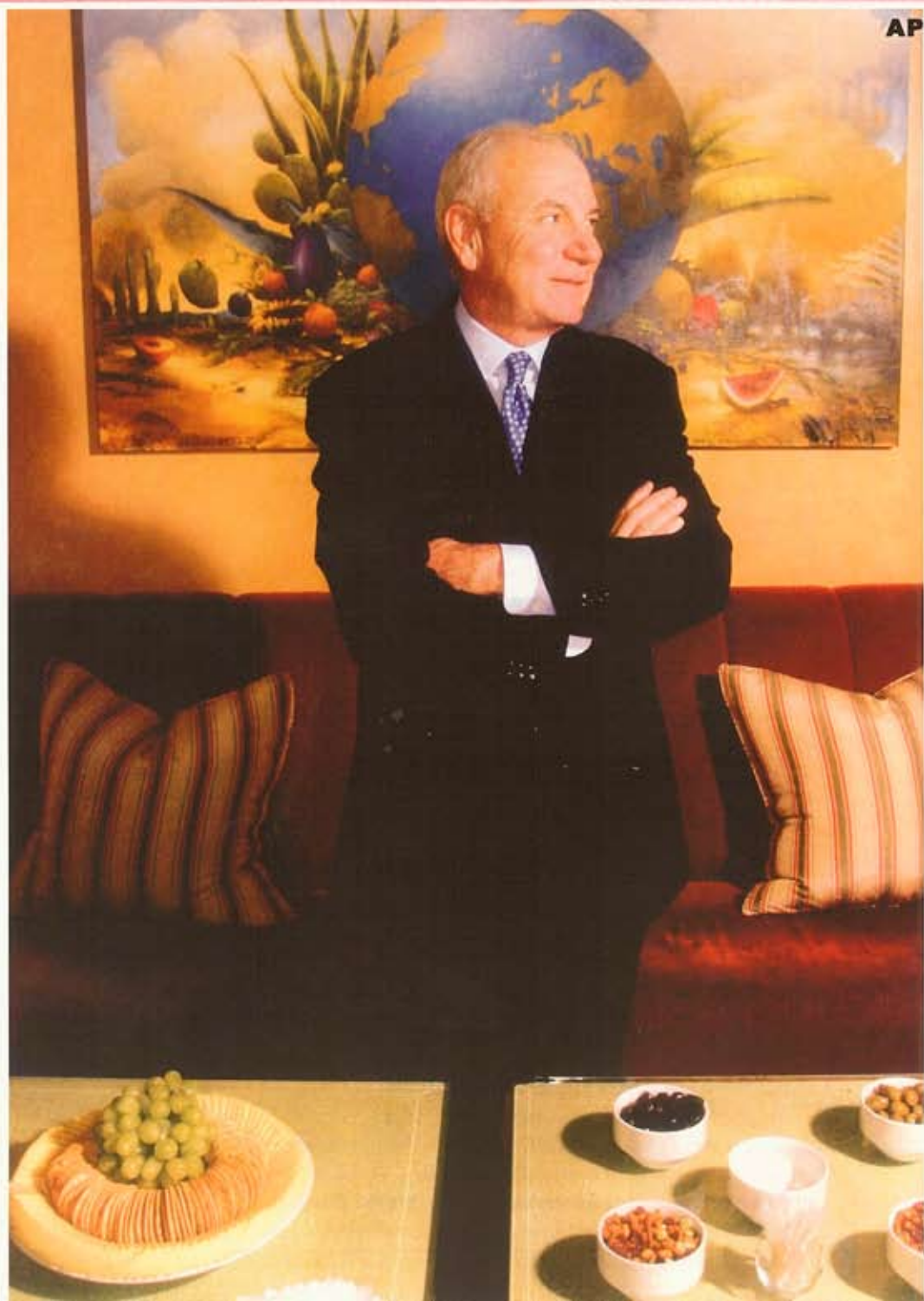


26 ENTREPRENEURS Inc. WE LOVE

APRIL 2005



For staying at fleabag hotels so that we don't have to

TOM LATOUR

Company:
Kimpton Hotels
and Restaurants

Location:
San Francisco

Industry: Hotels

TOM LATOUR'S MOTTO might as well be *In vino veritas*.

Once a year, the chairman and CEO of Kimpton Hotels and Restaurants, which owns 38 properties in 16 cities, personally conducts one of the daily wine tastings in each of his hotels. While he plies guests with Chardonnay, he asks them where else they travel regularly. "It's a great way

to find out where we might want to open up a new property," he says.

Kimpton is opening a lot of new properties these days. "It is an exceptional company," says Thomas Callahan, co-CEO of PKF Consulting, a lodging industry research firm. "They are extremely creative and have now gone from a regional boutique hotel chain to a national presence. Tom deserves all the credit for that."

LaTour's reconnaissance goes beyond pouring wine for weary business travelers. The 61-year-old hotelier often leaves behind Kimpton's creature comforts (where rooms feature luxuries like Missoni bed throws and 42-inch flat screen TVs) to stay at fleabag joints. It's all in an effort to identify properties for acquisition. That's because Kimpton doesn't build hotels from the ground up but instead renovates old hotels that have fallen on hard times or reimagines historically significant buildings, such as the circa 1795 Tariff Building in Washington, D.C., which Kimpton transformed into the Hotel Monaco.

To make sure an acquisition won't prove to be a money pit, LaTour spends the night to experience firsthand the plumbing, heating, and electrical systems. Sometimes the due diligence can be daunting. In what is now the Chicago Monaco, for example, LaTour spent the night battling pests. "You couldn't take your shoes off," he recalls.

Before each new hotel opens to the public, LaTour returns to spend a week in the rooms, troubleshooting details down to how well the stopper in the bathroom sink works. "My pet peeve," he admits, adding: "The culture of an enterprise is a reflection of the people at the top."

Though his values are clearly reflected throughout the Kimpton empire, LaTour did not start the company. It was founded in 1981 by Bill Kimpton, a San Francisco investment banker. LaTour, a veteran of big travel companies, joined two years later, to add operational expertise. When Kimpton died in 2001, LaTour assumed the titles of chairman and CEO.

It was a trying time. Travel industry receipts plummeted in the wake of the dot-com bust and 9/11. Revenue at Kimpton's hotels in San Francisco, which accounted for a third of the chain's overall business, tumbled by 30%, leaving the company painfully exposed. LaTour sold four properties and has since made geographic diversification a priority, expanding from Miami to San Diego, with more to come. "There are 30-odd cities on *USA Today's* weather map for a reason," says LaTour. "Those are where the business travelers are. I want a Kimpton hotel in each one."

As the business grows, some admirers worry that Kimpton will lose sight of the details. But LaTour vows to hold the line on quality. One gets the sense that he has stayed in too many rooms where the sink stoppers didn't work well to let the matter drop entirely. —Amy Gunderson