



CASE STUDY

# Holloway Lodging Corporation

HOLLOWAY LODGING CORPORATION SLASHES UTILITY CONSUMPTION AND COSTS WITH GREEN KEY GLOBAL “INFLUENCER” SUPPLIER, LIGHTENCO



## CASE STUDY

# Background

### Holloway Lodging Corporation

[www.hlcorp.ca](http://www.hlcorp.ca)

One of Canada's largest lodging investment companies with a handful of internationally-recognized "pocket-friendly" brands located in small town and suburban markets in Canada, including northern communities.

Holloway Lodging Corporation is a publicly-traded real estate and hotel management corporation with 26 limited-service and six full-service hotels. Situated primarily in tertiary and suburban markets, including several smaller towns and northern communities across Canada, Holloway's properties are sprinkled throughout Alberta, British Columbia, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon Territory and the Northwest Territories. With "pocket-friendly" brands in its portfolio such as Super 8, Travelodge, Quality Inn and Best Western, among others, the majority of Holloway's 3,764 rooms offer budget leisure and business travellers basic, no frills accommodation, but with a few extras.





## CASE STUDY

# The Challenges

- Tangibly demonstrate profitability and commitment to sustainability to shareholders, clients and prospects
- Drastically curb energy and water consumption for the biggest “utility hogs” while demonstrating a good return-on-investment on retrofits
- Find trusted suppliers willing to service remote hotels and find incentive programs
- Remove redundancy of measurement and reporting across several brands and hotels

With aspirations to be one of North America’s top-performing publicly-traded lodging companies and to grow dividends for shareholders, Holloway’s Chief Operating Officer, Felix Seiler and the entire Holloway Team kept a laser-sharp focus on ways to continually reduce operational costs and stay competitive. At the same time, shareholders and corporate and government clients were looking to Holloway, not only to implement – but to prove – sustainable practices in hotel operations to earn their business. “We have to show that we are part of a recognized certification program,” said Seiler.

But Holloway’s portfolio, which included a range of building styles and ages – including big concrete hotels built in the 1970s and 1980s – was costing the company between 7-10% of revenues in a regular month for water, electricity and natural gas. “The bigger and older the hotel,” said Seiler, “the bigger the utility hog.”

Seiler noted that as utility costs continued to rise for Holloway, “we had to decide to continue with the status quo and keep eating the costs, or to start thinking about reducing consumption and expenses.” But some suppliers weren’t interested in visiting Holloway’s hotels in northern towns to assess and service their needs because of the distance. And it was hard to keep up with time sensitive provincial utility incentive and rebate programs that could help Holloway make retrofits and upgrades more affordable; too many opportunities were passing them by.



## CASE STUDY

# The Solution

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The Hotel Association of Canada's **Green Key Global Eco-Rating** certification program and **Green Vendor List**

Seiler can't remember a time when Holloway wasn't a member of Green Key Global (GKG). "Through membership in the Hotel Association of Canada (HAC), we have always been aware of Green Key Global. They have always been around for us," he said. As such, Holloway's hotels had always done the basics to be "green", like in-room recycling, for example.

It was about five years ago, however, that Holloway really honed in on the connection between larger-scale investments and profitability, rekindling interest in sustainability and GKG. "We realized that sustainability is important to reduce expenses by reducing consumption; it's responsible business and the right thing to do," said Seiler.

One of the big pluses of GKG membership for Holloway has been the long-term consistency of the Eco-Rating Program. Unlike some others that continually reinvent themselves or get bought out and replaced, GKG has not required constant adjustments by hotels to new processes or procedures.

Several brands in Holloway's portfolio already belonged to GKG, too, so measurement and reporting are better streamlined across the company. "We don't want to be doing seven different programs," Seiler said. Many Holloway hotel general managers are familiar with the GKG program and an annual meeting allows them to compare notes on updates or innovations, Seiler noted. "The managers are obviously very happy with the GKG process. It's straightforward and not that hard. It's just part of our annual process, and that is our biggest thing. And once it's done, it's done."



## CASE STUDY

# The Results

“ You can get another Green Key by getting a lighting retrofit - and make a huge reduction in your carbon footprint.



### Felix Seiler

Chief Operating Officer  
Holloway Lodging Corporation

### Lightened up utility bills with reliable suppliers

Using GKG's hotel-specific checklists and suggestions, Anderson developed When it comes to the range of options you can implement to be more sustainable, "there are a lot of woo-woo things, but there is no woo-woo solution that is really going to solve everything for you," said Seiler. But converting conventional lighting to LEDs at several Holloway hotels, he said, was a "no-brainer".

Holloway paired up with Lightenco, an "Influencer" on GKG's Green Supplier list of companies that specialize in green products and services for the hospitality industry, to undertake retrofits in several hotels in Ontario and Alberta. "The return on investment (ROI) is so good because the payback is so fast," said Seiler. "It's better than keeping your money in the bank." Steve Hubbard, Director of Sales and Business Development at Lightenco, added that swapping out less efficient lighting is also a good investment in sustainability, "You can get another Green Key by getting a lighting retrofit - and make a huge reduction in your carbon footprint."

Holloway was impressed that Lightenco answered the call to make an initial no-charge assessment at one of their more remote properties located in High Level, Alberta, when other suppliers declined to go the distance. Not surprisingly, Lightenco won the job - and then some.

The turnkey lighting supplier completed retrofits in six of Holloway's Ontario hotels in 2016-17 and nine Alberta properties in 2018. Lightenco installed approximately 15,000 LED lamps for savings to Holloway of more than 1,400,000 kilowatt hours (kWh) and 763 tonnes (t) of carbon annually, besides future savings on maintenance. In addition, they sought and secured pre-approved incentives from provincial utilities for Holloway and took care of recycling the old bulbs. And the ROI? Simple payback on the initial purchase cost through energy savings within 1.5 years for the Ontario retrofits and 1.8 years for retrofits in Alberta.

### Improved hotel appeal, guest and employee well-being

Positive employee reactions were an unexpected side effect of the lighting retrofits. "We definitely hear it from staff that the LED conversion was not just a good thing to do and that it saves energy," said Seiler, "but the whole hotel looks different." Guests also appreciate the brighter corridors. "From a security



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stand-point, all of a sudden it's twice as bright as it used to be," said Seiler, "and we have to clean differently. You can have an older hotel with older fixtures, and all of a sudden when you change the lighting, the hotel looks very different."

Hubbard agreed, "Lighting is an opportunity to upgrade aesthetics without having to do major renovations. Changing lighting gives a refresh without having to spend a ton of money."

"The psychological impacts of lighting are interesting," Hubbard continued, citing a study of a long-term care facility in Coburg, Ontario that had undergone a similar retrofit. "The home saw an increase of occupancy because of brighter and better lighting," he said, "The people were happier and more energetic. Lighting can have the same impact in a hotel, leading to increased productivity, safety and comfort in work and guest spaces;" side benefits that Holloway hopes to reap from their own retrofits.

### More cuts to consumption for big savings

Beyond lighting, Holloway has prescribed strict diets for utility hogs. Holloway analysts and accounting tracks and pinpoints spikes in energy and water use to identify and solve problems by changing operations and replacing outdated equipment as needed.

In some hotels, Holloway has invested in the installation of automation systems for Heating, Ventilation and Air Conditioning (HVAC) systems with motors. ROIs for these projects can be seen in two to three years. "And the moment the system is in," Seiler said, "the motor can run at 50% of speed, which saves energy and wear and tear on the equipment because it's not running 100% of the time."

Introducing water conservation measures are a standard part of renovations in Holloway hotels now, such as installation of low flush toilets and low flow showerheads. "They make a huge difference," Seiler noted, "We use 50% of the water we used to." And water-cooled walk-in coolers are a thing of the past, he said, "Now we don't have a single unit in the entire company; we save thousands of gallons and dollars."



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# The Results

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### Higher performance on RFP processes

Holloway’s investments in energy conservation underscored by third party GKG Eco-Ratings for their hotels are keeping them competitive in Request-for-Proposal (RFP) processes. Increasingly, RFP processes for contracts to lock-in long-term guest room rates for big government and corporate clients, for example, are not only evaluating facilities and services, but sustainable practices. “It’s probably a slew of 100 questions you have to answer,” said Seiler, “Big companies – almost 90% of them – have a sustainability component to their RFPs. For government and companies – if you can’t show what you are doing to be sustainable, they won’t give you their business.”

But Holloway intends to keep their business – and attract new business, too – by staying at the cutting edge of cutting energy and water consumption, working with green suppliers like Lightenco and proving their progress through GKG. “We’re going beyond where we are now,” said Seiler, “We’re on the same page as Green Key Global; we recognize the sky’s the limit.”



#### Green Vendor Spotlight

### Lightenco

Founded in 2011 on passion for the environment and providing for future generations, Lightenco’s mission is to motivate commercial, industrial and residential clients to save energy through retrofits to more efficient lighting technology. From lighting design, through leveraging incentive and rebate programs that can cover up to 50% of retrofit projects, handling installation of new bulbs, proper recycling of the old bulbs, and raising client visibility by sharing their success stories, Lightenco provides soup-to-nuts solutions that can cut energy costs for clients by 65%, besides future savings on maintenance. Based in Montréal, Québec and Ottawa, Ontario, Lightenco is an active contributor to the local green scene, collaborating with The Ottawa Centre EcoDistrict, Envirocentre, Green Economy Canada, SMARTNet Alliance and the Ottawa Board of Trade’s Environment and Sustainability Committee. Lightenco and its co-founders Ray del Cojo, Eduardo Vargas and Steve Hubbard are winners of several environmental and entrepreneurial awards, including “Forty Under 40” and in 2018, Ottawa’s Fastest Growing Companies.

