



Growing Communities *and* Returns™

client profile: Hospitality Systems, Inc.

## Rebirth of a Historic Hotel

### *IMPACT-New Mexico Instrumental in 65 Percent, One-Year Turnaround*

If only the walls could talk in the landmark Plaza Hotel in historic Las Vegas, New Mexico. Built in 1882, the Victorian-style hotel, restaurant and saloon are filled with authentic Old West charm, and stories of famous and infamous guests like Kit Carson, Teddy Roosevelt and Doc Holliday.

Today, the Plaza Hotel, owned by locally based Hospitality Systems Inc., is the premiere lodging facility for the city. As the best full-service property in the area, it draws tourists and business travelers looking for more than the typical chain hotel experience.

**NMCC Client:**  
Hospitality Systems, Inc.  
Las Vegas, New Mexico

**Vision:**  
To become the premiere mid-scale lodging, meeting and restaurant facility for northeast New Mexico.

**Challenges:**  
Hospitality Systems planned an expansion in order to accommodate more guests and events, but needed capital for the project.

- Highlights of the NMCC Relationship:**
- Industry experts provided by NMCC offered a critical best-practices analysis of the business.
  - NMCC connected Hospitality Systems with two strong board members.
  - With a closer focus on the bottom line, the management team increased business NET by about 65 percent in one year.
  - Hospitality Systems looks forward to moving ahead — now in a much more solid financial position.

#### **Expansion Plans**

In 2006, Hospitality Systems planned an expansion of the property in order to also become the premier facility for weddings, meetings and events for the northeast quadrant of the state. The plan: acquire and expand into the building next door — a move requiring considerable additional capital.

William (“Wid”) Slick, longtime owner and operator of the Plaza Hotel, connected with New Mexico Community Capital (NMCC) during expansion planning. Though he initially sought financing, he quickly learned that the organization takes a much broader and involved approach through its IMPACT-New Mexico business services.

Learning more about the hotel, NMCC recognized the property’s potential. However, it also challenged Hospitality Systems to make some changes to current business operations in order to improve its financial position.

#### **The Insight of Industry Best Practices**

Having actively managed the property for five years, Slick needed the outside perspective of NMCC’s extensive

network of business owners and executives. Most critically, NMCC arranged a meeting between Hospitality Systems and industry experts to bring a best-practices look to the business.

The group, as well as NMCC, closely analyzed hotel operations before making specific suggestions. As a business owner, Slick found their top recommendation tough to hear. They encouraged him to move into more of an owner role and let his management team take over the day-to-day.

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*“NMCC made us think about everything and challenged almost everything. They said, ‘You’re capable of more and we believe in you.’ And that’s important. It helped us raise the bar for ourselves.”*

— William Slick, Owner

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“NMCC saw my strengths as an innovator and an initiator, and not an ongoing manager,” Slick said. “I squawked a lot, but realized they saw a stronger management team than I gave my team credit for. I was holding us to the past instead of letting my team take us to the future.”

NMCC also found Hospitality Systems two strong board members, both of which chose to invest in the company. Motivated by the momentum, Slick found a third board member with a lengthy career in the hospitality industry.

# NEW MEXICO COMMUNITY CAPITAL

## Revenue up 65+ Percent

A year later, the historic property has moved into the 21st Century in terms of operations and expectations for its performance. With more room to implement their ideas, the management team now plays at a much higher level, closely noting the impact of their decisions on the bottom line.

“With my stepping back, the management team surprises me every day in what they are able to accomplish,” Slick said. “They’re on target to double our operating net in a two-year period. It’s up about 65 percent over the past year. It’s incredible.”

And according to the Smith Travel Accommodations Report (STAR), a monthly publication recognized as a lodging industry standard for hotel performance benchmarking, the Plaza Hotel now outperforms its competitive set in average daily rate and revenue per room, despite not being on the Interstate or a national brand.

## Raising the Bar

But Slick credits NMCC most for instilling a new level of discipline, analysis and accountability in the business. The result: Hospitality Systems has elevated its own standards and expectations.

“NMCC made us think about everything and challenged almost everything,” Slick said. “They said, ‘You’re capable of more and we believe in you.’ And that’s important. It helped us raise the bar for ourselves.”

“We appreciate NMCC’s directness, recognition of our strengths and weaknesses, professionalism and clarity,” Slick added. “It’s tough love at it’s best.”

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*“The business would be half what it is today without the support of NMCC’s IMPACT-New Mexico services.”*

— William Slick, Owner

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With a significantly different financial picture today, Slick looks forward to moving ahead — now in a much more solid position.

“We are now more ready to pursue additional investor funding,” he added. “We’re certainly much, much stronger. There’s no comparison. The business would be half what it is today without the support of NMCC’s IMPACT-New Mexico services.”

## About New Mexico Community Capital

The mission of New Mexico Community Capital (NMCC) is to improve the lives of New Mexicans, particularly those in rural and economically underserved areas, by helping local businesses grow and prosper. Helping small businesses succeed creates wealth in New Mexico communities. Thriving local economies mean quality jobs that spur healthy growth, often by offering goods and services that were not available locally before. They also enable passionate entrepreneurs to create far better jobs than are otherwise available in their communities for themselves and their employees. NMCC delivers on its mission through its two operating arms — NMCC IMPACT—NM Business Growth Services and NMCC Investment Fund.

New Mexico Community Capital  
PO Box 1302  
Bernalillo, New Mexico 87004

505.924.2820  
[info@nmccap.org](mailto:info@nmccap.org)  
[www.nmccap.org](http://www.nmccap.org)