



Caitlin Wischermann of Champagne Hospitality: Five Strategies Our Company Is Using to Tackle Climate Change & Become More Sustainable

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As part of our series about how companies are becoming more sustainable, we had the pleasure of interviewing Caitlin Wischermann. Caitlin is a strategist who formerly advised some of the biggest names in sustainability, finance, and real estate on their big-picture ideas and innovations while at the management firm McKinsey. She now applies her strategist mindset to the hospitality industry as the Director of Strategy & Operations of Champagne Hospitality. In her central role, she bridges strategy, development, finance, and operations in order to infuse a big-picture way of thinking into the day-to-day fabric of growth. Strategically growing the company – in sustainable ways – is a key component of her work, as she focuses on bringing the future of hospitality to the present.

Thank you so much for doing this with us! Can you tell us a story about what brought you to this specific career path?

I'm a fourth-generation hotelier – meaning hospitality is more than just my career. It's a part of who I am and my values. The art of crafting experiences and shaping lifelong memories has been intriguing to me for as long as I can remember. To me, it is a special, almost sacred, responsibility to take care of

people and share the joy of discovery that travel provides. Seeing the world is one of life's greatest joys, and sharing that joy is what I was born to do.

It goes without saying that I care deeply about how people feel at the Champagne Hospitality properties – and how I can influence their experience for the better. Travel experiences are core memories. Think back to your own favorite memories. You may think of the time you were on vacation when your children were young and you were playing on the beach with them, or how amazing it was to spend time with your grandmother. Influencing those positive experiences fills me with purpose.

Increasingly, guest choice on where those memories are made factors in company values. And being accountable and credible around topics that will surely impact future generations is one of our core values. Doing our part to address climate change is an issue we're feeling the effects of and how we commit to contributing positively toward. The spirit of hospitality motivates me to take this responsibility seriously and take action toward making a positive difference. I have been fortunate to find Champagne Hospitality and to work with CEO and founding partner, Denise Dupre. She is driven to do well by doing

good — and our values for sustainability and being a good steward of our land for future generations are fully aligned.

It is essential to live our values where we work and where we live. My ambition, which applies to everything from doing the dishes to designing sustainable beachfront hotels, is to leave things better than we found them and to have a positive impact. Leaving things better than how I found them goes broader than sustainability, but definitely includes it and it's an ethical and moral piece of who I am.

What is the mission of your company? What problems are you aiming to solve?

As a strategist at Champagne Hospitality, it's my mission to keep innovating and staying at the forefront of where our industry is heading. I am actively involved in ensuring the company stays relevant, that we meet people where they are, respond to and support their values and ever-changing needs, and remain at the forefront of luxury.

Luxury hospitality has this critical role to play — we get to try out new industry firsts and be quite innovative, because our business model supports it. We can test these new things because we have enough economic flexibility to be able

to make big bets on new designs, for example. Part of the aspiration of making our properties sustainable, and really innovating in that category, is both a values-oriented one and an economic imperative that we're uniquely situated to do.

For example, designing sustainably in a hurricane susceptible area creates resiliency, so we don't have to rebuild as frequently. Creating a zero-carbon environment or power a hotel ourselves off the grid also creates resiliency, so we are not reliant on a typically unsustainable and pollutive power source and can save energy costs. It also means we do not have to retrofit, which is comparatively expensive. There is a clear economic upside to having a long line of sight to the future when it comes to building for resiliency, depending on your investment horizon.

We are smart and strategic when we're building, so sustainability is naturally embedded in the fabric of our process. This makes it easier for us to be the kind of company we want to be. It helps us tell a story that is very authentic, where we can stand behind what we are doing and our aspirations because they code down to every piece of our growth plan.

We are in an era when focusing on sustainability is no longer a 'nice to have' or a marketing tool. Historically, many industries have greenwashed with sustainability marketing without delivering deep, credible impact. In an antithesis of this, we are impact-oriented and aim to be measurable. We want to know exactly how much our actions reduce greenhouse gas emissions in measurable ways. And I want to be able to communicate that to our guests. Data-driven results matter, and guests no longer accept half-hearted efforts about things they care about – they want real action and impact. Our guests want to know their stay is going to positively benefit the environment. I don't think any other luxury hotels can claim they do this yet. It's something quite innovative that's on the edge, and our luxury hotel company will deliver that kind of positive impact.

Can you tell our readers about the initiatives that you or your company are taking to address climate change or sustainability? Can you give an example for each?

Champagne Hospitality has a long-term investment horizon, meaning the actions we take aren't short-sighted for this year. Instead, we are investing in and building the foundation of Champagne Hospitality for success in all the

years to come and we are fortunate to have a CEO who authentically cares about the environment and makes it one of our key initiatives.

We are taking a 360-degree view of every part of our business including energy, water, and guest services. An operational example is that we've already spent \$1.6 million at Le Barthelemy in St. Barts to ensure we have a state-of-the-art waste treatment system. It's an upgrade from a system that's perfectly good to one that offers perfection in the way our wastewater is treated. It's among the many investments we're making to be more sustainable.

When we develop a new property, we know it costs more to install a heat pump, for example, and to hire expert engineers who design for sustainability and who can tell us exactly what our impact would be, and it certainly costs more to be really thoughtful about the locations we select, and how we can manage climate risks. But we have prioritized decisions that align with our values of long-term sustainability, even if the short-term investment is higher – and sometimes making the right decisions from the get-go costs less than retrofitting later.

We are taking a stand and planning to build what we'd like to see in the world. To me, that is really quite special. Currently we have several planning initiatives, including designing hotels for the future that will be as ready as possible in the face of climate change. It's not under question that we need to prepare for living in a very different climate and a very different world, and a lot of real estate assets out there are at a big risk because of it. And frankly, those that do not mitigate the risks may end up with valuations that are mispriced. During my time at McKinsey, one of my mentors published a report that real estate leaders need to consider revaluing assets, decarbonizing, and creating new business opportunities. The findings suggest that many real estate players will need to incorporate climate risk into their valuations, and importantly that they need to mitigate the risk. We intend to build for the future to mitigate that risk. And moreover, we aim to make a net positive contribution. It takes a lot of investment and forethought, and a willingness to build for a longer time horizon – so that's exactly what we're doing.

And while we are early in the process with a new property in St. Barts, we're thinking about what energy sources we could use in order to be sustainable and how to be the most sustainable property in the Caribbean. We're consulting with

specialized engineers to figure out the best answer to this complex yet importantly solvable problem. Energy usage is the biggest ticket item to solve. So we're looking closely at investing in technology, but also looking at using nature's influence in a biophilic design in order to increase our resiliency against hurricanes – there are many ideas to consider.

We're collaborating with experts, including an international architect with expertise in sustainability, who are thoughtful and credible. Our plans also include an engineering firm focused exclusively on the energy usage of the property and water usage and conservation and the use of cisterns, so we can be responsible for all of our own water.

Some technology that is truly innovative is so early in its infancy that it's not yet ready for our use. So we're also working on and investing in innovation – and supporting the broader use of narrow technologies – so we can employ them for our hotels to provide an exceptional and cutting-edge guest experience that is ever-evolving.

How would you articulate how a business can become more profitable by being more sustainable and more environmentally conscious? Can you share a story or example?

Our guests have become more explicit regarding what they expect in relation to sustainability. Their values drive where they stay and what they'll buy. So it's upon us to demonstrate our leadership and sustainability efforts, so they can be confident that our values match. I think the fact we are environmentally conscientious is one of the things our guests like about Champagne Hospitality – alongside of providing all of the customer-centered care and attention that is customary at our properties and has earned each of them top awards. Does being more sustainable and environmentally conscious translate into greater profitability? Possibly. But it's more important to ask if it communicates our values to our guests in a way that resonates and inspires loyalty. And is loyalty profitable? The answer to that is a resounding yes.

Staying on the cutting-edge of sustainability practices will keep us relevant and competitive to capture this loyal market share and engender trust in our values. To push the envelope, we continue to invest in innovations that can advance our industry. Philanthropically, we support the development of new technologies

that aren't yet mass commercialized and serve as a catalyst to help them reach a larger audience. Denise Dupre' has been critical in supporting some of those innovations and when they are available, we will be among the very first customers that are willing to try them in our properties to bring even more sustainability into luxury hospitality.

The youth led climate strikes of September 2019 showed an impressive degree of activism and initiative by young people on behalf of climate change. This was great, and there is still plenty that needs to be done. In your opinion what are 5 things parents should do to inspire the next generation to become engaged in sustainability and the environmental movement? Please give a story or an example for each.

Teach the value of natural resources. A child may not instinctively understand that natural resources are finite. However, if parents teach and instill the value in them that our environment is precious, they grow up with reverence and care about its preservation. It can make the difference between someone who conserves or wastes natural resources.

Recognize being a role models for the next generation. Kids watch everything their parents do. If a parent leave lights on in every room or a shower or sink running longer than necessary, their children learn that behavior. However, when parents model good behavior, kids learn that instead. For example, when parents make a habit of recycling or composting, that becomes the behavior kids emulate.

Spend intentionally. Parents can demonstrate the value of directing their spending toward environmentally friendly products and environmentally friendly businesses and share the rationale with their kids about why they do so. We all have choices to put our money in places that reflect our values.

Teach that every individual matters. Everyone's conservation efforts individually make a difference and collectively, those actions amount to something even more significant. Each person must understand they hold responsibility to preserve our planet, Teaching kids that they hold a role in sustainability when they're young means when they grow up, they can make a positive difference in the world.

Tend a small garden for a hands-on understanding of nature. It will teach them about how natural ecosystems work. Gardens come with all kinds of lessons – how plants add to the environment through improving soil quality and clean air rather than taking something away – and why that’s important, why not to use harsh chemicals, and how gardens contribute to and protect local wildlife and pollinators. Gardens can even create learnings in composting or mulching to reduce the waste that ends up in landfills.

What are your “5 Things I Wish Someone Told Me Before I Started” and why?

Staying true to my own values will lead me to people and places that align with them. I believe that Denise Dupre’ and I found each other because we are both people who care deeply about our work and who want to build something for the future. Every day, I feel motivated by my purpose, and I think that type of commitment is magnetic between people who feel it. I wish I had trusted that the journey would naturally lead me if I stayed true to my values, rather than trying to shape the journey before it unfolded.

Always continue to learn, improve and innovate. In order to have an impact, you need to think big, but you also need to learn the fundamentals. Spend time learning as much as you can about everything you can, put in the hours, and stay hungry for more. I never feel satisfied with my own knowledge and constantly have my head in a book or have dozens of tabs open on my internet browser. Having the humility to consume as much information as is humanly possible and still feel like a novice allows me to have a smart and defensible point of view at the end of the day.

Enlist a mentor early on. Taking the kind of bets is best done with a wealth of experience at the table, and it's wonderful to have a mentor in Denise who can tell me exactly what we should focus on most, how she calibrates her decisions, and how to make the biggest impact. Furthermore, sponsors can advise can help you move faster and make greater improvements. Sometimes they even have the courage to push the barrier further than you could imagine.

Have faith. Pushing boundaries isn't easy. As an early adopter, doing new things, it's hard to be certain we are investing in exactly the right way – we just have to make our best bets based on the deep research we are doing that says

it's right. But we're ultimately making bets and must have faith that our process is the right one.

You WILL ABSOLUTELY find your place in the world – be fearless and keep pursuing what fuels your energy. If somebody had told me that the career, I am in now was possible, I probably would have been more bold in marching toward it from the beginning. I went to work in management consulting partly because I didn't know what paths and opportunities were out there for me. My role, who I work with, where I work and being in a position to innovate is such a privileged position – -and I am incredibly grateful for it.

None of us are able to achieve success without some help along the way. Is there a particular person who you are grateful towards who helped get you to where you are? Can you share a story about that?

I've been very fortunate to have phenomenal mentors in my career and in my life.

As I mentioned, I'm a fourth-generation hotelier. My grandfather and father have had a profound influence on me, teaching me the hotel business and the

importance of providing a great guest experience. They're both chefs and have taught me extraordinarily well about food and about how it should make you feel. They've helped me see the world and instilled in me how to care for others. Because of their teachings, I have a deep love of hospitality. They opened my eyes to the world of hospitality from a very young age by bringing me to travel the world, to see the world's best hotels and restaurants, to critique every detail, and to challenge me to think of innovations.

I've also had other sponsors in my career, like James Bermingham who is now the CEO of Virgin Hotels. He hired me at Montage International right out of college. He gave me more rope than I could ever imagine, and he supported and coached me every step of the way. He taught me the nuts and bolts of hotel operations and how he ran a successful luxury boutique hotel company from the ground up. He is a wonderful person who invested in me and by example gave me a taste of what it's like to learn from somebody willing to spend time coaching. I hope to do that myself someday.

And finally, Denise Dupre' is a radical sponsor in my life. She is willing to entrust and empower me with being a strategist for her company and willing to invest in

a young person like me, to push the vision of her company forward. Her trust and empowerment are second to none.

Working with Denise has changed how I imagine what's possible in the future. Honestly, I didn't know a person like Denise even existed. She's very special – and I never take for granted how lucky I am to have someone in my life who is capable of removing boundaries and believes in taking a shot at well thought-out opportunities that could make a major impact.

She is a model of how to run business in a values-oriented way. And, because she is also willing to take bets on people, empower them, and have faith in the process, I'm in a senior strategic position in our company where I am able to make a significant positive difference for Champagne Hospitality, the geographies where we do business, our industry, and in the world.

**You are a person of great influence and doing some great things for the world!
If you could inspire a movement that would bring the greatest amount of good to the greatest number of people, what would that be? You never know what your idea can trigger. :-)**

In the hospitality industry, we must come up with better answers to climate change. While the problem is complex, there are no unsolvable problems. That's why learning has infinite value to me. We just need to stay focused on what we have to do, learn more, and figure it out.

And while you are at it, do at least one kind act for another person today and every day. It's a way to pay good fortune forward that I call 'good juju.' I believe our willingness to step outside of ourselves and do something for others makes the world a better place.

Do you have a favorite life lesson quote? Can you tell us how that was relevant to you in your own life?

"Work hard and be nice to people" is my favorite quote and a mantra for my life. The line is from prolific British designer Anthony Burrill — and one of his most popular works.

And more practically, Bill Gates once said, "We all need people who will give us feedback. That's how we improve." Get people in your corner who are better than you and who will give you feedback. And then, make sure you hunger for it,

ask for it, yearn for it, in order learn. To me, learning is paramount above all else.
And feedback is a gift. Don't take it so hard.

These both have been important quotes in my life. When we take others interests and multiple viewpoints into account, we don't just push out our own agendas. We LEARN, and in the process, we do things that are new, interesting and innovative and bring the best to the table.

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Thank you for these really excellent insights, and we greatly appreciate the time you spent with this. We wish you continued success.