

Hospitality's New Frontier: Cuba

By Phelps R. Hope, CMP



Phelps R. Hope, CMP, is senior vice president of meetings and expositions for Kellen, an association management company with offices and representation in the United States, Europe, China, the Middle East, India and Southeast Asia. He can be reached at phope@kellencompany.com or 678-303-2962.

Havana has long been the forbidden fruit for American vacationers and business elites alike – an off-limits cultural time warp of antique cars and cigars -- situated in a beautiful climate almost within reach. To the meetings industry, it's been mostly a moot point. But with the surprise thaw in diplomatic relations in December 2014, meetings insiders are scoping out the potential for bringing events to Cuba.

It's no sure thing – and certainly not in the short term – but it's worth a look at the infrastructure and other potential hurdles separating our industry from a potential new hot spot. Here's a look at a few of the immediate challenges.

Getting There

The airports are there. And they aren't bad. In fact, by international standards, the Jose Marti International Airport in Havana is considered fairly modern and comfortable. The unknown is whether Havana's three airports (as well as scattered airports throughout the island) have the capacity to take on a potential influx of new travelers.

Safety upgrades alone pose a challenge for Cuban airports. Many of the country's runways and taxiways are in need of restoration. That means new signage, better lighting, pavement repairs and other improvements to come into compliance with international standards. Even the terminals themselves require some repairs if they are to take on an increase in foot traffic.

You're There. Now What?

Once you've landed in Cuba, is it easy to get around? Is there an obvious path to your final destination, whether it is a designated convention center or a business/tourism district? By many accounts, Cuba's highway system has fallen into deep disrepair since the country's 1959 revolution. The Havana Government's Business Construction Group has indicated that more than three-quarters of Havana's roads alone are in poor condition and require "complex" repairs.

For the meetings industry, this is a major snag. For meeting-goers, it's more than an eye sore. In this industry, travel time is money, and you can't host a successful event if attendees are stuck on the side of the road changing a tire.

And then there are cabs and other ground transportation needs to consider; if the culture hasn't adapted to be commuter friendly, then it will have to do so now in order to accommodate new travelers. While there are local Destination Management Companies (DMCs) who can assist with the planning and delivery of a group's ground transportation needs, do not expect the equipment to be new or even on par with traditionally expected standards in the Caribbean.

In recent years, the Cuban government has attempted to upgrade its roads – with such developments as a planned eight-lane divided super highway connecting Havana to Santa Clara. Whether it sets the island nation's standard for future highway infrastructure remains to be seen.

Cuba's Existing Hospitality Industry

Cuba wouldn't exactly be starting from scratch when it comes to on-the-ground hospitality. But it has a long way to go if it wants to compete with the likes of Jamaica, Puerto Rico, or Mexico.

By and large, Cuba's hospitality industry is a patchwork of small local operators and chains run by European companies, primarily Spanish. For example, the most notable hotel chain names for business meetings and conferences are Spain's Melia Hotels International, Iberostar Hotels & Resorts, and Occidental Hotels and Resorts. And the smaller venues face daunting challenges, such as aging (and downright dangerous) infrastructures and incredibly restrictive bureaucracies limiting possibilities for expansion.

New hotels could have a hard time breaking into the existing Havana market. And while eager to take advantage of miles of undeveloped beach front, hotel executives aren't exactly chomping at the bit to dig in. By some estimates, the presence of a Five Star resort or USA brand name hotel in Havana is probably a decade or more away.

That said, there is an existing go-to in the meantime. The Havana International Convention Center was built in 1979. While not quite the envy of the international meetings industry, it's in a nice location with potential for upgrades – especially in light of the new opportunities resulting from eased travel restrictions.

Service Levels

And then you come to the service itself. Even if the desired infrastructure is in place, without employees trained in hospitality service, it won't deliver the experience you plan on for your attendees.

The communist regime and planned economy took a toll on Cuban society in general and employees of the commercial and services sectors in particular. This has led to a business orientation centered on production versus sales or services. However the increase in foreign investment is trying to change the bureaucratic value system to an entrepreneurial one. Through exposure to new training, employee focus is evolving in a way that soon could mean quality service. Western best management practices can produce significant results; however, hotel management practices in Cuba are constrained by a state-imposed political context.

Food Quality/Variety

In this industry, every detail matters. And food availability is a big deal.

Fluctuations in the food supply caused by Cuba's economic situation mean that restaurants and hotels can sometimes run short on ingredients. Also it's important to note that imports of certain foods are restricted due to the U.S. embargo. Because of that, the same platters will appear time and again, and it's rare to find a restaurant that can actually serve everything on the menu. However, to make up for the lack of variety, portion sizes tend to be massive.

Among the different types of restaurants in Cuba, hotel restaurants are your best bet. State-run restaurants vary widely in food quality. Restaurants that only accept American dollars are likely to have better food. Many Cuban cafes are heavily influenced by American fast food, and pizza is as common on menus as any Cuban dishes.

One would not expect Cuban cuisine to be bland; however, Cuba does tend to display a culinary blandness primarily as a result of a pervading conservative attitude to food with seemingly little desire to experiment with flavors and ingredients. That said, local produce is usually fresh and often organic, since there is little factory farming in Cuba, and the food is not pumped full of hormones and artificial fertilizers.

In all, it will be an exciting transition to watch from a meetings perspective. Cuba will almost certainly seize on this opportunity to bring in new tourism and meeting money. The questions right now involve when visitors will get there and at what degree of difficulty will they face.

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