

A daft wee idea sold for \$147m.

Back in 1990, the man behind an oak-panelled Victorian hotel in Glasgow – a row of three town-houses called One Devonshire Gardens – believed old fashioned service in Victorian surroundings at an affordable price was the future for the hotel industry.

After the huge international success of his first hotel he wanted to open another based on the same concept: why have an expensive hotel, stiff with formality, when you could have something that has the air of a feel-good stately home?

The man in question, Ken McCulloch, was told by financiers who refused to lend him money that the hotel business in 1990 was on the floor. The last thing the world needed was another luxury hotel. The impeccably dressed Glaswegian shrugs “I thought they were a bunch of loonies, but then I said to myself, when you keep hitting your head against a brick wall it’s time to change the wall!”

There are three things noticeable about McCulloch. One, his perfectly pressed trousers; two, his penchant for sprinkling sentences with colourful slang; and three, his love of the motto as a way of expressing perceived truths about life. The One Devonshire Gardens calendar, sent to all loyal guests, had a motto from a great mind for every month. May is Einstein’s “Imagination is more important than knowledge”; July comes courtesy of Ken McCulloch: “Good service isn’t a mystery. Employ nice people.”

His monumental self-assurance comes from two sources. On the one hand McCulloch had a down-to-earth training, initially washing up in British Transport hotels and working his way up – the pressed and ironed look presumably stems from that time. But he also comes from bohemian roots and his instincts have obviously been shaped by his parents, who were prominent on the jazz scene. Indeed, one of his strengths is that when the occasion calls for it he is prepared to let himself go with the flow. It was on such a day, after frustrating months of talking to nervous financiers, that he met Robert Breare, whose company, Arcadian, owned a disused church. “There was just a spark there, this chemistry. Robert thought like me: they’ve turned churches into nightclubs. Why not turn one into a hotel?”

It was then that McCulloch had the idea for a new service industry concept: the “daft wee hotel”. He took the name for his new chain from one of Glasgow’s legendary restaurants, Malmaison (the name comes from the home that Napoleon bought for Josephine on the outskirts of Paris), and did for hotels in the late 1990s what fashion designers such as Calvin Klein and Donna Karan did for fashion at the beginning of the decade. Having established one strong, elitist product that only rich people could afford to buy into, he decided to create a second, “diffusion” line, as the phrase goes in the fashion world.

Malmaison has now become Britain’s highest profile diffusion line and the first UK hotel brand in 30 years. Cheaper than prêt-à-porter and a long way from the towering expense of haute couture, Malmaison’s formula includes a lobby like a nightclub, a brasserie like a comfy French bistro, bedrooms with CD players, chintz-free furnishings and prices starting at £65 (\$107) per night.

Malmaison can afford to sell itself so cheap – cheaper than those dismal airport chain hotels – because while the service comes with a smile, there is less of it. There are no bell boys to greet you, your beds are not turned down at night unless clients ask specifically; and in the brasserie, wine is not poured by the waiter, nor will the chef rush out for you to shower him with compliments.

Malmaison hotels now exist in Glasgow, Edinburgh and Newcastle, while others are planned for Manchester (to open in April), Leeds, London and Paris. He says that one of the strengths of the Mals is that they were founded on enforced penny-pinching. Rooms averaged \$88,000 each which left a mere \$6,000 for furnishing – for everything from furniture to bedding. He reasons that “the corporate world doesn’t want to get hung up on design”.

“The kind of businessman who comes to Malmaison hates change,” says McCulloch. “I call him compact man. He arrives with his laptop and briefcase, just off a plane where everyone was miserable. He doesn’t want to be in Newcastle. He’d rather be at home. We offer him an individual room and food that is worth staying for”.

McCulloch says he has no fears about leaving the provinces and hitting the big time in Paris and London. Once you have conquered Newcastle, he says, London and Paris are small fry. Paris, he feels, will be easier to work than London. As yet, he won’t specify which hotel he plans to buy up, but he hints that he has a soft spot for the Left Bank, where the bookish used to gather in the 1940s.

Paris has its share of old-school grand hotels such as the Crillon, together with lots of tiny quaint ones with nasty flowery wallpaper. But in the 50-60 room bracket there is little, apart from the Montalembert with its monochrome rooms and Armani-style lobby. There is also the Costes, which comes under the designer heading but which does not do anything for the Scot.

Not that McCulloch is aiming for the designer end of the market. He says he has great respect for Ian Schrager, the man who created New York’s Studio 54 club in the 1970s and who now owns New York Royalton and Paramount hotels, but he believes the idea of the designer hotel is already outdated. (“It’s like Chinese food; half an hour later you’ve forgotten all about it”.)

Arcadian, which owns 28 per cent of Malmaison, recently accepted a \$147 million bid from Patriot, a US hotel and property group which has an option to acquire the remainder of the company. Next month McCulloch is off to the US to discuss terms, now that he will be running a whole empire of “daft wee hotels”.