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## CHM: 'A 20-Year Old Start-Up'

BY MICHAEL BILLIG

BEVERLY, MA— Perhaps the only way to describe recently established Capital Hotel Management (CHM), here, is to call it “a 20-year-old, start-up company.”

After all, such a label clearly denotes the lengthy asset-management experience of founding principals Ken Wilson and Chad Crandell.

With extensive backgrounds in hospitality consulting, hotel operations and development and asset-management, Wilson and Crandell have used their past experience to create the highly specialized firm.



**Chad Crandell**  
Capital Hotel Management

In fact, with the recent inking of an agreement covering the Ritz-Carlton Kapalua on Maui, CHM officially passed the billion-dollar mark in terms of lodging properties in its portfolio. Since its inception last September, the firm has pulled together a collection of a dozen major hotels, representing more than 6,700 rooms across the U.S.

Building on their vision of delivering both “short-and long-term maximization of the underlying real estate value” of the lodging properties they handle, the executives are not busy reinventing the wheel when it comes to “balancing the effective utilization of capital against the ultimate consumption of capital.” The long-time industry professionals noted they are not doing anything new or unique.

“We merely fine-tune what has always been needed to be done to effectively asset-manage a prime property,” the partners said. So, in the process of looking at a prospective hotel’s financial situation, its market-position situation and its physical-property situation, their suggested plan of action may even sometimes be at odds with the position held by the facility’s owner(s).

But in the long run, Wilson and Crandell contended that the best course to follow is one which meets and services the needs of the hotel’s guests, the shareholders, the brand and management and, of course, the owner. As such, the CHM founders have a full bag of advice, contacts and ideas from which to draw.

“For instance,” CHM President Crandell said, “one of the more valuable services we could routinely provide is to advise the owner on whether the time is right to hold or sell a property, or perhaps to buy another instead. The bottom line is we have to do everything we can to help the owner avoid making a mistake that could be particularly damaging, especially given the nature of the current economic cycle.”

The fledgling company’s executives can also offer one of the industry’s most current sought-after commodities: access to capital and/or investors.

Accordingly, the firm is presently in the process of expanding its 10-person/five-office infrastructure to a sixth location, to enable CHM to expand its geographical range.



**Ken Wilson**  
Capital Hotel Management

In addition to CHM’s headquarters here, it has established a presence in Chicago, Detroit, Miami and New York, and has its sights set on Los Angeles for 2001. The executives maintained the company has earmarked geographical diversity, rather than any undue growth in numbers of properties and on-staff personnel, as the firm’s preferred mode of expansion.

Along these lines, CHM CEO Wilson indicated the operation would like to keep its client list to something under 20 properties, to ensure each client hotel is able to draw from CHM’s hands-on style of asset-management. Wilson also expects some additions to the list, as well as some defections, with the mix being upper-echelon-oriented.