

San Francisco Business Times by Renée Frojo, Reporter

Date: Friday, November 30, 2012, 3:00am PST

Commune is all inn

JDV-Thompson combo on 'a pretty good tear'



Photo: Spencer Brown

CEO joins Commune: John Pritzker tapped Niki Leondakis to build brand.

Commune Hotels & Resorts is quickly building a hospitality empire.

With a new CEO hired out of Kimpton, a rebranding plan and several new hotels under its belt, the parent company of recently merged San Francisco-based Joie de Vivre Hotels and Thompson Hotels of New York is going full speed ahead to grow its footprint globally.

“We’re on a pretty good tear,” said Commune co-chairman John Pritzker, whose goal is to hit \$1 billion in revenue within the next five years and expand the brand in the U.S and overseas into Asia, Europe and South America. “We have a full pipeline and now we have the operational leadership, so we’re cooking.”

Pritzker, an heir to the Hyatt Hotel fortune and founder of private equity firm Geolo capital, had his sights set on purchasing and growing the Joie de Vivre brand beyond California for quite some time. He purchased a majority stake in the company from founder Chip Conley in 2010 and then merged with Thompson, owned by the Pomeranc family, to form San Francisco-based Commune in October of last year.

Now Pritzker has hired Kimpton Hotel & Restaurant Group veteran Niki Leondakis to take the helm as CEO. She’ll be taking over from interim executive Stephen Brandman, the former CEO of Thompson. Her job will be to help tighten operations and better integrate the two individual hotel brands to create a more cohesive company culture.

As for how the company will reach its revenue goal: “Open many more hotels,” said Pritzker. It’s already well on its way.

In the past year since the merger, the hotel group has added seven properties for a total portfolio of 46 hotels. It also has 10 management and acquisition deals in the pipeline. Commune now employs approximately 6,000 people — including 40 in its San Francisco headquarters — and is approaching \$450 million in annual revenue, up from \$380 million in 2011.

Hotels slated to open next year include a second location in Waikiki, Honolulu, Thompson Chicago and the Epiphany in Palo Alto. Hotels added this year include Thompson Belgraves in London, the Saguaro in Palm Springs and Hotel Lincoln in Chicago.

“We will ultimately be in all the places our loyal customers travel to,” said Leondakis, who has been on the job for about a week.

The challenge now, she added, is merging the two distinct hotel brands under one communal umbrella and creating a customer loyalty program that makes sense.

While both brands are collections of boutique hotels that heavily cater to the cities they’re in, Thompson is known for upscale luxury and is more suited to primary markets and expansion overseas. One has opened in Toronto and another is slated to open in Cabo San Lucas in a couple of years.

Joie de Vivre — which will be rebranded as JDV Hotels, since the name is difficult to both pronounce and spell — is more casual, a brand designed to fit for primary, secondary and even tertiary markets, according to Pritzker.

He said the Hotel Lincoln in Chicago is a good prototype of what JDV properties will look like going forward, in that it’s tailored to its neighborhood in Lincoln Park. Showing its sense of humor, the rooftop bar is named J. Parker after President Abraham Lincoln’s bodyguard, who was rumored to be out for a drink when the president was assassinated.

“The hotels will be taking what’s authentic about their location and making it local,” Pritzker said. However, most changes will happen behind the scenes on an administrative level, said Leondakis. “We’re working to find common denominators across both brands,” she said. “They will both continue to have their own culture, but we will need to come up with a defined employment experience.”

The new CEO will lead this new management and employee effort, a job she has been recognized for excelling at in her previous positions, including as COO at Kimpton, which has been recognized as among the Bay Area’s Best Places to Work for multiple years.

As to why Leondakis left Kimpton — where she spent 19 years in various positions — the answer is simple: bigger opportunity. “The potential that Commune represents globally as a multi-brand platform was tremendous to me,” she said. “I have spent my entire career in this business, and the kind of international growth Commune is aiming for will keep me excited for years.”

<http://www.bizjournals.com/sanfrancisco/print-edition/2012/11/30/commune-is-all-inn.html>