

ACCOR – AN EXAMPLE OF CLIENT / USER DRIVING INNOVATION

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- 1. Defining the notion of « client driving innovation »,**
- 2. Presenting how ACCOR develops value innovation,**
- 3. Drawing lessons for public clients.**

Client driving innovation : a definition

- **A client driving innovation pilots the process and involves the other stakeholders in the making of the solution. Consequently, there is a co-production between the client and the other stakeholders.**
- **A client driving innovation (“lead users”) expects to benefit from the innovation by obtaining a competitive advantage.**

The role of clients in the construction industry

- ***Rethinking construction - Egan, 1998***
“The Task Force invites the Government to commit itself to leading public sector bodies towards the goal of becoming best practice clients seeking improvements in efficiency and quality.”
- ***Revaluing construction - Barrett, 2007***
“Clients need educational opportunities to be better clients and a client-orientation should infuse the development of all construction personnel.”

ACCOR : the hospitality business

- **ACCOR operates on five continents with a portfolio of more than 4,100 hotels and benefits from 40 years of expertise in hospitality.**
- **It is a major operator in upscale hotels and the world leader in the midscale segment, in economy lodging and in the budget segment.**
- **Accor ranks fifth in the global hospitality industry, based on the number of rooms (486,512 at the end of 2006).**

ACCOR : A client and a professional user driving innovation

Examples of innovations introduced by ACCOR:

- The “Formule 1 concept” - a new hotel concept based on particularly innovative construction and management techniques (1985),
- The “Académie ACCOR” - France’s first corporate university for service activities (1985),
- “Suitehotel” – a brand proposing 30 m² modular suites for the price of a conventional midscale room (1999),
- First pilot hotel built in France according to High Environmental Quality requirements (2006).
- The “All Seasons” room prototypes (2007).

Some key elements of the innovative approaches

- For new construction projects, ACCOR leads the innovation process and strongly focuses on the design phase.
- ACCOR has created an *Innovation and Design* department.
- Specific teams are in charge of the design and construction of new hotel concepts (e.g Formule 1 and Suitehotel). These teams benefit from the trust of the chief executive officer.
- ACCOR uses prefabricated elements (e.g. Formule 1 and Suitehotel) to reduce construction costs.

Some key elements of the innovative approaches

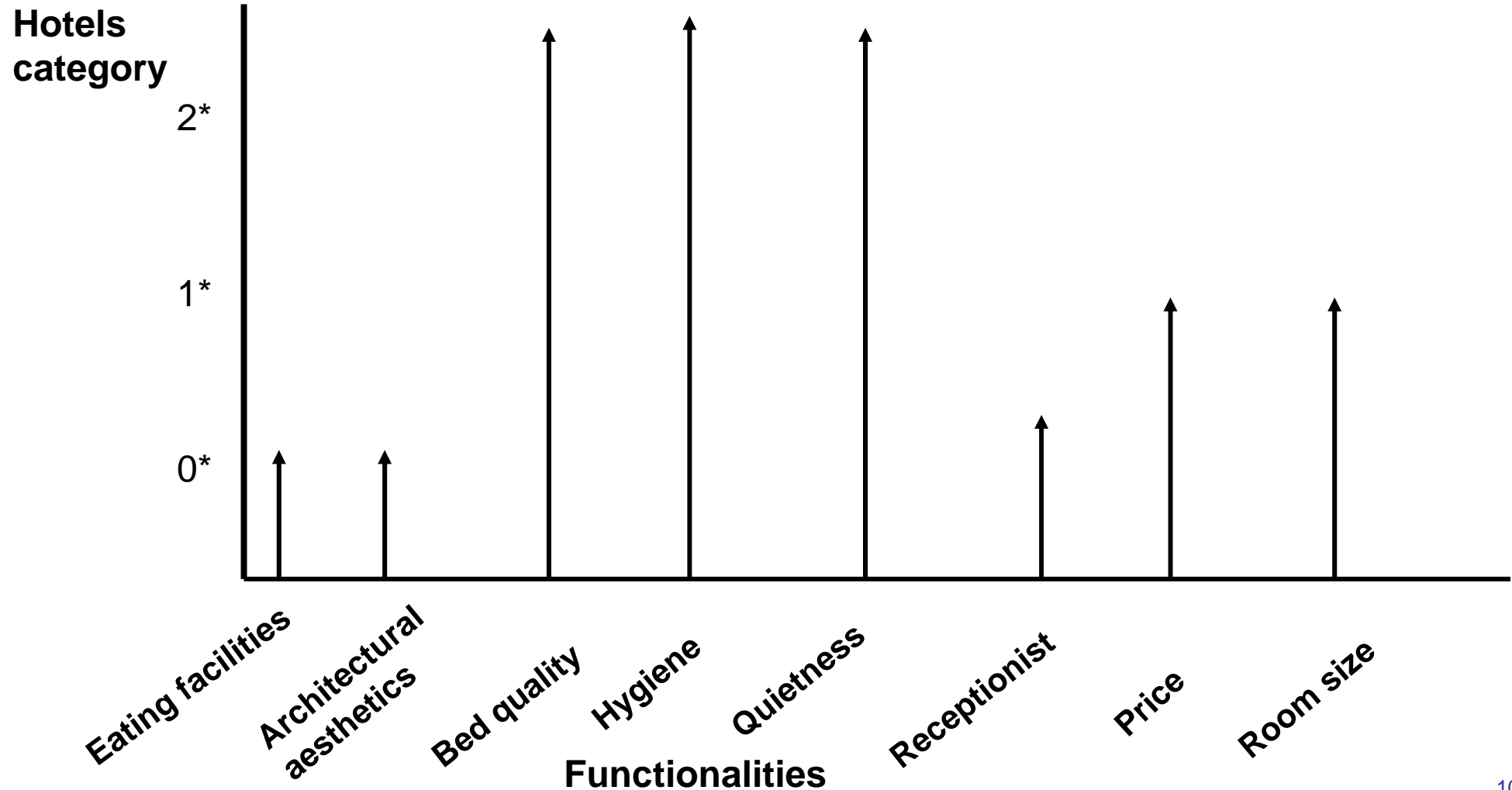
- **Most innovations enhance customer value,**
- **Innovations do not only concern the design and construction phases but also maintenance and operating activities.**
- **ACCOR innovates but also “replicates” (*« In replication, an organization is intentionally reproducing or diffusing the success it has itself enjoyed in some limited setting or locale »* Baden-Fuller and Winter, 2005).**

Value innovation : four questions

- **Which factors are taken for granted by the industry and should be eliminated?**
- **Which factors add little customer value and should be reduced?**
- **Which factors create significant value and should be increased?**
- **Which factors should be offered that are not currently available in the budget market?**

Formule 1: a value innovation

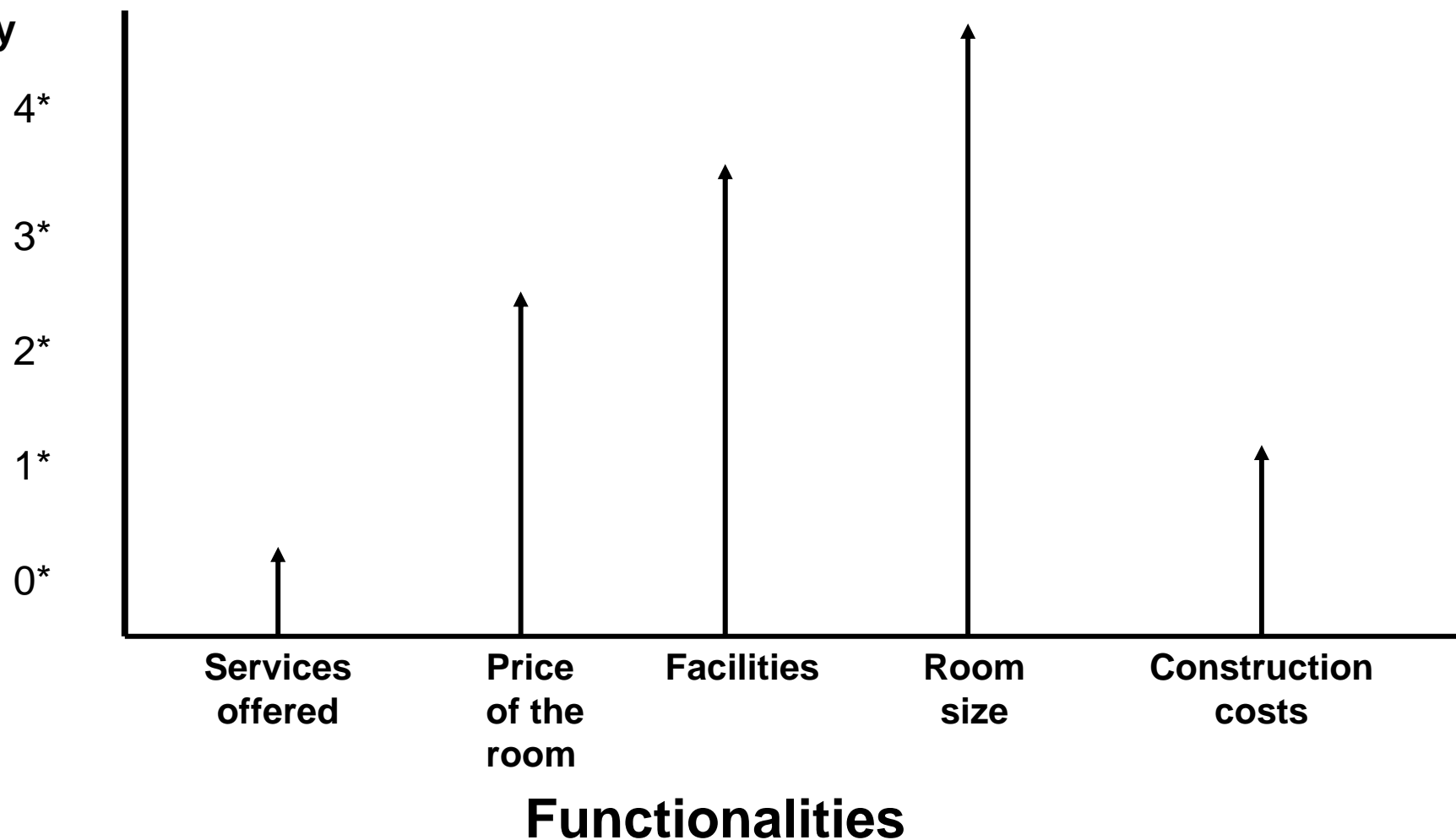
(adapted from Kim and Mauborgne – 1997)



Suitehotel : a value innovation

(adapted from Dumont – 2001)

Hotels
category



Innovation concerns maintenance and operating activities

The issue : Energy and water costs respectively reached 204M€ and 152 M€ in 2005.

- **The “Hotel Environment Charter” : one way to raise the hotel’s staff awareness on this issue**
- **Benchmarking between hotels and self evaluation of energy consumption.**
- **Energy saving guarantee contract with Siemens (example of a 4 stars Hotel in Paris – 6 years contract Investment costs: 175 317€- Energy saving : 40 000€/year)**

- **The public sector is a huge client for the construction sector and uses a large part of the built asset stock.**
- **The public sector should as a client and a professional user be more innovative and concerned by value innovation strategies.**
- **Methods on *Whole building functionality and serviceability* (ASTM, 1996) which intends to answer the question “*How well do our facilities serve / will serve their users*” should be more widespread.**
- **The public sector should educate its employees and raise their awareness on environmental issues.**

References to go further

ACCOR web site : <http://www.accor.fr/gb/index.asp>

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Thank you for your attention

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