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Brands



Greene: New course for Carlson hinges on smarter growth

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Under the ownership of HNA Tourism Group, Carlson Rezidor Hotel Group is redefining its brand focus and global scope. Americas President Ken Greene shares details on what's next for the company.



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LOS ANGELES — It's been just over one year since China-based HNA Tourism Group completed its purchase of Minneapolis-based Carlson Hotels, and Ken Greene—who was appointed president of the Americas for Carlson Rezidor Hotel Group in June—said the company is poised to have “one of the greatest growth stories this industry has seen.”

Greene sees growth on all fronts as a big priority, one he's been executing since taking his new position. While that growth in many ways is bigger—he's expanded the organization and has big unit-growth goals—it's also smarter, he said during a conversation at January's Americas Lodging Investment Summit.

“When HNA acquired Carlson, it had a great stable of brands, but from an outsider's perspective, they were a little dusty, but with potential to grow,” he said. “My initial impression is that there was so much opportunity.”

To maximize that opportunity, Greene said the entire company—from its new owners to its Americas operations and its European master franchise organization, The Rezidor Hotel Group—had to get on the same page in terms of strategy, personnel and operating systems.

“We worked hard these last few months with Rezidor to come up with a global strategic plan that makes sense to capitalize on the strengths of our brand,” he said.

That plan, subject to approval by the company’s board of directors and its ownership, “starts and ends with the owner,” Greene said.

“Our five-year plan is organic,” he said. “It’s about building up our managed and franchised business and acquiring opportunistically. There’s value in having all three pieces to that triangle.”

According to the company, at year-end 2017, Carlson had 1,151 hotels comprising 179,379 guestrooms open globally. Of those, 627 hotels (70,601 guestrooms) are located in the Americas region.

The company’s largest brand by unit number is Country Inn & Suites, with 479 open hotels globally, 457 of which are located in the Americas. Its second-largest global brand is Radisson Blu, with 314 hotels in operation globally (seven in the Americas).

Carlson has 272 hotels comprising 45,049 rooms in its development pipeline globally, led by 86 Radisson Blu hotels. A total of 92 of the company’s pipeline hotels are located in the Americas, led by 50 Country Inn & Suites properties in development.

Brands outlook

While Greene oversees the Americas region, he emphasized that the company’s five-year plan encompasses the entire enterprise, and realizing synergies among the regions will lead to smarter brand growth globally.

“There were times (Carlson and Rezidor) didn’t operate in the most efficient way,” Greene said. “It was almost two companies with very different brand focuses.”

His plan for tightening up quality for the core Radisson brand in the Americas is to “get rid of the bottom 10%.”

“We’ll start to bring better properties in,” Greene said. “We’re working on some new-construction Radissons, which creates a new top 10%. We’ll start to renovate and provide a more consistent quality for the consumer.”

The company also recently announced a name change for its Country Inn & Suites brand, from “by Carlson” to “by Radisson,” a move Greene said is all about aligning it with the name recognition and success of the Radisson brand.

“The goal is to get existing properties on our Generation Four prototype and to accelerate the growth,” he said. “We have a whole new development team. We’ve done a dramatic changeover all at once and we are intending to grow Country Inn & Suites in a big way.”

As for the company’s Park Inn by Radisson brand, Greene said it’s a great example of how a brand with a strong European presence can have a lot of opportunity in the Americas.

“We’ve done it no justice in this part of the world,” he said. “We’re bringing the European prototype and adapting it to this region. It’s really a great, fun brand.”

What's next?

Greene said "it's no secret that we're going to change the name of the company," referring to news he's mentioned in recent months about corporate rebranding, now that the company no longer is controlled by the founding Carlson family.

A new name hasn't been announced yet, but Greene said steps are underway and ongoing toward company unification and growth.

Greene believes strongly in the new ownership's commitment to the hotel side of its business.

"HNA is a global company—they don't want to be a Chinese owner only," he said. "Their strategy is the right one. They've hired leadership across the board that know the theaters, and they've given us the tools and the investment."