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CORPORATE MEETINGS INTELLIGENCE

OCTOBER/NOVEMBER 2014



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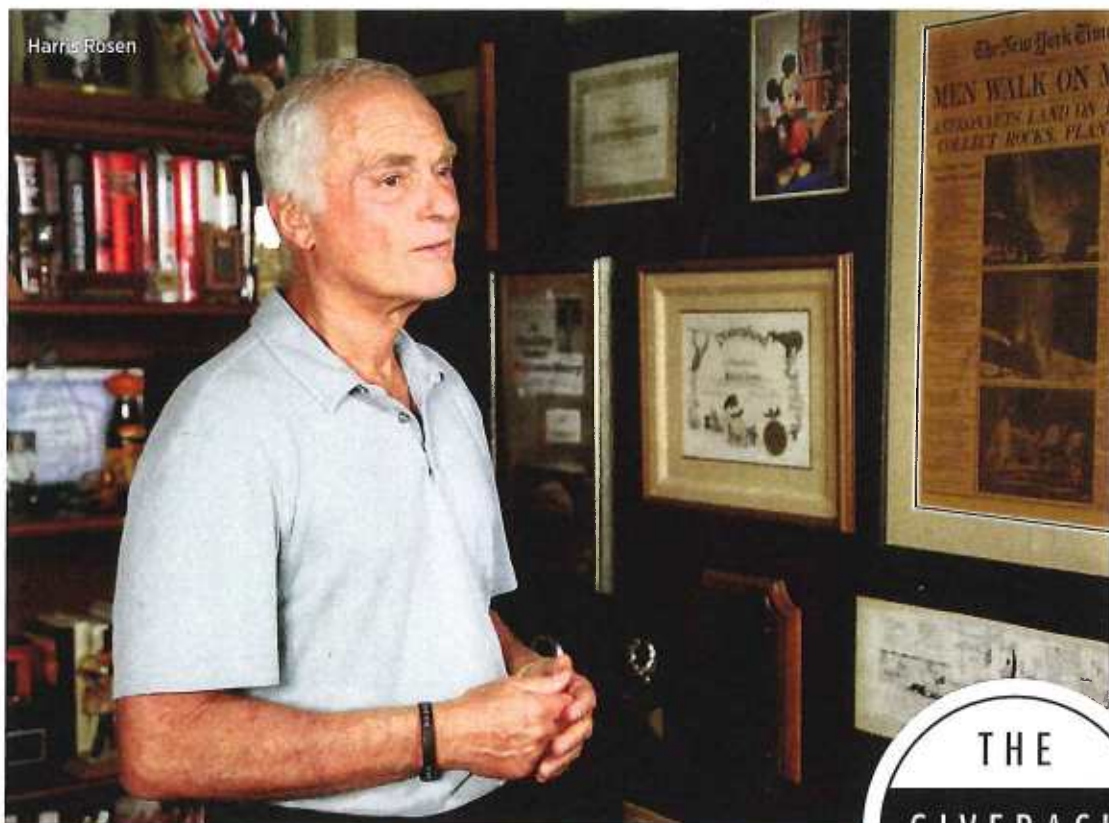
# THE GIVEBACK ISSUE

"If people look back and say, 'You started from scratch, built a nice company, treated associates well and gave back to the community,' that would be wonderful." 36

—Harris Rosen, Rosen Hotels & Resorts







Harris Rosen

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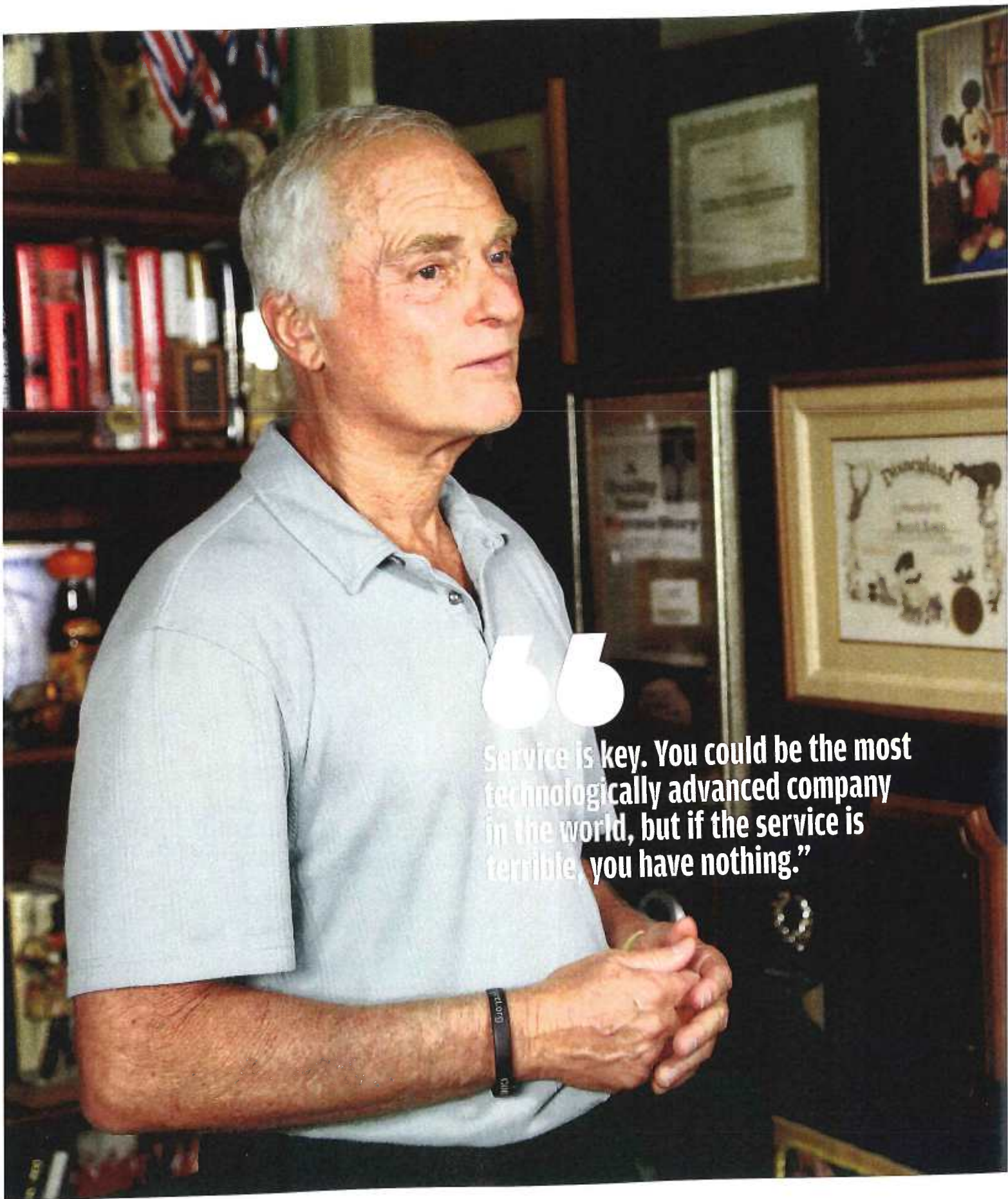


Hands Up Incentives



Harris Rosen, Natalie Dupuis photo





“

Service is key. You could be the most technologically advanced company in the world, but if the service is terrible, you have nothing.”

THE LIFE AND

TIMES OF

# HARRIS ROSEN

The iconic hotelier looks back on 40 years of legendary service and famed CSR projects.

By Matt Swenson

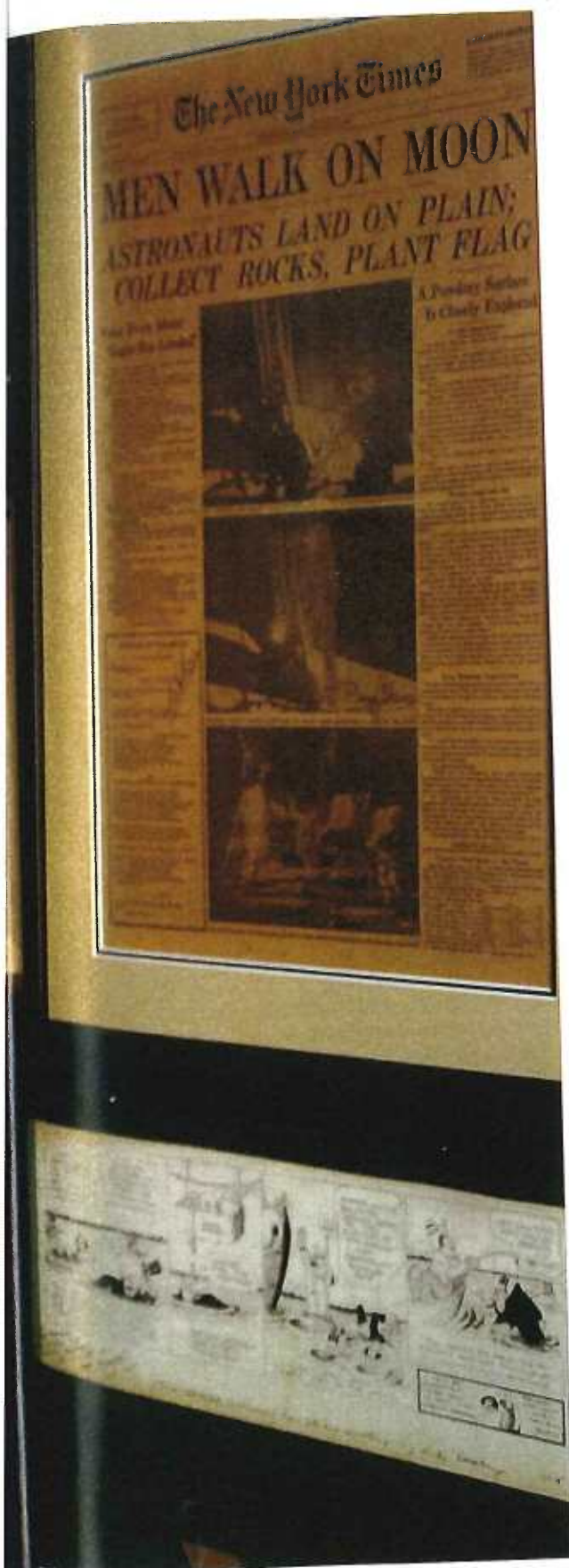
"I know what you're doing," says Harris Rosen, the illustrious silver-haired hotelier with a lifetime of stories to tell. "You're doing the math. He must be really old."

"Let me make it easy for you. When I was eight years old, I asked my mom and dad if I could buy a hotel, and they said, 'Yes.' It's amazing to me, so many people look at me and say, 'Wow.'"

Then he laughs. When he was growing up the child of two working-class parents in an area of New York called Hell's Kitchen, the idea of buying a hotel was hard to fathom while playing Monopoly, let alone in real life.

Yet it's been 40 years since Rosen, who turned 75 in September, went into business for himself, buying a Quality Inn on International Drive in Orlando, Florida, and launching what's become one of the country's most successful independently owned hotel chains. To mark the occasion, he was the guest of honor when the staff of Rosen Hotels & Resorts threw the boss a party in June.

Photography by Natalie Dupuis





“

**When I hear people say America is unexceptional, it's a little difficult for me to comprehend, because I am an example of American exceptionalism. Where else in the universe would this be possible?”**

If it weren't for the photos to prove it, Rosen's story of how he went from sticking out his thumb for rides to lending a helping hand to people in need would be hard to believe. His office is filled with memorabilia from the likes of Jackie Robinson, Neil Armstrong and Margaret Thatcher, all of whom he had a personal connection with. And that's just “the tip of the tip of the iceberg,” Rosen explains.

### Ride of a Lifetime

Perhaps Rosen should have known he was destined for fame as a child riding the elevator of New York's famed Waldorf Astoria with his father, Jack, the hotel's director of safety. Joseph Kennedy—the father of John, Robert and Edward Kennedy—and Marilyn Monroe (yes, at the same time) were among the celebrities Rosen encountered there.

On the side, Jack Rosen would draw caricatures of the hotel's famous guests and get them to sign the drawings. It was his way of connecting, and it worked. Nikita Khrushchev, the former head of the Soviet Union, cracked one of Jack's ribs delivering a bear hug in approval of his likeness hours after banging his shoe during his infamous speech at the United Nations.

Harris Rosen inherited some of his father's talent. As a 10-year-old, he drew a likeness of Robinson, who broke Major League Baseball's color barrier in 1947. The Brooklyn Dodgers star liked the picture so much that he came to Rosen's school and signed it. Rosen keeps the framed autographed drawing on his wall, and notes the first of his four children is named Jack after his father and the baseball star.

The younger Rosen, who served three years in the U.S. Army as an officer in Germany and South Korea, was accepted into several college art programs—an accolade few black belts who fought on the U.S. national judo team can claim. But fond memories of riding the Waldorf elevator with his father drew him to the hotel business, leading him to Cornell University's School of Hotel Administration.

He worked at the Waldorf and several Hiltons before landing a job as Disney's director of hotel planning, where he stayed until being called into a meeting in which he thought he'd get his first raise from the company. Instead, Rosen was fired after being told he didn't have what it took to be an executive there. He left after delivering a zinger about Mickey Mouse, underscoring that a change of venue was best for both sides.

“They were right,” Rosen admits. “I was not going to be very successful in any large organization.”

Rosen decided to become his own boss, a decision that's worked out for him, the guests he's served and the professionals he's worked with.

“He's done it his way, but he's done it in a really good way,” says Bob Schuster, national director of meetings and conferences at CMP Meeting Services, which has held dozens of programs at Rosen's properties.

### The Best of Times, The Worst of Times

As Watergate neared its culmination and the Vietnam War was winding down in 1974, the country was in the midst of an oil embargo. For an industry reliant on vacationers taking ground transportation, the dispute was nearly crippling.

In Orlando, virtually every hotel not associated with Disney faced a severe financial situation. An out-of-work Rosen saw an opportunity to take advantage of low selling prices.

“It was the best possible time to buy a hotel and the worst possible time to buy a hotel,” says Rosen, who used his life's fortune—\$20,000—to purchase a Quality Inn with a 20 percent occupancy rate.

Having learned different aspects of the business since he was a child, Rosen did not go into the venture blindly. He had a plan: to attract motor coach companies based in the Northeast to stay at his hotel when driving south. The oil embargo only had an impact on personal vehicles, making buses a prime target for the newly minted owner.

The trouble was that after buying what is now Rosen Inn International, the entrepreneur couldn't afford a bus ticket or airfare to reach his desired customers in New York, New Jersey and Massachusetts.

So he hitchhiked.

His effort was rewarded—first with offers to spend the night from the company executives he was pitching to and then with the business he coveted. Rosen's offer to the bus companies was simple: Name your rate (they ranged between \$7.25 and \$8.25 per night) and it will be honored for one year.

Buses started rolling in and the hotel stayed busy, much to the astonishment of Rosen's competitors. Six months later, the oil embargo was lifted and business started to pick up.

Suddenly, Rosen and his property were hot commodities, so much so that lenders asked him to replicate the success with their hotels. Rosen, who was working multiple jobs at the hotel (see sidebar, “A Man of Many Hats”), rebuffed all offers except for one that gave him the chance to own the former Rodeway Inn debt free within five years. On June 24, 1975—one year to the day he bought the Quality Inn—he closed on the deal.

“I dreamt up some silly deal that I would manage the property for free,” he recalls. “In two years, I went from having nothing in the bank and being terrified I would lose everything to opening two hotels.”

Four years later, Rosen paid off the mortgage on that second property. In doing so, he created a debt-free business model that he still lives by today.

### A Man of Many Hats

When Harris Rosen says he knows the hospitality business, he means it. Because he was hardly debt-free when he bought his first property, Rosen needed to save costs where he could. One way was to hold several different jobs. Aside from being the owner, Rosen was general manager, director of sales, food and beverage manager, assistant breakfast cook, meat carver, gardener and director of security. “The money I saved was my profit,” he says. “I was able to generate a nice cash flow.”





Clockwise from left: Rosen talks with Leslie Menichini, vice president of sales and marketing for Rosen Hotels & Resorts, and Jonathan Misiewicz, national sales manager; a young Rosen on a summer vacation with his parents and sister; Rosen and his dog Apple; Rosen recounts happy memories telling stories about his four children, shown in frames.



"The advantage of being debt free is you can break even at much lower occupancies and average rates, and therefore set more aside for capital improvements," says Rosen.

It's also allowed the flexibility to delve into the passion projects Rosen is now known for just as much as his business ventures.

### 'A Hands-On Organization'

Rosen Hotels & Resorts is now made up of seven properties, including the elaborate Rosen Shingle Creek, one of his three hotels focused on meetings and events. Rosen's office, however, remains on the second floor of the original Rosen Inn International. His dogs, Apple and Bambi, often patrol the office, making it feel like home—which it was for Rosen for 15 years.

During a busy day filled with multiple meetings, his daily swim and a photo shoot, Rosen finds time to make three calls trying to reach one of the company's chefs. He's not looking for the salmon that's to be his lunch each day, but rather to wish his "associate"—as he calls all employees—a happy birthday. Ultimately, he is forced to leave a message, but the moment illustrates Rosen's personal touch.

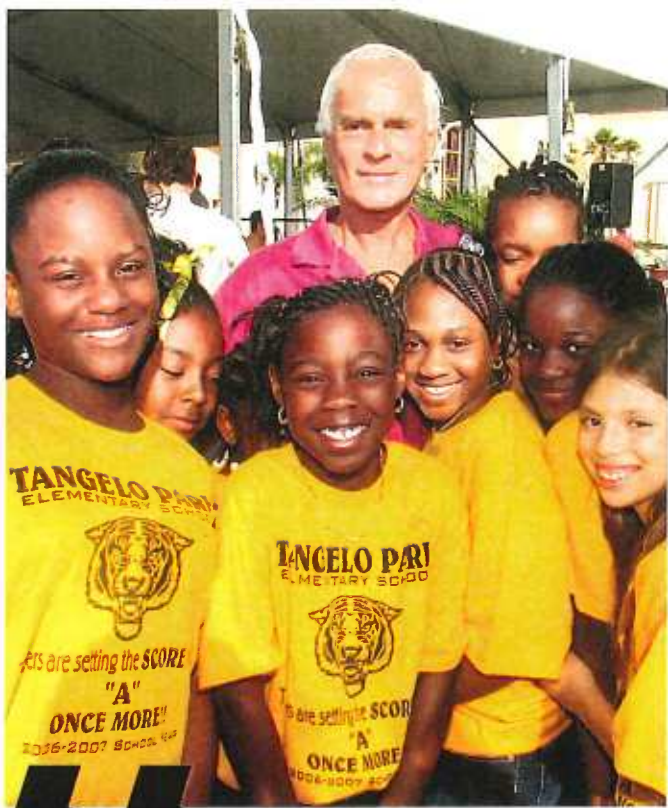
He has deliberately kept the company small. There isn't a board of directors, and Rosen doesn't answer to any shareholders. He has the final say on where his fortune goes, whether it's for the unrivaled health care and education programs his associates receive or to Haitians struggling to survive in their poverty-stricken country or to children in an underserved Florida neighborhood.

"We're a hands-on organization," he says. "We get involved in projects that are near and dear to us."

Few have made as great an impact as the Tangelo Park Program, assisting a neighborhood southeast of Orlando that was struggling with drug use, low graduation rates and other socioeconomic challenges during the late 1980s and early 1990s.

Through his foundation, Rosen provides the financial backing for scholarships, giving every two-, three- and four-year-old in the area the opportunity to attend pre-school. The education outreach continues by providing tuition, room and board, and living expenses to any high school graduate accepted into a vocational school, community college or public university in the state of Florida. The neighborhood initiative also offers classes and vocational opportunities to parents of children in school.





**We're a hands-on organization. We get involved in projects that are near and dear to us."**

The program is responsible for sending about 250 students to college, with some going on to graduate from the Rosen College of Hospitality Management, a part of the University of Central Florida, built on 20 acres adjacent to Rosen Shingle Creek the hotelier donated to the school in 2004.

Rosen hopes it serves as a model for other like-minded businessmen to follow. "Our dream is that every underserved neighborhood in the United States will have a program similar to what we've created," says Rosen, who is exploring the possibility of adopting another disadvantaged South Florida neighborhood. "If that comes to pass, we will change America."

The community pillar also donated \$5.5 million to the construction of the Jack and Lee Rosen Southwest Orlando Jewish Community Center, completed in 2009, and sits on the board of directors of the local YMCA Aquatic Center.

His reach extends well beyond Florida. Rosen has worked to help Haiti—where one-third of his employees are from or have ties to—for roughly 25 years, delivering health care, education supplies and water filtration systems made all the more important after the devastating earthquake in 2010. The Harris Foundation is currently funding the construction of a new village there. Similarly, Rosen gave \$100,000 to relief efforts to assist Japan in the aftermath of 2011's massive earthquake and tsunami.

## Dressed for Success

One of the more unconventional aspects about Harris Rosen is his wardrobe. He hardly looks the part of a millionaire hotelier in his neutral-colored golf shirts. While his attire certainly has not hurt Rosen's business, it almost cost him the chance to have tea with former British Prime Minister Margaret Thatcher. Rosen was told the "Iron Lady" was eager to thank him for a wonderful stay at one of his properties, but that he would need to change into a suit for the encounter. The trouble was Rosen didn't own any suits, so a tailor was brought in to custom make one. "What are you wearing?" asked Rosen's daughter, Shayna, taken aback seeing the tie around his neck. "Is that a rope?" Family critique aside, Thatcher's handler approved of the outfit and Rosen met his famous guest. A bemused Rosen recounted the clothing story to Thatcher, whose response was more memorable than the tea. "You could have worn your birthday suit and it would have been fine," she said. Needless to say, they became fast friends.

"We are intimately involved in all of these endeavors, and I expect each one will continue to grow," says Rosen, who has set aside half of his financial assets to go to his foundation after he passes away.

## Time Flies

One undeniable aspect of Rosen's legacy is the loyalty he's built. His company's turnover rate is less than 10 percent, which is virtually unheard of in the hospitality industry. It's easier to count the decades much of his staff has served rather than the years.

### A few perks of working for Rosen:

- ▶ He pays for the in-state college education of anyone who has worked for the company for five years.
- ▶ He pays for the in-state college education for his employees' children once they have worked for the company three years.
- ▶ A single employee's annual health care costs \$750 per year; a family pays \$2,500.
- ▶ This year, he struck a deal that all employees receive generic drugs for free from Wal-Mart.

"Why do we do it? Because we believe in it," says Rosen. "These are family members. Large corporations would have a hard time replicating that philosophically."

That type of attention doesn't stop with his workers. Rosen has always been in the relationships business, building friendships neither side forgets.

As general manager of Cape Kennedy Hilton, he befriended Apollo 11 astronauts Neil Armstrong, Buzz Aldrin and Michael Collins, who would use Rosen's name at bars and hotels to avoid making headlines when going out for a night on the town. Hence, a New York Times front page marking man's first steps on the moon, signed by the astronauts, hangs on Rosen's wall not far from a picture of him having tea with the "Iron Lady," Margaret Thatcher, who would send copies of her books to Rosen as a way of thanking him for the service she received during a visit.

"He's a consummate professional," says Schuster. "His focus has always been on service and attention to the customer and to his guests." For Rosen, it's all in 40 years of work.

"It has flown by rather quickly," Rosen says. ■