

Accor's capabilities

Global France-based hotel chain Accor has over 4,200 hotels and 145,000 employees in 90 countries. With 14 hotel brands the group covers a wide range of sectors. Although Accor's current strengths lie in economy and no-frills brands such as Ibis, hotelF1 and Motel6 its roots were in mid-market chains like Novotel and Mercure. Accor has also demonstrated that it can create and manage upscale brands such as Pullman and MGallery, as well as succeed with luxury established brands including Sofitel.

The company embarked on its international growth path in 1973 when it opened a hotel in Warsaw, Poland, its first hotel outside France. In 1974 it launched a new two-star hotel brand, the Ibis, in Bordeaux. In addition to organic growth Accor has a history of acquiring other hotel businesses. It bought the rival three-star operator Mercure in 1975 and the four-star deluxe hotel chain Sofitel in 1980. More recently Accor spearheaded its expansion in Australia and New Zealand with the acquisition of the hotel management firm Mirvac in 2011. Accor has continued to develop new hotel brands and launched Pullman and a new chain of economy hotels, All Seasons, in 2007.

The group has always sold under-performing hotels, thereby releasing capital to support its expansion. However, most of the capital for its recent expansion in Asia Pacific was raised by an 'asset light' approach, which involved the sale and leaseback of the group's owned hotel properties in Europe and North America.

Accor has discovered the many advantages in partnerships both inside and outside of the industry. In 2009 it consolidated its position as a provider of pre-pay services through a joint venture with MasterCard in Europe. The move to a combination of asset-light and franchise models in Europe and part of Asia-Pacific has given the firm more alliances with property owners and franchisees.

Many of Accor's biggest successes are the result of taking a non-traditional approach. It has always innovated, both in terms of the hotel brands it has developed and the processes that underpin its operations. For example, in the 1960s and 1970s it was one of the first companies to build airport hotels and to standardise the front of house and other functions, such as dining and restaurant services. Technological advances, including electronic reservation and other computerised systems, have also had a profound effect on its business model. More recently the group has invested in fitness rooms, takeaway services for guests and environmental policies to maintain its competitive position in the marketplace.