

BUSINESS**Carlson Hotels to change name as Minnesota company looks to future**

By NICOLE NORFLEET, STAR TRIBUNE
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Carlson Hotels Inc. has started to put some distance between the global hospitality company and the Minnesota family that started it and ran it for decades.

The changes — which include new leadership hires, restructuring and an upcoming name change that drops the Carlson name — are part of new owner HNA Tourism Group's ambitious plans to grow the Carlson Rezidor Hotel Group, the "go-to-market" combination of Minnetonka-based Carlson Hotels and its European sister company Rezidor Hotel Group.

"It's a whole new page for this company and that's not a criticism to the past at all, but we have this wonderful opportunity now to leverage off our global footprint, to accelerate growth," said Ken Greene, newly appointed president of the Americas for Carlson Rezidor.

It's been a year since Chinese conglomerate HNA closed on the deal to purchase Carlson Hotels, whose portfolio includes Country Inns & Suites and three different Radisson brands.

But the company, despite some new faces, is still located in the twin Carlson Towers. A mini Carlson museum, complete with a statue of patriarch and company founder Curt Carlson, sits off the building's lobby. The main company website still lists the "Carlson Credo."

While the company is committed to keeping the hotel group headquartered in the Twin Cities, it is exploring options for a new location.

"It's kind of like the little bird stepping out of the nest," said Josh Hoffman, executive vice president and chief human resources officer at Carlson Rezidor Hotel Group. "We are not part of the Carlson family anymore. It's difficult to break away from that image when we have that in our name, when we have that in our location, when we have that in the building that we sit in."

Hoffman, a Minnesota native, was brought into the company early in the year as a consultant to help with the transition and later to help hire staff and executives.

Also new is Federico González Tejera, who led Spanish hotelier NH Hotel Group and was brought in as chief executive of Carlson Hotels in February but moved in May to the top position at Rezidor. He was replaced at Carlson Hotels by John Kidd, the former president and chief operating officer of HNA Hospitality Group.

The company also appointed a new chief development officer, global chief of branding and chief financial officer, plus several other senior staff members.

Greene, who was made president of the Americas for Carlson Rezidor this past summer after a career with Delta Hotels and Resorts and Wyndham Worldwide, said the Carlson family "did a wonderful job of building some great brands and building a wonderful organization."

Under HNA, he believes they will get more investment for a larger expansion.

Curt Carlson founded the Carlson business empire in 1938 and bought the company's first Radisson hotel in 1962.

Over the decades, the company continued to expand its businesses to become one of the world's largest privately held companies. In recent years, Carlson Cos. has shed nearly all of its divisions, retaining only Carlson Wagonlit Travel (CWT).

Carlson Hotels — focusing on the Americas and Asia — and Carlson Rezidor — focusing on Europe, the Middle East and Africa — will still function as two entities, led by a global steering committee. The hope is to streamline more of the business so that workers aren't as siloed by region or brand, the company said.

A five-year plan includes investments in public-facing websites and other digital platforms for booking, loyalty programs and the internal systems used by the hotels. The rebranding also is part of the plan. Carlson Rezidor will be dropping the family name from the organization. Carlson Hotels will be renamed next year.

Kirby Payne, president of HVS Hotel Management, said that he thinks investments in the hotels and a rebranding would help Carlson Rezidor.

"I think it will probably be a benefit because it will let everyone know that there is real change in management and ownership," he said. "It sends a real signal to the market."

Last year, Carlson Rezidor Hotel Group opened 77 hotels worldwide, the most since 2009, and signed 122 new properties. However, revenue was \$7.2 billion in 2016, down from \$7.3 billion in 2015. As of the third quarter of this year, it has close to 1,200 hotels in operation with about 300 under development.

As part of the restructuring of Carlson Hotels, about 20 percent of the corporate positions in the United States and Asia have or are in the process of being cut, Hoffman said. Most of those employees served in support functions such as human resources, communications, finance and accounting. Rezidor is making similar changes to its workforce.

Under the plan, the United States should see exponentially more Radisson Blu upscale hotels. Right now, there are only three, two of which are in Minneapolis, while there are hundreds worldwide, Greene said. The company also wants to add more Radisson Reds, marketed toward young adults, close to colleges and in downtowns.

“We have all this wonderful territory to bring [Radisson] Blus and to really become a halo effect for our company and for the rest of our brands,” Greene said.

Carlson Hotels also wants to grow the Country Inns & Suites portfolio to three to four times its current size.

At the same time, Greene also foresees having to reduce the number of core Radisson hotels by about 10 percent in the next three to six months as the company evaluates its quality and other factors.