

## The Grace Memorandum

**Philosophy:** The founders of the Grace Collection subscribe to a Christian worldview and derive their morals and ethics from a Judeo Christian base.

The Christian worldview is derived from the belief that our standing before God our Creator is one of “grace” which means “undeserved favour”. This belief should translate into an attitude of modesty, humility, and thankfulness, and a desire to treat others as we would want to be treated. This standing under grace also has bearing on the leadership style in the business, and on the market in which the business is marketed and the brand is developed. The Grace Collection has been founded on the above philosophy, which has been translated into its business practices. This philosophy provides the framework for all future decisions in the business.

We have tried to make this mission statement easily understandable to our employees by adopting the following acronym using the letters of the word GRACE:

**G**ratITUDE for our jobs, guests and colleagues, and for the beautiful places we work in.

**R**espect for the dignity of our guests, our suppliers and our colleagues. Inherent in this is that we be completely honest, truthful, and just in all our dealings.

**A**bundant generosity to our guests and the desire to be always exceeding value for money.

**C**aring genuinely and proactively for our guests’ and colleagues’ needs without any favouritism.

**E**xcellence in whatever we do for, and present to, our guests, including service, art, music, architecture, interior design, and food and beverage.

Mission statements within each hotel will vary, according to each particular orientation, and will often incorporate all or some of, but will never conflict with, the above.

To enable us in our quest to conform to the above philosophies certain policies have been formulated.

1. Recruitment: The Grace Collection endeavours to select individuals who identify and reflect the qualities necessary to portray our general philosophy. This does not mean that they have to be “religious”, but rather that they subscribe to, and show passion for, these values

listed above. When staffing our hotels, we therefore seek the following characteristics in possible employees:

- They need to be authentic. There is transparency and truthfulness inherent in our staff.
- They are effective. Potential staff members must have a clear understanding of the business and how they can effectively contribute to the process which will transform the vision into a reality. Some record of past effectiveness in some endeavour that they individually contributed towards, is necessary when evaluating this characteristic. Effectiveness also presumes the pursuit of excellence and that the candidate exhibits a desire to achieve to an exceptionally high standard in whatever task she or he has undertaken.
- They have initiative. Potential staff must be able to respond appropriately to situations, based on their understanding of their role in the hotel, and its vision which they have committed themselves to achieving.
- They are ethical. Potential staff must exhibit some identification with the ethics and values of the business which uphold the dignity of the individual; they must be committed to honesty and transparency, and respect the property of others.
- They are empathetic. Potential staff members must display a warmth and sensitivity in their attitude to the world and the people around them.
- They are service oriented. Potential staff members must reflect a desire to be of service. They should be other-person-centred rather than self-centred and they should get pleasure and satisfaction from serving others.

Our recruitment policy holds these characteristics as more important than hotel experience and skills when selecting staff. It is believed that with these characteristics, potential staff members will have the ability to learn rapidly the required skills necessary for a particular job.

Any individual entrusted with the function of (or part thereof) recruiting is to have an intimate understanding of the philosophy of the business and an understanding of the above characteristics as vital to a successful recruit.

Induction: Induction of a new staff member into a Grace Hotel is seen as part of the recruitment process and is regarded as time in which to assess whether that person is suited

to their job and the culture of the business. Induction therefore takes place within the first three months of probation and has two functions.

- a. Induction into the culture of the business. This involves attending a discussion run by a person with an intimate understanding of the culture, philosophies, and values of the business. Additional seminars and lectures might also form part of this process and each hotel may have their own programs in place. This part of the induction is seen as vital to the business and ensures that staff members understand what is required from them in terms of their behaviour in the business. This part of the induction also forms a crucial function in positioning the “Grace” Collection as a recognisable brand based on the quality of their staff. Consequently an explanation of, and application to, the Grace Memorandum is integral to this induction process.
  - b. Induction into the hotel and department. The new staff members will be inducted into the practices and procedures of the hotel and will spend some time in each department of the hotel so that they gain an overall understanding of the running of the hotel. They will then undergo intensive induction into their particular department, gaining a working knowledge of the systems in that departments and the skills required for the successful performance of their job.
2. Training: The “Grace Collection” views its employees as valuable, and worthy of dignity and respect. Each individual is viewed as unique and in possession of the potential to do their job to the required standard of excellence.

The “Grace Collection” is committed to the upliftment and development of its employees as a means of realizing their full potential in the pursuit of excellence in all spheres of its hotels.

The “Grace Collection” is therefore committed to training and will allocate a sizeable portion of the budget to training. Each hotel will draw up and implement a training program at the beginning of each year, depending on its own specific needs.

3. Publicity and Advertising: This should be done with true modesty and humility. Successes and attributes should be understated.

4. Employer – Employee Relations: Staff are to be treated justly and impartially. Management should not be employed who are incapable of this, or have any racist or religious tendencies leading to unacceptable prejudice or favouritism.
  
5. Honesty and Truthfulness: All dealings with employees, guests, and suppliers are to be carried out with integrity. Integrity means being consistent in our honesty and truthfulness even when it is not expedient or apparently necessary. The “Grace Collection” is committed to the value of honesty. In addition to the fact that the principle of honesty is an absolute, there are three practical reasons why it is important to the Grace Collection: it builds trust, establishes community, and protects the dignity of the person.
  - Trust – without honest communication trust is impossible. Trust increases the goodwill of the business and protects the reputation of the brand.
  - Community – when trust is high, relational networks are built which support business relationships making communication effective and efficient.
  - Dignity – honesty respects the dignity of the person to whom the communication is directed.
  - Deception may be defined as purposefully leading others to believe something that we ourselves do not believe. It is the opposite of honesty, and is regarded by the Grace Collection as an unacceptable business practice.
  
6. Abundant Generosity: We believe in exceeding value for money. This should be reflected in every aspect of our hospitality. Complimentary services such as Café Complet and local transport services should be evident in Grace Hotels.
  
7. Caring: Our policy of employing guest liaisons instead of receptionists is an extension of trying to create genuine “caring” for the guest. The guest liaison policy is aimed at developing a far closer and more caring relationship with the guests and should be designed in a way to further the idea of making the hotel like a home and the guest as a “house or family guest”. With this in mind every guest should be made to feel at home, and the check-in should be as informal and non-institutionalised as possible. To this end check-ins, where possible, should not be carried out over a counter but rather at a desk or at a table. Guest liaisons, not porters, should show guests to rooms. Guest liaisons should take personal

responsibility for the guest they have checked in: getting to know them and ensuring that other staff members get to know them. Overall, the guest liaison philosophy should be aimed at getting as far away as possible from the usual checking-in process, which is generally highly institutionalized and impersonal. GL's are like the family members of the house and should treat the guests as family guests.

8. Charities: Grace Hotels are encouraged to be philanthropic regarding deserving charities. However, this should be 'private' and not used in any way for publicity or public relations.
9. Architecture and Interior Design: This is generally of a classical nature with an effort to make the building like a home, albeit a grand home. The scale should be "people related" rather than like a public building. Guests should feel like they "belong". The interiors should also reflect a homely feel.
10. Morality: The high morality of the staff on the premises is non-negotiable. The hotel will not permit anything on TV that is pornographic, and 'blue channels' are prohibited.
11. Gambling or Gaming is not consistent with the Grace image.
12. Brand Positioning: The brand is known by and is synonymous with the Brand family.
  - a. Grace Hotels are small luxury hotels and positioned at the deluxe end of the market. They should generally be no greater than 160 rooms, but this is flexible provided intimacy can be maintained particularly pertaining to item 6 above.
  - b. Marketing: The "Grace" brand is seen as being very distinctive and should not be diluted by associating with other brands or sub-brands if those brands or sub-brands pose a threat of dilution. In this regard, therefore, each Grace Collection hotel should proceed with extreme caution so as to maintain the integrity of the brand.
  - c. Price Positioning: It is vital to the ongoing success of the brand that good relationships with all market intermediaries are paramount. This includes the price positioning of the brand. Discounting (or a perception thereof) is either never or very sparingly used.