

Corporate Spotlight

Scott Enterprises: A Promise to Care

Written by Amanda Gaines
Monday, 01 December 2008

With a combined 73 years of experience in the hospitality industry, the Scott family of Erie, Pa. knows what you're looking for in a hospitality partner. Under the guidance of Nicholas Scott, president; Chris Scott and Nick Scott, Jr., vice presidents; and Alison Scott, marketing strategist, these four owners and family members, along with Kim Scott, wife of Nicholas and mother to Chris, Nick, and Alison, go above and beyond to meet the needs of their employees, members of their community, and customers.

Since its founding in the 1940s, the company has stood by its mission to exceed guests expectations by providing memorable experiences that reflect the care, pride, and expertise of its management and associates. This commitment is best reflected in the company's We Promise to Care campaign.

According to Chris Scott, the campaign was developed a few years ago to formalize the active role the company takes in helping its stakeholders. "Our company's initiative is to care about our associates, our customers, and the community," he said. "One of the tentacles of the We Promise to Care campaign is the Scott Care Committee, which helps employees who are struggling or have misfortune."

Most recently, the daughter of a Scott Enterprises employee had been in an accident and was in a coma. Because the employee had to drive to Cleveland each day, which is more than two hours one way, the committee helped her pay for hotel rooms and clothes and gathered donations, including gas cards, to help pay for her trips.

During Hurricane Katrina, the Scott Committee donated hotel rooms and services for 11 families for three months after the storm and then offered anyone staying at the hotels employment. For that effort, the company won the Red Cross Corporate Heroes Award in the city of Erie.

"We want to continue the We Promise To Care campaign because we think it's important to listen to our community, our associates, and our customers," Scott said. "We want to engrain this into our culture and our new associates."

Detail-oriented approach

Greek immigrant Christ Scott, Nicholas' father, founded Scott Enterprises. At the age of 13, Christ was sent to America to find a better life for his family.

Today, family values and a strong work ethic are evident in the success of this third-generation family business.

Scott Enterprises has invested nearly \$200 million of family money and currently owns and operates 25 companies across Pennsylvania and New York. Eight of its businesses are hotels, including franchises such as Marriott brands Residence Inn and Courtyard, Holiday Inn Express, Comfort Inn, EconoLodge, Days Inn, Hilton Garden Inn, and Staybridge Suites. The company is currently developing a Staybridge Hotel in Buffalo, NY and next May will begin construction on a new Residence Inn by Marriott hotel.

Splash Lagoon Indoor Water Park Resort is the Scott's flagship business and brings in more than 250,000 visitors a year who stay at the company's hotels and eat at its restaurants. Waterpark Resorts Today also recognized it in 2007 and 2008 as one of the Top 10 Indoor Water Park Resorts in North America. Scott Enterprises is currently considering a \$100 million indoor water park and hotel resort, also to be named Splash Lagoon, outside of Chicago.

In addition, Scott Enterprises owns and operates 11 restaurants, including brands such as Boston's Gourmet Pizza; Applebee's; Quaker Steak & Lube, of which it's developing another down the street from its new Staybridge Hotel in Buffalo; Steak 'n' Shake; Damon's Grill; and Safari Grille.

"We do a lot of due diligence to make sure we form a relationship and partnership with the franchisors," said Scott. "We also spend a little extra money in quality of property to give our customers a better value."

For example, when Scott Enterprises opened up its Hilton Garden Inn, it went above and beyond what the franchisor expected as far as fixtures, lighting, and equipment. The company also designed the lobby, meeting facilities, and restaurant with higher-end quality materials to ensure it would be able to give customers the best value for their dollar.

"We feel it's important to pay attention to details such as the cleanliness of hotel rooms, curb appeal at restaurants, and making sure the food goes out hot and properly portioned," Scott said. "We excel at paying attention to details, and it's an important part of our success."

The company's reputation for paying attention to details has pushed it into yet another area of the hospitality industry: construction and property management. Through word of mouth, Scott Enterprises entered into its first management contract for a property it doesn't own.

"At a conference, someone mentioned that the Scott family was on top of their game for running properties," Scott said. "It was a coincidence that someone was discussing how well we do. It was brought to us. We didn't actually market for our first management contract."

Scott Enterprises has also developed a construction company in an effort to cut back on costs, both for itself and for its customers. Because the company has built the majority of its assets from the ground up, over the years it has developed strong relationships with major subcontractors to eventually become a general contractor over many of its developments.

"Generally speaking, if you go through general contractors who manage the job and the subs, they usually charge between 10% and 15% on top of the subcontractor fees," said Scott. "We've realized savings of between 7% and 15% inhouse by managing the subcontractors ourselves."

Scott Enterprises has been asked by a group in Olean, NY to build a Holiday Inn Express. Scott Enterprises will help the company write the contracts, oversee the construction, and make sure the layout and design is correct for the hotel industry and efficient in its design.

Once construction is complete, Scott Enterprises will help the company through the opening phase, coming into the hotel to staff it; ordering furniture, fixtures, and equipment; setting up the HR functions; and setting up its accounting department. "After the property is open, we will hire a general manager, get daily reports sent to us, and visit to make sure the property is maximizing its rate," Scott said. "We run our properties as though we own them even when we don't have any equity in them. It's just another way we've successfully built our reputation of quality."



Chris Scott explains how his family's hospitality company goes above and beyond for its employees, communities, and customers.

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Nicholas Scott, President; Chris Scott and Nick Scott, Jr., VPs