

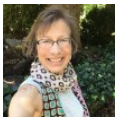
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"The Spirit to Serve: Marriott's Way" ... 25 Years Later

A CONVERSATION WITH  
**BILL MARRIOTT**

CHAIRMAN EMERITUS, MARRIOTT INTERNATIONAL

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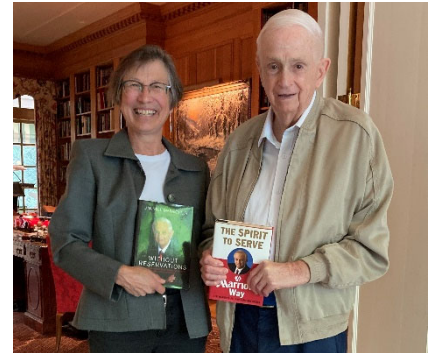
*Co-author with J. W. Marriott, Jr.: "The Spirit to Serve: Marriott's Way" (1997) and "Without Reservations: How a Family Root Beer Stand Grew into a Global Hotel Company" (2012)*

**O**n May 6, 2022, J. W. Marriott, Jr., long-time Chairman of Marriott International, formally handed off the title and the job to his 48-year-old son David, a change that places a third-generation Marriott at the helm of the Board of Directors.

Marriott's parents, J. Willard and Alice, launched The Hot Shoppes, a family restaurant chain, in May 1927. In 1957, the family opened its first hotel: the Twin Bridges Marriott, near the Pentagon. Bill Marriott became Chairman of the company after his father's death in 1985. Under his guidance, Marriott International has grown into the largest hospitality company in the world. Today the company manages almost 8,000 hotels.

## A CONVERSATION WITH BILL MARRIOTT

*A few days before Bill Marriott retired at age 90, we sat down for an hour to reflect on the 25<sup>th</sup> anniversary of our first collaboration, **The Spirit to Serve: Marriott's Way** (HarperCollins, 1997). In 2012, we wrote an update: **Without Reservations: How a Family Root Beer Stand Grew into a Global Hotel Company**. Following are highlights from our wide-ranging conversation.*



**KAB:** *What are the three biggest changes to Marriott International since we wrote the first book in 1997?*

**JWM:** Size, of course. We're up to almost 8,000 hotels. We had fewer than 2,000 in 1997. We're now in 130 countries. And around 800,000 employees wear Marriott name badges. The international growth has been tremendous.



Technology is another huge change. Our new global headquarters (Spring 2022) is designed to be as paper-free as possible. We now have quite a few people involved in cybersecurity – something we never heard of 25 years ago. And, of course, social media has been a huge change. I think it is way overdone and has way too much influence.

The third is regulation. Not just here in the U.S., but in all the countries we operate in. Each has its own regulations, its own laws. That aspect of our business is much more complex than it was 25 years ago.

**KAB:** *Other big external forces you've had to deal with since 1997?*

**JWM:** We had to respond to 9-11, the Great Recession back in 2009 and most recently COVID. During COVID, our occupancy rate plummeted. It was just awful. So we've had a bunch of stumbling blocks, but we made it through.

## A CONVERSATION WITH BILL MARRIOTT

**KAB:** *Every time one of these big events happens, are you able to learn something that you can apply to the future?*

**JWM:** Well, we certainly focus on controlling costs better. We learn how to be more careful on our investments. More careful on the obligations we're taking for hotels. More careful on our debt. We don't have all maturities coming due in one year, it's spread out over a long period of time so that we don't get stuck having to pony up a lot of money because we didn't plan it right.

**KAB:** *What about AirBnB? It wasn't around in 1997 but is huge now.*

**JWM:** They've been tremendously successful. But they have their issues and problems, like the homes and villas or whatever properties they've got are not necessarily in the best shape. I've looked at the numbers. The market has them growing to the sky, but I think it's just impossible to do.



**KAB:** *Is part of the story that travelers today are looking for a more unique experience? When we wrote *The Spirit to Serve*, we talked a lot about how Marriott had researched and designed templates for different brands ... Fairfield Inn, Courtyard, Residence Inn, etc. Travelers knew exactly what to expect from each brand. Are younger travelers looking something else?*

**JWM:** Our Moxy brand is designed for younger guests. They congregate with friends in the public spaces; they don't stay in their rooms except to sleep. They're not really interested in closet space or room colors. So the rooms are small, everything is computerized, the bar is huge. It works for them.

But there's plenty of demand for our longstanding brands too. Reservations for Residence Inn, for example, were strong during COVID, because the suites include kitchens. People who wanted or needed to travel didn't want to be in a big hotel. They wanted a home base.



## A CONVERSATION WITH BILL MARRIOTT

**KAB:** *The death of Arne Sorenson in February 2021 was a big loss. [Sorenson was president and CEO of Marriott International when he passed away at age 62.] I interviewed Arne when we were working on our second book in 2011-2012.*

**JWM:** It was terrible. Pancreatic cancer. Ten percent survival rate, I think. For a while he was out of the woods, and then it came roaring back. Even his doctors didn't realize how sick he was. Arne was so smart and such a great people person. I just adored him. I felt like he was really a member of the family. After Arne died, Tony Capuano stepped up to the plate and is doing a great job.

**KAB:** *The company seems to have recovered from the COVID impact.*

**JWM:** Yes, we've had a wonderful run on Wall Street this year. I think we're recognized as a great investment in the face of inflation. Because we can change our rates every day to reflect circumstances. A big office building company, for example, can't. They're relying on steady income from long-term contracts. If inflation starts going up, they can't easily raise their rates, they're locked in. Whereas we can change our rates every day. We've been able to be flexible from the start. When we opened our first hotel, Twin Bridges, in 1957, we looked at the number of people in a car and if we saw more than a lone driver, we would register those guests first because we could charge an extra dollar or two a night.



**KAB:** *With almost 8,000 hotels to manage, has scale changed the function or role of the main corporate office in Bethesda, Maryland?*

**JWM:** I think it's pretty much the same as it was 25 years ago. Of course, we have much more emphasis on technology today. And we have more than 300 developers out there developing hotels. But at corporate, we're still managing the fees that come in, handling management contracts and franchise contracts. One job that has changed quite a bit is the Chief Financial Officer. The size of the business and the complexity of things like regulation have really transformed that role since the 1990s. It's not an easy one. The addition of a cybersecurity operation is also a big change.

**KAB:** *How do you maintain Marriott standards across so many brands now? You're up to 30 brands, some of which specialize in unique or historic properties.*

**JWM:** Well, we really work at it. We use all kinds of measurements and one of them is Intent to Return. We want to know, if you stayed with us, are you gonna come back? And if so, why? And if not, why not? If we have a lot of people saying they're not coming back to a particular hotel, we jump right in and find out what the problem is. Maybe the management isn't strong enough. Or they haven't reinvested in the hotel. Intent to Return is something we measure very carefully.

**KAB:** *If we were writing *The Spirit to Serve* today, would you choose the same 12 principles you selected back then to organize the book?*

**JWM:** Yes. Most of the principles have to do with understanding human nature, which doesn't change. For example, "He Who Listens Well Learns Well" is still very important. We want people to participate in the decisions that affect them. And we need to listen to what they have to say. But then, of course, at some point the leaders need to stop analyzing and make a decision. That falls under the principles "Listen to Your Heart" or "Decide to Decide."

### *The Spirit to Serve: Bill Marriott's 12 Principles*

- Road-Tested Research: The Benefits of Being a Hands-on Manager
- The Devil Is in the Details – Success Is in the Systems
- Give to Your Employees – And They'll Give Back to You
- He Who Listens Well Learns Well
- Preserve Order Amid Change
- Preserve Change Amid Order
- No Tree Grows to the Sky
- Never Believe Your Own Hype – Or What the Press Says About You
- Value the Organization More Than Individual Players
- Success is a Team Sport
- Listen to Your Heart – And Don't Look Back
- Decide to Decide

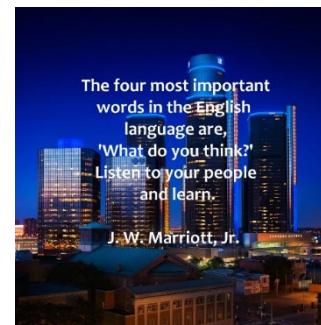
## A CONVERSATION WITH BILL MARRIOTT

I think making decisions is one of the biggest challenges for CEOs. Sometimes they gather in a lot more information than they actually need. In fact, the more information they collect, the harder it can be to make a decision. They suffer from Analysis Paralysis.

**KAB:** *So, what happens then?*

**JWM:** They have to go with their gut. Which, ideally, combines a grasp of the Big Picture with a lot of experience.

Something else that CEOs and other leaders need to remember: "Success is a Team Sport." Leave your ego at the door. If you've got a big ego, you're probably not listening and not crediting others. If a CEO acts like they're smarter than everybody else in the room, pretty soon there won't be anybody else in the room. Develop a great team and listen to them. And, of course, you have to work, work, work.



**KAB:** *How about the book title: The Spirit to Serve? Does that still sum up Marriott's philosophy in 2022?*

**JWM:** Definitely. The core value of this company is taking care of your people, who in turn take care of the customer, and then that customer comes back. That's been our philosophy for 95 years. Even as technology continues to shape how our business operates, the importance of taking care of our people won't change.

**KAB:** *What advice do you have for a CEO or other business leader who is thinking about writing a memoir?*

**JWM:** Tell the story of how you got there. How did you get to the "C Suite"? (Beyond being the son of the chairman, that is.) What did you do to prepare yourself? What kind of experience did you have? What qualified you to be the CEO? My books are about what I learned on the job and then tried to apply to the business. Success is never final, as my father used to say.

## A CONVERSATION WITH BILL MARRIOTT

**KAB:** *When you turned 90 in March 2022, you held your first big family meeting as part of the celebration.*

**JWM:** Yes, we had all our grandchildren there. That was the first time they were all together in one place. We had fourth generation there too. Some of the younger family members want to participate in the company; others don't. But together they own quite a bit of stock, so we want to help them see themselves as owners. A couple of teachers did a big presentation on family businesses, how they work. They learned about the history of the company too. Our CFO came and explained financial jargon that many of them had never heard. Tony Capuano, our CEO, talked to them about the future and where the opportunities might be if they want to work for the company. We also discussed philanthropy — how to do it well.



**KAB:** *How did the meeting go over with younger family members?*

**JWM:** They loved it. They loved learning about the business and are eager to continue. In fact, we're already setting up another meeting for this summer. They can attend in person or virtually. It has been great communicating with them as a group for the first time.

**KAB:** *How will David's role compare to what you did as CEO and Chairman?*

**JWM:** David is only the third chairman in the 95-year history of the company. It's a very responsible role, but he's not running the company. Tony is the CEO; his job is to run Marriott International. As Chairman, David will be presiding over the Board of Directors and traveling around the world on behalf of the company. He's the face of the family now, with me out of the way. David and his sister Debbie are both on the Board, so we have two Marriotts on the Board.

**KAB:** *Marriott International has been publicly held since 1953. Does it really matter that a Marriott is in the Chairman role?*

**JWM:** I think so. Our associates like knowing that they're working for a family business. We consider them part of our family and tell them so, constantly. They like the fact that David is the grandson of the founder and my son. Because his last name is Marriott, he makes a greater impact on his visits than the CEO would. Also, our international associates and investors like the fact that a Marriott family member is so visible and accessible. As you know, in many countries, most businesses are family-owned – including our hotels – so they appreciate knowing that the Marriott family is involved.

**KAB:** *What's the most important piece of advice you've given David to date?*

**JWM:** I really haven't given him a lot of advice. We've worked together for more than 20 years, and he understands the business very well. He's not stepping into my shoes. He's got his own shoes to wear. I mean, he wants to manage differently than I did and that's fine. That's what I want him to do. My job is to support him.

**KAB:** *Is David nervous about his new role?*

**JWM:** He doesn't seem to be. He's a pretty calm guy. His father, on the other hand, has always been a nervous wreck. {Laughter.}



**Kathi Ann Brown** is founder of Milestones Historical Consultants, LLC and a specialist in business history, executive memoirs and founder biographies. She is also a past Member Advisor of the Family Office Exchange ([www.milestonespast.com](http://www.milestonespast.com)).

*A briefer version of this interview appeared in Family Business Magazine in late May 2022.*