Industry Executives Envision Year 2020

Perhaps the biggest constant in our industry is change. In this special report, EHLITE asks leading hospitality executives to gaze into the year 2020 and share their top-of-mind thoughts about what the landscape of the hospitality industry will look like; what they perceive as the single most significant change; and how can educators like EHL prepare future hospitality executives to best succeed in 2020 and beyond.

GARY BUDGE, General Manager, The Algonquin, New York

Looking ahead to the biggest change in hospitality management in the year 2020, Gary Budge, General Manager of The Algonquin in New York, believes

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a major driver will be demographic in nature, particularly Baby Boomers. Baby Boomers are those Americans who were born post-World War II, from 1945 through 1964 and they currently account for some 78 million Americans.

"I know about 1950 forward," says the Budge, who himself is 60 years old. "I am not my father at the age of 60. I have a more youthful outlook on my life. I'm proactive, I'm mobile and I do not believe I am alone."

Because the growing importance of this growing, vibrant demographic, Budge believes there is a special alignment with hospitality. "I love the 25 and 30 year olds and I think they are terrific people, but I don't think hospitality can afford to walk away from that [Baby Boomer market]."

While Budge's father and other members of what is known in the U.S. as "The "Great Generation" typically lived a more sedentary lifestyle and virtually lived and longed for a golden retirement at age 65, then 62, then for some of them 55, today that whole concept of retirement has all but evaporated. "They [Baby Boomers] will have problems funding unless they continue earning."

As a result, Budge foresees, "Hotels will become streamlined employing more green initiatives. Services, as far as the old traditional hotel will be less and less. There is too much overhead and it is not sustainable." Bottom line? Limited service will morph once again to a high-end version of the limited service product.

FRED TIBBITTS JR., President & CEO, Fred Tibbitts & Associates, global wine brokerage firm dealing with international hotels, based in New York and Thailand

"By 2020 the pace of the hospitality business will be greatly accelerated in every way, just as life on planet Earth will be accelerated," states Tibbitts.



To the right: Fred Tibbits with his wife Joy.

"The historical idea of a "New York minute" will be globalized. People will be traveling, communicating and experiencing on-premise food, beverage and entertainment in bites, rather than lengthy day parts, evenings and weekends. Holidays will be a number of long and short weekends, rather than one to eight week annual events. Entry-level employees in the business will almost certainly be the product of community colleges, vocational schools and universities. The days of the uneducated youth with ambition and a good work ethic starting as a dishwasher and ascending to the corporate boardroom will be over. Hotel, restaurant, transportation and entertainment companies will not have the time or willingness to recruit on the street. It will all be done via accredited, professional schools that seamlessly feed into the global hospitality channel."

According to Tibbitts, the North American and European leading, global hospitality corporations will focus on serving Asia Pacific, Latin America and Africa, because growth will be non-existent in their home markets and the opportunities will all be overseas. He believes that career hospitality leaders will see themselves as citizens of the world, much as diplomats, and "home" will be wherever they are serving. Valuable employees will change companies as often as every year for a better position in a different country with greater opportunity for career growth. "As everyone will be connected 365/24/7 electronically without need of laptops or notebooks, offices as we know them will no longer be necessary for all but headquarters technical, accounting and ceos," Tibbitts says. Brands will dominate our lives even more so than today according to Tibbitts, but he takes it a step further: "Our preferences will be stored everywhere we shop, mostly online. All but a handful of data and text communications will be electronic. We will all be connected to ultra-sophisticated satellites that will know everything about us and for a fee, serve as our assistant, making reservations, appointments and advising us on the best approach to everything." He foresees that the center of the global business, travel, entertainment and banking industries will be around Asia Pacific. Most North American and European lodging, restaurant, and entertainment companies will be owned by ultra wealthy Asian multibillionaires and their holding companies.

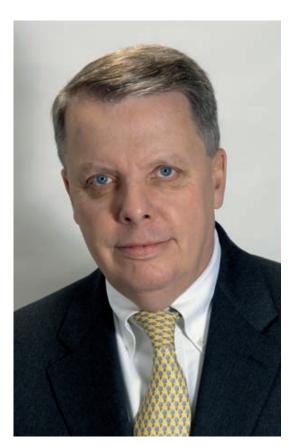
Having done a great deal of business in both the U.S. market and Asia-Pacific, Tibbitts states, "The most significant change in hospitality management by 2020 will be the globalization of the Asian concept of company being family and learning to grow revenues and profits by becoming "One" with the customers and clients, rather than the historical Western "adversarial" model of achieving results by superior manipulation and dominance, the "Take no hostages" approach."

With this in mind, Tibbitts maintains that educators can prepare future hospitality executives to best succeed in 2020 and beyond by teaching them that their future depends on their willingness to serve others with transparency, an open heart and conduct themselves at all times in an open, honest and direct manner. "Strength will come from serving others the way they want to be served, not the way we might want to serve them," Tibbitts says.

JOHN FOX, Senior Vice President, Colliers PKF Consulting USA, New York

"I see a continued expansion of brand presence and branding but at the same time a strong basic independent hotel industry enabled by the increased visibility of available communications. The economics of branding will be more prevalent in 2020."

While there are many aspects to what the landscape of hospitality will look like in 2020, Fox leans toward the demographic factors that will come into play. "There will be a tough labor market and a much more diverse labor market, so management has to learn how to manage a more diverse labor market. By a diverse labor market, Fox is referring to the shifting ethnic, age, religion and gender demographics. "The entire world is becoming much smaller."





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is the award-winning author and managing director of the hospitality division of GRN where she specializes in placing hotel and restaurant executives. In addition, Felicia is president of What's My Wine? LLC, a consulting firm specializing in wine, spirits, and lifestyle. Under her nom de plum, Sherbert, she has written The Unofficial Guide to Selecting Wine and collaborated on The Windows on the World Complete Wine Course series. Felicia is a founding member of the International Food and Beverage Forum.