

# Paramount Hospitality Management

*Company founder takes family business to higher levels ...*



Architectural rendering of Paramount Hospitality Management's Hilton Garden Inn by Marriott which is under development in downtown Knoxville – an 11-story, 120 all-suites property scheduled to open during the first quarter of 2013.



## Corporate headquarters

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## Executive leadership



Nick Lakha

**Nikunj 'Nick' Lakha** – president and chief executive officer. He is a second-generation hotelier who grew up in the hospitality industry. He learned about hotel operations at the property owned by his family as he performed daily duties in various departments from housekeeping to maintenance to the front desk.

This front line 'hands on' experience gave Lakha a strong foundation for the hotel business. He earned a degree in business administration at Auburn Uni-

versity and then broadened his skills while working at firms such as PKF Consulting, Horwath Landauer, and Atlantic Hospitality Advisors.

Today, Lakha heads a team of talented and proven professionals who all embrace Lakha's attitudes of service excellence and outstanding financial performance – and who also contribute to their industry and their communities by serving in numerous professional and civic organizations.

'We take pride both in our work and in our reputation,' said Lakha. 'Yes, we want to make a profit, but we also want to make a difference.'

Lakha lives in the Atlanta suburb of Sandy Springs with his wife, Priti, and their two children, Ishaan, 7, and Megha, 4.

## Company history

Paramount Hospitality Management was founded in 2001 to transition the family business from a single hotel to a portfolio of premium properties. This objective of profitable growth is being strategically pursued by carefully and selectively acquiring or developing properties, then operating those properties.

Currently, Paramount operates six hotels valued at more than \$50 million:

- Hampton Inn & Suites, Atlanta GA (downtown, adjacent to Georgia Tech and world headquarters of the Coca-Cola Co.)
- Hampton Inn & Suites, Atlanta GA (suburban Peachtree Corners/Norcross area)
- Hampton Inn & Suites, Newnan GA
- Hampton Inn & Suites, Carrollton, GA
- Homewood Suites, Atlanta GA
- Hilton Garden Inn, Knoxville TN (adjacent to University of Tennessee)

In addition, the company has two major development projects under way – a Residence Inn by Marriott, scheduled to open in downtown Knoxville during the first quarter of 2015 and a Towne Place Suites by Marriott in suburban Atlanta expected to open in the fall 2014.

## Please share your business model

We are currently concentrating on new construction, but we will also consider strategic acquisition opportunities when we can create real value by rebranding and repositioning a property.

At the corporate level, this means a focus on developing limited-service or select-service hotels which feature a premium brand and are located in markets with moderate to high barriers to entry.

All our properties are either Hilton or Marriott brands, and all feature innovative, high-quality design, amenities, and furnishings. We want our hotels to be in the top tier of properties in each market where we operate, so that they are the first choice of travelers to those cities.

#### **What is your business philosophy?**

I am never satisfied with the status quo because I believe things can always be done better – for our guests, our team members, and our financial partners. So that mindset guides my management decisions and our property operations every day.

#### **What does Paramount do to set itself apart from its competitors?**

My staff and I are committed to designing and developing exceptional properties, they are also passionately dedicated to operating those hotels in a way that achieves complete guest satisfaction.

We empower team members to do whatever it takes.

For example, we encourage our property managers and staff to meet, to greet, and to connect with our guests – whether it's walking through the breakfast area or asking a few welcoming questions during check-in or recommending a nearby restaurant. It's these little things that enhance the guest experience and that ensure repeat visits.

#### **What kind of market studies do you perform before beginning a new project?**

Before proceeding with any new development or acquisition,

Paramount conducts detailed feasibility studies. Lakha relies on his experience of having conducted market studies for more than 200 domestic and international hotel projects during his tenure as a consultant.

'It's important to gain as much insight and information as possible, but at some point you have to make a decision and that always involves a certain amount of risk – even if it's educated risk.

#### **Care to share any secrets to your success?**

The secret to success in business is the bottom line – namely, to get somewhere, you have to put your bottom on the line.

#### **What are your company's growth projections for 2012 - 2017?**

'We have bold and aggressive plans – for example, we expect to add \$45 million of hotel projects during the next two to three years. However, it's unrealistic to be specific beyond that, especially in the current uncertain economic environment.

#### **With what business values does Paramount operate?**

We live in a time when mediocrity is widely accepted. When being OK is good enough for many, but for us at Paramount, that's not OK. We believe in a higher standard for our guests, for our properties, for our team members, and for our investors.

Those higher standards are embodied in a set of core values:

- Acting with transparency and integrity
- Empowering team members

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- Satisfying and delighting guests
- Providing unrivaled quality and consistency
- Supporting team member excellence
- Generating wealth through profits and growth
- Cultivating an upbeat atmosphere
- Fostering our communities

We are building our portfolio, but as importantly, we are building our company for the future, and these values provide

the groundwork for our growth.

#### **Knowing what you do now, would you have made any business decisions differently?**

Hindsight is always 20/20, but I don't believe in second-guessing yourself. I try to look back only to learn lessons. My style is to respect the past and to plan for the future, but to live in the present.

#### **Share one big lesson you have learned since launching your company.**

In sports, you need to have a short memory. For example, a football quarterback has to

shake off a pass interception and go back into the game with confidence and poise.

By contrast, business people need to remember the bad times, especially during the good times. Developers are optimistic by nature, so we tend to forget that the hotel industry is cyclical and that many things are out of our control.

Our challenge in coming months, as the economy shows signs of recovery, is to remain realistic and prudent. We want to pursue opportunities, but we need to be very sure that they are the right opportunities. ■