

SPEECH SCRIPT

BUILDING YOUR “A” TEAM

INTRODUCTION

I'd like to throw out a question to everyone in the room. As someone who is interested in developing a hotel, what would you say is your worst fear? [Offer the following answer if no one suggests it.] What about development failure? I'm sure we can all agree that no one sets out to develop an unoccupied hotel. Unfortunately, it happens—the most infamous of these probably occurring about 20 years ago in Korea. In 1987, the development for what was to be a grand 105-story hotel consisting of 3,000 hotel rooms and seven revolving restaurants began. The development project was scheduled to last only two years. Today, the Ryugyong hotel is famous for two things: being the 22nd largest skyscraper in the world and the worst building in the history of mankind. The construction of the building lasted five years and is estimated to have cost more than a half a billion dollars. Today it stands unfinished—you can still see a construction crane at the top of the building—and unoccupied. What happened? No one knows for sure, but there are rumors of budget issues, improper design, poor planning...the list goes on and on. One thing is for sure—it was not a success.

So, how do you ensure that your project is a success? Having the “right” team is key. Without a team of professionals that have the skills and qualities that are compatible with your project's objectives, you run the risk of becoming another Ryugyong hotel disaster. As the owner of the project, it is in your best interest to build a team of All Stars—the people who “have your back,” and who will get the job done. I like to refer to these individuals collectively as the “A” Team. It is the work of an “A” Team that makes

the difference in a hotel development project, and today we are going to talk to you about how you go about developing an “A” Team.

I can hear someone in the room saying, “Well, [speaker’s name]. I’m not planning to build a billion-dollar hotel. I just want a nice little hotel situated in beautiful downtown [city presentation is given]. Do I really need to go as far as to assemble some elaborate team to develop my hotel?” I can tell you that whatever your dream hotel may be, its success is going to take a plan that is put together and executed by a special group of people. Plain and simple.

WHO’S THE LEADER?

Developing the best of the best for your project begins at the top. This position is reserved for the one individual who will give the project its direction. According to a study of consultants and contractors that was conducted a few years back and published in the American Society of Civil Engineers, the three most important skills of a project leader are decision making, leadership, and motivation. Each of these skills mean something different, but all point to one ability—and that is the ability to see the path that leads to the end result and know how to direct others to get there.

Effective decision makers focus on how to get from point A to point B. Someone who is irresolute has no place leading your project. I like how Yogi Berra put it. “If you don’t know where you’re going, you’ll end up somewhere else.” The somewhere else for a hotel project could be an over-budget project in an obscure part of town. The leader for your project must be able to take your vision and make the right decisions to complete the task. Decision-making skills are also essential in your leader because the leader will have

to negotiate and resolve conflict. A leader who does not use an effective and decisive approach when negotiating and resolving conflict can destroy your project.

The individual that you appoint to head your project must also exhibit excellent leadership skills. They must be able to take the established principles and objectives of your project and guide the team to the completion of the project in accordance with these principles and objectives. The “A” Team may consist of designers, inspectors, contractors, owners, and other specialists—each having their own objectives. It is the task of the leader to keep them all in line with the project’s ultimate goal. This is a weighty task that requires someone who is skilled in planning and monitoring the progress of others.

Imagine the leader of your “A” Team gathering the team members to outline the plan, exhorting each member of the team to support the effort by providing their level of expertise, and then finding ways to re-energize the team when obstacles arise. Sounds a lot like a coach doesn’t it? Great coaches are great motivators and so should the leader of your project. An individual who has top-notch motivation skills acknowledges the purpose of the project and uses it to inspire the team to complete the project successfully. Motivation is a powerful force that can actually change behavior and, on a consistent basis, keep people moving toward a certain goal. Motivation requires an understanding of what is special about the project and the team and using that to keep the team moving.

Once you have established the leader of your project, you have to convey your hotel dreams to them in terms that define exactly what it is you want built.

DEFINE WHAT IT IS YOU WANT TO BUILD

Many leaders in the hospitality industry, 38% of the Lodging Investment Council—LLIC to be exact, are speculating that the market is entering a new investment cycle and that 2009 and 2010 will be big for the hospitality industry. Will your project be able to participate in the big boom? Your answer to that question will depend heavily on whether you have positioned your project to be successful. To reach that point you're going to have to position all your ducks in a row. Start with a market analysis to make sure you know the demands of the market.

Since you're in this room, I know that you have a vision for a hotel construction project and that you're interested in learning the best way to assemble an "A" Team to bring it to fruition. In your mind you've probably already mapped out all the details. Unless your "A" Team is comprised of mind readers, you will need to adequately convey your design ideas. I'm sure you have a great vision, but it alone is not a good reason to start breaking ground. You need to ensure that people will want to stay in the hotel. After all, if only you find it appealing you won't have a successful project. The best way to develop these ideas is to perform a market analysis.

You may associate market analysis with sales forecasting. It is also an effective tool for determining if your vision is suitable for the hospitality market. Does the area have a strong demand for hotels? Does there exist or is there an anticipation of significant population growth in the area? These are just two factors that can determine whether your hotel construction project is suitable for a particular area. When you are armed with this information you and your "A" Team players can vie for a successful project.

Conducting a market analysis will also give you some idea of what people will pay. You may want to build a grand hotel in downtown [city of presentation], but how are

the hotels doing there now? What's the success rate of other hotels in the area? Majestic hotels are the norm on the Las Vegas Strip, but will people in [city of presentation] pay top dollar for such a hotel? You ultimately want the result of your market analysis to be a head nod in favor of your construction plans. However, you may discover that now is not the right time for your design, or that maybe a scaled down design will be more successful.

So, what do you do with all the valuable market analysis you gather? You develop a comprehensive scope of work—on paper—that outlines the project. This is essential for your “A” Team because they need to know what direction to take the project. A pitfall that some developers make is to create a scope of work as an afterthought. In these situations the scope is loosely communicated and is expected to evolve from the designer's expertise. This is a ticking bomb waiting to go off. Would you ever tell an automobile salesman, “Find me a nice car, charge me what it costs, and deliver it to my house”? Your idea of “nice” and the salesman's idea of “nice” can be two totally different and extreme images. He or she may picture you behind the new Lexus SC whose base price is easily \$65,000, when what you had in mind was a slightly used 2006 Toyota XL that costs no more than \$25,000. That's a huge difference. Well, this is essentially what you are doing when you don't supply your “A” Team with a written scope of work for the project. Providing them with a complete scope of work up front enables them to provide you their solution for getting the job done and a baseline of costs associated with that solution and of course, assessing the costs associated with building your hotel is key to its success.