

Interview Tony Matharu, MD Grange Hotels ‘Doing Good, Good for Business’

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The British-American Business Council recently spoke with Tony Matharu, Managing Director London, Grange Hotels to discuss his new role as Chairman of the London Chamber of Commerce's Asian Business Association, the implications of Brexit on the hospitality sector and the importance of doing good in business.

You've just taken over as the new Chairman of the London Chamber of Commerce's Asian Business Association. Can you see any synergies between the ABA and the BABC?

Whilst it's very early days and I'm still learning it is evident that the 'connect -influence-support' agenda of the ABA, and more widely in the London Chamber of Commerce, resonates with the networking, trade enhancing and advocacy work

BABC encourages and provides to its members.

Your company has a partnership with LCC and BABC. Why?

I'm a great advocate of partnerships between different organisations where individual benefits can derive from collective action, and both the ABA and the BABC aim to drive

opportunities through a collaborative approach. My business is able to reach further and to be a contributor to change in a way that would be impossible without such partnerships.

Can you give me some other examples of where this has worked or where you see this might work?

There are far too many instances to recount here, but from my own businesses point of view my company was the first in our sector to establish a specialist partnerships team. I practice what I preach. I've always believed in business as a series of relationships rather than deals or transactions. Partnerships by definition are designed to enable mutual benefit, with common purpose and reasons for understanding at the core. We partner with the broadest range of organisations - from trade organisations and associations to venues, retailers, media outlets, festivals and many more - adding value to their offer and providing value to their members, visitors or consumers.

You signed a letter with 1280 senior business leaders favouring a 'remain' vote in the referendum, what are your thoughts on the future of business a year on from the vote?

My opinion over the remain vote was a personal one and I must emphasise not as the Chairman of the ABA or as the Managing Director of the Grange Hotels group or in any other official capacity with any other organisation with which I am connected. My fears at that time are the same as they are today. Things were uncertain. Uncertainty is bad for business. And it was obvious to me that no one knew nor could they predict the consequences of whatever exit the nation might take. My view, and I think it was a common view from a London perspective, is that we need to keep "London open" to investors, workers and visitors; all of whom make substantial positive contribution to the UK economy and nothing should be done to impair that. The London Mayor's campaign of London's Open recognises this. Specifically in my sector the hospitality industry has been repeatedly articulating its concerns to not impose damaging restrictions on migration or trade. The hospitality industry is Britain's fourth largest industry, representing £143 billion, employing 4.5 million people across the country. Over the last five years we've created one in five new jobs. Apart from being a big employer with nearly 700,000 people from the European Union we are often the first point of contact for business and other visitors and investors. Nothing should be accepted which may jeopardise this. The departure of EU migrants which we are already experiencing is economically detrimental, given that they contribute much more than they take. The recent statistics that registrations from the European Union for applicants for nursing which state a drop of 95% is frightening.

What would you like to see?

It strikes me that a regional visa system will be an absolute requirement. To address localised demand for labour and to respond to regional skills shortages. 96% of our EU workers would not qualify for a current UK work permit. Uncertainty in relation to tax, regulation and jurisdiction are all unhealthy and bad for the UK economy. There are some possible upsides if, for example, the government attempted to enhance our competitive edge. UK VAT on tourism is double the average in the EU and our tourism taxes are the second highest in the world. If VAT was brought into line with the EU that would remove

one obstacle to our competitive journey. The issues with Passporting in the financial sector and the retention of London as the premier centre for financial services are central to the negotiations on a potential Brexit. As to the future who knows? The 'remain' voters would now win if a new Brexit vote was held tomorrow and I understand that 58% of those who voted 'leave' would now be prepared to pay to keep their own European Union citizenship. Such is the contradiction, confusion and paradox. It seems that as we become better informed we better understand the potential negative impacts of Brexit, not implementable in any way that provides foreseeable benefit. In any event if it happens it will be led by 27 European countries each with their own agenda and a common purpose to provide the collective benefits I described earlier. There is growing opinion that Brexit could be an error or simply too complex and uncomfortable to implement. This is a view I share.

And to the future?

I hope that instead of taking an isolationist inward-looking approach we look at increased opportunities elsewhere. In Asia for example, with the ABA at the forefront of negotiations, and with the US, with the BABC enhancing the special relationship the UK has with the US. Currently over a million British citizens go to work for a US company in England and if we are able to increase trade and investment between our two countries this will be a good thing. And those numbers might grow. Firstly we need to stop those who are here from thinking about relocating elsewhere.

You're on the board of so many organisations and are known for your contribution to others. Is doing good good for business?

Yes. Absolutely.

I think that this is now widely recognised. The outdated short term approach to value creation is diminishing. Even in times of austerity the narrow, short-term financial performance motive which ignores broader influences that will harm long-term success are now diminishing. This relates back to what I said earlier about partnership where shared value is a way of achieving success. Relationships and community are more important than single deals or transactions. Companies are realising that they cannot overlook the well-being of their customers. They are examining their supply chain and take heed of the depletion of natural resources. And these now form part of their decision making processes. Economic value should be bound up in creating value for the society in which a business operates, not just by local and state taxation. The concept of shared value can increase productivity and expand markets. Even our political leaders have recognised that there is a clear relationship with overseas aid, security and defence and trade. So doing good works on a micro and macro level. Better educated, richer neighbours contribute to a safer world, increased understanding and expanded markets for our goods and services.

But your interests are so diverse, from sports to film and theatre and the arts to international development and medical research. How do these fit in?

We do not exist in a vacuum. All our families and friends use sports clubs, watch films, go to theatres and galleries and we all benefit from medical research. We are all richer for the

existence of these organisations who add to our standard of living. Sometimes they need our support in whichever form it takes.

If we have the opportunity and can help individually or corporately, then we should, whether it's time, resources or expertise.

What's your next project?

Other than continuing to be actively involved in my own business I hope to move the Asian Business Association forward. Separately I want to build a community, welfare and vocational training centre in post-earthquake Nepal, in very similar to fashion to what I have done in post-tsunami Sri Lanka. There's a lot to be done in Nepal and I'd like to devote more time to projects there.

Thanks to Tony Matharu for his time.