

INSIDE BUSINESS

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COVER STORY

American dream

**Against the odds, P.C. Amin built a \$30 million
hospitality empire**

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When Pramod C. Amin, a civil engineer and native of Baroda, India, arrived in downtown Richmond at the Greyhound bus station in 1971, he had \$20 and a dream — to find an engineering job.

His goal was to save up \$60,000 to take back to his native Gujarat, a state in India's northwest corner.

"I had modest goals," says Amin, explaining how those goals blossomed. "When I had \$60,000, I needed a quarter of a million dollars. By the time I had a quarter of a million dollars, I forgot that I was going back."

Fast forward 30 years. The soft-spoken Amin, who co-workers call P.C., has become Richmond's largest hotel operator with 18 properties in three states and more on the way. His hotels are flagged with top-tier brands like Hilton, Marriott and Holiday Inn.

Shamin Hotels, which is named after a combination of Amin's brother-in-law's last name, Shah, and his own last name, has parlayed that \$20 into a company with \$30 million in yearly revenue and 1,700 hotel rooms in the Richmond area alone.

Of late, Amin has been trying — and finally has preliminary county approval — to build a Holiday Inn Express in Brandermill. He says he has plans for a few more in Central Virginia, and then will branch out up the East Coast.

In addition, he and friends in the Indian community have undertaken to build a 20,000-square-foot, \$2.2 million Cultural Center of India, a nonprofit community center in the Ironbridge area of Chesterfield. It will open next spring and provide much-needed meeting space in the Chester area.

Amin says the center is an attempt by the region's growing Indian community to show that it wants to contribute to the community.

"Until now, we were trying to establish our role," says Amin, who works from a plush office building that overlooks three of his hotels along Route 10.

"We were hand-to-mouth," says Amin. "We still have a lot [of people] in our community who are still trying to come up. But many have now come up."

As Shamin Hotels has grown, Amin has hung onto his first Richmond motel, the Chester Inn, which is still profitable. Recently, he signed a contract to purchase 30 acres adjacent to the motel, with the hope that the site can possibly become a first-rate sports resort along the busy I-95 corridor.

Shamin Vice President of Operations Tom Bowen compares Amin to the late hotel baron Conrad Hilton, who hung onto the first hotel that he bought in Texas for sentimental reasons.

"He still has that," Bowen says of the Chester motel. "And I think that's great. Because you know what? That's our roots."

A \$5 roll of dimes

Amin came to Richmond after attending engineering graduate school in Utah. He couldn't find a job in Utah, so he began looking around the United States for work. He bought a 21-day Greyhound bus pass. Each morning, he would arrive in a different American city; he had a \$5 roll of dimes to call for jobs. If someone would pick him up, he would go interview.

"I would go city to city," Amin says. "I never stayed in a hotel. I don't know how I managed those 19 days."

His luck was about to run out. On the 19th day of his job-seeking trip, a Friday, Amin arrived in Washington, D.C. He used all of his dimes. He got no job interviews.

"By 10 o'clock [in the morning], I realized I would not get a job just like that here," Amin says of D.C.

Worried that the day was growing short and knowing his bus pass would end that Sunday, he had to go somewhere else — quickly.

"So I opened up my map and I saw the nearest place that I could reach and still have a few hours left for the day," says Amin.

That place was Richmond. And when he arrived at the Richmond Greyhound terminal, he walked over to the state highway department just down Broad Street. It was 2:30 p.m. by the time he got to the personnel department. After filling out forms, he got nowhere — and time was running out.

On his way out the door, he spied the chief engineer's name on the entrance signboard and walked up and introduced himself. The chief engineer introduced him to other managers in the building, but none of the interviews produced an offer. Grateful, Amin went back to thank him and begged, saying that he could not come back that Monday.

"The only reason he hired me was because I traveled this many states in 19 days on a bus," says Amin.

He got a job. But it wasn't long before Amin was itching for more. While working as an engineer, first for the state and then for Duke Power, he

longed to work for himself. He grew up in a family of independent farmers.

"My father or his father or anybody before that never worked for anybody," says Amin. "When you start working for other people, sometimes it's uncomfortable."

Going with a gut hunch in 1979, he and his brother-in-law, B.N. Shah, purchased a struggling old motel in Lumberton, N.C. The owner had just gone bankrupt. They purchased the motel by assembling the down payment with savings and credit-card cash advances. Eventually, they turned around the struggling motel.

Shah now manages the company's Lumberton property.

A second opportunity came when the company bought the Old Stage Motor Lodge off I-95 in Chesterfield, which is now the Chester Inn. Using credit cards and savings to put together the \$200,000 down payment, Shamin bought the motel.

"We learned if we go in and clean it out, we will do all right," says Amin.

Shamin's first new hotel was a Holiday Inn Express, which he opened in Hope-well in 1982. From there, the company grew to its current roster of one retirement home and 17 hotels, a few of which are still under construction.

With the growth, Amin became unable to run it by himself.

In order to take the company to the next level and begin putting together what he hopes will be a 50-hotel chain, Amin brought in Tom Bowen in July. Bowen is a 30-year veteran manager who has worked for both Hilton and Marriott. He has experience opening and managing large full-service hotels, a market Amin is beginning to infiltrate.

"Tom would not be here if we were going to remain a limited-service hotel company," says Amin.

While the national hotel market has tanked, Amin, who scouts his own locations, feels that there are still some under-served pockets in the Richmond area.

Currently, Amin has three hotels under construction: a Homewood Suites by Hilton near the Richmond airport and one in Chester, as well as a Courtyard by Marriott, also in Chester. The two new Chester hotels will join his Holiday Inn Express and new corporate offices in a cluster around a lake off Route 10.

To prepare for the growth, the company is putting together a training program at its new headquarters that will upgrade employee training and standardize procedures, which Bowen will lead.

"We'll get to 50 hotels," says Bowen. "We're on our way there."

A travel recession

The growth of Amin's company comes at a critical time in the industry, and not just because of the travel recession brought on by the economic slowdown and the terrorist attacks, which has reduced occupancy rates and revenue per room to record-low levels.

Amin says that the Richmond business-travel market has pretty much recovered from the Sept. 11 attacks. Though weekend traffic is still weak, his occupancy rates so far this year are up 1 percent from last year, even after factoring in the unusually slow October.

Even before the slowdown, the industry faced enormous challenges.

Virginia Tech hospitality professor Ken McCleary believes many hotel operators have become so focused on yearly returns that the product suffers.

As Wall Street has invested in hotels, Mc-Cleary says, it has viewed them as only for the short term. Today, the typical practice for many corporate properties is to buy them at a reasonable price and take money out.

"You generate cash out of it without dumping money into it," says McCleary. "You [then] resell it as a depressed property."

Bowen agrees with that assessment and says that Shamin's long-term approach and pure love for the business can give the company the edge it needs to grow in this tough market.

"The temptation, like most businesses, is to make fast cash," says Bowen. "But [Amin] is really building a great company because he puts money back in."

Amin, who runs the business with his wife, Punam, hopes to build a company that endures. He also hopes to eventually persuade his son, Neil, who works in acquisitions and mergers at Goldman Sachs, to come back and work with him.

Amin says that Indians today own over 15,000 hotels in the United States, mostly limited-service hotels. While he says most Indian hotel owners come from the same area of India as he does, he says there is nothing magical or cultural to explain why Indians from such a small area have become so powerful in the hotel industry.

Most don't even come from a hotel background, Amin says. Instead, he believes it is the Indian manner and their love of people.

"You have to be friendly with your guests. [Indians] love to talk. We share food, whatever it takes," says Amin. "The success comes from liking what you are doing."

Now that his business has become successful and established, he says he wants to grow it beyond the immediate region and take advantage of higher room rates in larger markets up the East Coast.

"It's not for the money," says Amin. "It used to be for money in the beginning. But I love to build, and I love to build bigger and better."

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