

# How This Hotel In India Is Redefining The Business Model in Hospitality



## Esha Chhabra

I write about the growing "industry" of social innovation

Running a hotel in India can quickly turn into a social endeavor -- something that [entrepreneurs](#) in hospitality may not see coming.

In Pondicherry, a town with unique French architecture nestled on the east coast of the subcontinent, two stylishly dressed hotels Villa Shanti and La Villa are having an impact in the community by preserving heritage and local livelihoods.

Segiyane Sylvain Paquiry is a hotelier who returned to his native India after living in Paris for nearly a decade. Raised in Pondicherry, Paquiry wanted to start a [business](#) that would meld elements of both worlds. Working with partners, including two French architects Tina Trigala and Yves Lesprit, Paquiry opened Villa Shanti in 2012 and its newer cousin, La Villa, last year.

The vibe in both properties is cosmopolitan, minimalistic, and yet, intrinsically Indian with touches of handicrafts, tile work, local textiles, and murals depicting slices of India.



*Lounge and bar at Villa Shanti, which includes a mural by a local artist.  
Photo Credit: MIA Studio Auroville*

For Paquiry, and his colleagues, this has been a four-year journey with plenty of challenges: building a hotel from the ground up, managing a team of local talent (from afar at times), and painstakingly trying to preserve Pondicherry's old buildings which have suffered from years of derelict. It's a passion project that's quickly turning into a fruitful business-- and an inventive social enterprise of sorts.

“I knew I wanted to be in international trade as a young man. I quickly learned, though, that I wanted to be working with people, not products,” he says, seated in the lounge of Villa Shanti on a sweltering spring evening. A group of Europeans and Americans are lounging next to us, catching up on their travels in India, while sipping lime sodas and [Kingfisher](#) ngIf: ticker beers. The staff is buzzing about, prepping for the evening service. It's Friday night, and Villa Shanti is scheduled to be a full house -- in the dining room and the hotel.



*The Dining Room at Villa Shanti. Photo Credit: MIA Studio Auroville*

The property has had glowing reviews online, which Paquiry is clearly delighted to see. But he says the journey to crafting this kind of hotel experience isn't easy. The hardest part, he says, is human resources. While labor is abundant in the country, finding qualified candidates to be servers, managers, cooks, and concierge in a hotel is a tough task. "The good ones are all in Bombay, Chennai, Delhi, Dubai -- the bigger cities. So we have to do a lot of training with our team." Thus, while opening a modern hotel may seem like a glamorous pursuit, he says, it's less glam, and more a hard hit of reality.

The trickiest part comes in hiring. Most of the staff at Villa Shanti are under the age of 28. At some point they will marry, and at that point, these young men usually turn to loans to pay for increased expenses of the wedding, and having a spouse. Interest rates on these loans can add up to 20 percent easily, he says.

"That's when it starts to affect us. Because to pay off that debt, they need money. So they leave to find work abroad perhaps, or start looking for money locally."

Instead of having his staff turn to loan sharks or quit, Paquiry came up with a social scheme. He works with each of the employees when they need funding to come up with a loan package that works for them. The payback times and rates are flexible: larger loan amounts for three year periods, or shorter, smaller sums of money that are repaid within 6 months.





*One of the rooms at Villa Shanti, which include local tile work and lunghis (the South Indian version of pants for men) draped as curtains. Photo Credit: MIA Studio Auroville*

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*The entrance at La Villa. Photo Credit: MIA Studio Auroville*

“Now they can have peace of mind and be focused on work, instead of worrying about capital,” he says. “We just listen to them, and try to work with them on what their troubles are.”

In addition to solving their financial problems, he spends time with each staff to see what kind of household they come from and what their family life is like at home. “Many of these people have really hard lives and it’s not easy for them to just adjust to catering to a global customer.”

Simple tasks, such as looking customers in the eye, asking them to repeat if they didn’t understand an order, and managing stressful moments (like a fully booked restaurant) are part of the training and evolution at Villa Shanti.

“When I started the business I didn’t realize that this would be such a big component of it. But human resources is tough in India and especially in a smaller place like Pondicherry.”

To date, Paquiry says he has only fired two staff members— that too for behavior that he couldn’t rectify. Otherwise, he says, he likes to work with the staff, find solutions, and see where business and social impact can come together.



*One of six suites in La Villa. Photo Credit: MIA Studio Auroville*

It goes beyond just the hotel staff. When the team was building the property, Paquiry says they wanted to give the builders, masons, and construction crew some authority as well. The language barrier was tough, he jokes.

“Imagine the builder trying to communicate to my French colleagues and then me hanging somewhere in between.”

But it was important for them, he notes, to make suggestions and recommendations. These small touches have helped them incorporate little details. For instance, much of the furniture is made of a local wood that’s suitable for Pondicherry’s hot, humid climate. The construction team repurposed old doors and panels into furniture for the hotel. The table that we’re seated at shows signs of where the wood was joined to make a larger piece.

“They’re small things. But in the larger perspective, that’s what our vision was with this hotel — to be as inclusive as possible in all aspects of the business,” Paquiry says.

Could Villa Shanti be a model for more boutique hotels in India?