruse says.

They can also pay what they think is the right price. SCP offers Fair Trade Pricing, with guests deciding the rate at checkout based on their experience. There are guidelines — a market-based price is suggested when guests book, which sets an expectation. And very few guests — less than 1% — have actually taken advantage of the flexibility, Cruse says. When they do pay less, it gives the hotels an opportunity to ask how they can improve.

GEARING UP FOR GROWTH

As the brand expands into new locations, Cruse says secondary and tertiary locations with some technology or emerging business presence will be likely targets. The rapidly swelling ranks of digital nomads generated by COVID-19 will also determine sites. What are those travelers seeking? Cruse says coworking facilities, a focus on fitness and a vibe tied to the local community all hit the right notes; great natural resources, a good comfort index and vibrant local arts might seal the deal for someone to spend weeks or months rather than days at an SCP property.

A strategic investment announced at the end of 2020 will provide up to US\$210 million to finance SCP's growth. That investment will fuel up to US\$500 million in acquisitions in the near term, and the goal is to add 25 more properties over the next 12 to 18 months. In conjunction with the investment, SCP formed SCP Hospitality, an integrated brand, management company and owner.

Cruse says brands have grown inefficient and often create a conflict of interest for owners. "We like the idea of owning all three pieces of the puzzle," he says. "It gives us more efficiency and we can make wide changes easily." In the current economy, he argues, adaptability is essential.

Despite the negative pressure COVID-19 has placed on hotels, pandemic-generated creative

destruction is likely to create an opening for SCP with existing owners. "Everyone is reexamining their strategies, which gives us an opportunity to get in front of people," he says. "We can provide helpful capital, reposition their brands and create a positive outcome for owners who are facing challenging situations with lenders and staff, and [who are] without a clear answer to how they're going to survive," Cruse says.

Direct real estate acquisition, partnership or management are all on the table, but franchising is not. "We're not in a position to franchise only because culture is such an important part of our business," Cruse notes. He is also wary of expanding too quickly and losing sight of the culture — a misstep other disruptive concepts have made. For SCP, "being maniacally focused on culture is a huge piece," he says. Reinforcing that philosophy, 45 minutes of the company's Monday morning meetings focus on a single page in SCP's "culture book," which defines the brand.

"We will continue to be maniacal about our culture," he adds. "It might mean slower growth, but in the end it's the tortoise and the hare."

Cruse, formerly chief executive officer at Sunstone Hotel Investors and a veteran of Host Marriott, says SCP has forced him to think about the business differently. "For the first part of our careers, we were deal guys: How do you get money out of that guy's pocket into mine?" he observes. Now, profit is not the be all. "The brand exists to make the world around us a better place," Cruse says. "We are creating a virtuous cycle in support of the business."

That's not to say profits don't matter — they do. Cruse says Soul Community Planet is the culmination of his career in hospitality and because of that, he feels great pressure to ensure it succeeds. "We've already achieved more than we could have foreseen," he says, "and we will continue to grow in the right way, not forgetting our culture."



“ WE WILL CONTINUE TO BE MANIACAL ABOUT OUR CULTURE. ”

KEN CRUSE