

Isadore Sharp's iconic vision for Four Seasons Hotels & Resorts reflects his personal best

The man behind the brand

Isadore Sharp opened the first Four Seasons in Toronto in 1961. The brand now includes 74 properties worldwide, including the Four Seasons Private Residences Bora Bora in French Indonesia.



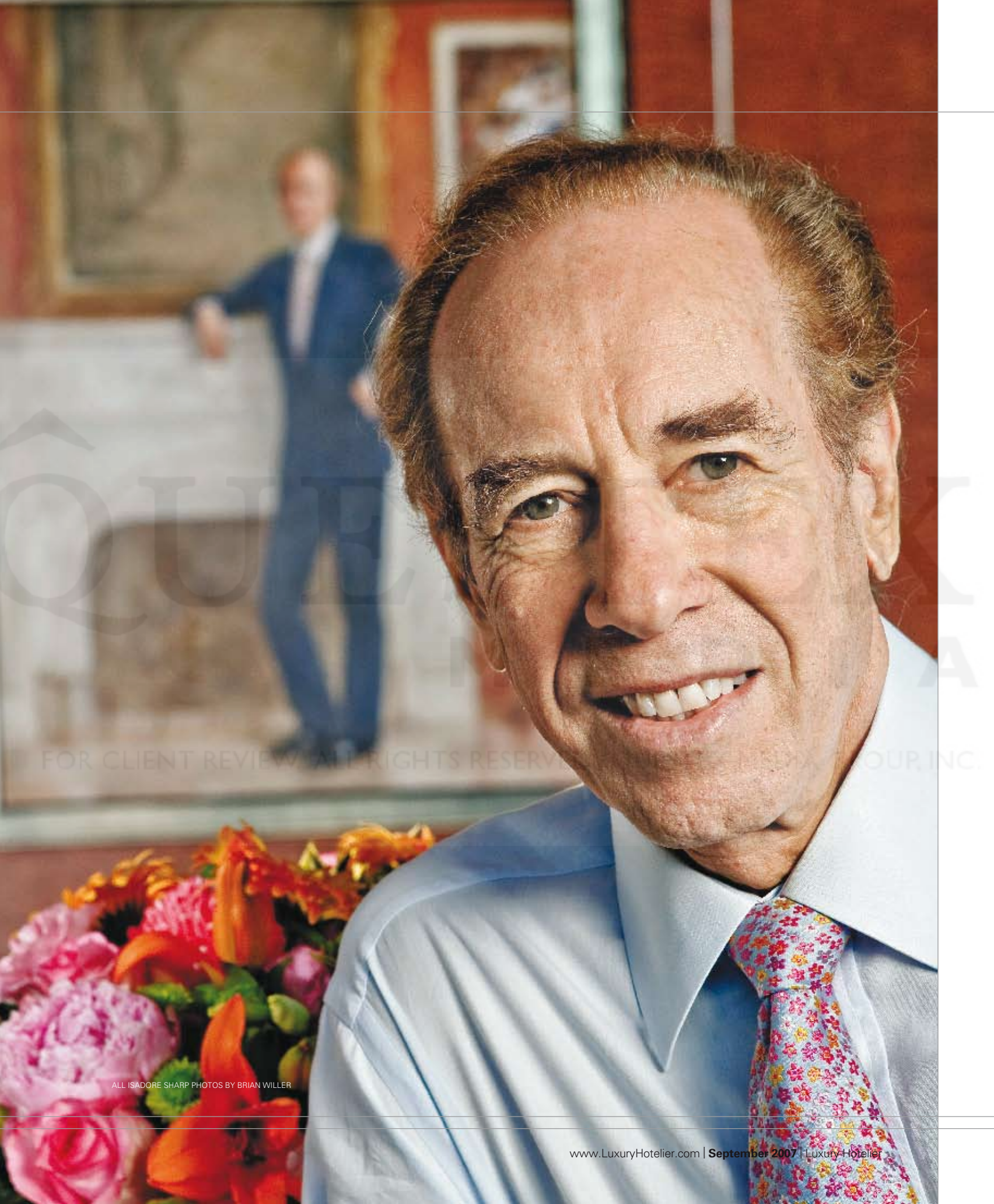
ALL PROPERTY PHOTOS: FOUR SEASONS HOTELS & RESORTS

» BY JEFF HIGLEY

The first thing a visitor notices when meeting Isadore Sharp is that his ever-ready smile and outgoing personality make him an ideal luxury hotelier. But his is not a gregarious type of personality; he has an air of confidence that must be quite convincing inside boardrooms, to go along with his charm and refined sophistication.

Mr. Sharp's firm handshake and fit physique don't give away his age. It's the longevity of Four Seasons Hotels & Resorts—the company he founded in 1960—and his quick response to the age question that reveals he is 75 years old.

But if ever there was a case for being as young as you feel, it is in the refurbished offices of Four Seasons, located on the »



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ALL ISADORE SHARP PHOTOS BY BRIAN WILLER

>> What is luxury?

“Luxury, by definition, means something that appears to be the best of whatever it represents. It’s a word that raises people’s expectations, whether talking about clothing for women or locations for people to live. . . . You pay for recognition, but probably the most important thing it represents is delivery on the promise of the brand’s name.”

—Isadore Sharp, founder, chairman and chief executive officer, Four Seasons Hotels & Resorts

fringes of Toronto. Mr. Sharp, the founder, chairman and chief executive officer of Four Seasons and an icon among luxury hoteliers, reveals he still exercises with Jane Fonda.

“I’ve got the original Advanced Jane Fonda tape that I do a few times a week,” Mr. Sharp says. “I play a little tennis, do some weights now and then.”



Barbara Talbott

By all accounts, Mr. Sharp has been a lifelong fitness nut and the consummate professional when it comes to managing a healthy lifestyle.

Barbara Talbott, Four Seasons’ executive vice president of marketing, recalls that on her second day of employment at Four Seasons, she went to an exercise class near the company’s headquarters.

“I looked in the mirror and behind me in the class were Issy and two other executives,” Ms. Talbott says. “I had met him but didn’t really know him. When class was over, he chatted with me. He said, ‘You know, you’ll never regret taking care of yourself.’”

“It’s that way whether he’s talking with someone who is a major partner or someone who works in our hotels. He’s very genuine,” she says.

Mr. Sharp’s convictions run deep, whether he’s talking about Rosalie (his wife of 51 years), his company or his wellness.

“I enjoy my lifestyle. I’m surrounded by people who turn me on,” he says. “I’m working with people who are bright and have a great sense of humor, and who deal with things in a manner in which they’re comfortable. Work has never been stressful.”

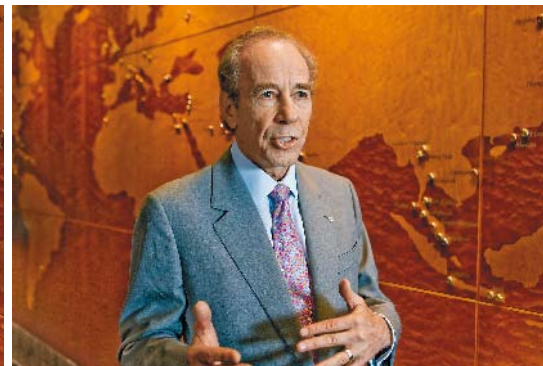
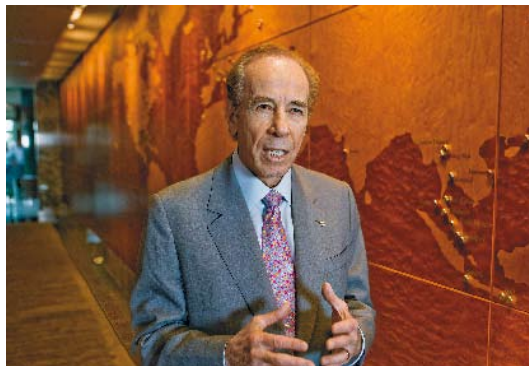
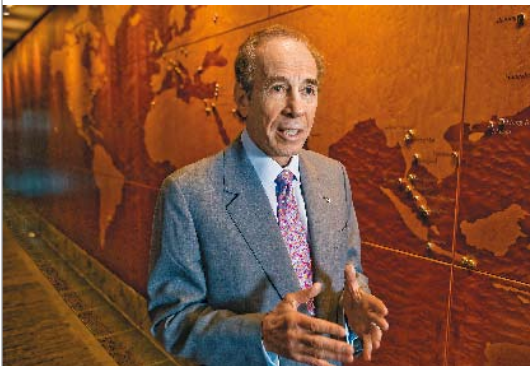
Mr. Sharp, whose strong and unwavering voice allows a listener a glimpse into his personality, says that even as the company’s recent deal with Cascade Investment LLC and Kingdom Hotels International to go private was meeting some resistance from shareholders, stress was nowhere to be found. Why? Because that deal was the right thing to do, he says.

“At this stage in my career, time will tell [how long I stay active],” he says. “If something happened to me, it would be a shock. But now we know nothing’s going to happen to the company. And I assure you that everybody who was involved would find what was needed to continue. It would almost be like a challenge. You can’t let this thing slip. There’s no doubt

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I’m not sure of the definition of hotelier. I would say I do have a kinder view of people—an appropriate way to deal with a customer as a guest. So in that regard I would consider myself a hotelier.

— Isadore Sharp



Four Seasons plans to double portfolio

Four Seasons Hotels & Resorts is on a mission. Isadore Sharp, the company's founder, chairman and chief executive officer, says the company will double the number of hotels in its portfolio during the next 10 years.

Four Seasons is a hotel management company with 74 properties comprising about 17,600 guestrooms worldwide.

"As a company, we'll double in size," Mr. Sharp says. "As we get bigger, we'll continue to get better at what we do, because that has been the history. If you look back to where we were 20 years ago, 15, 10, five, we have slowly gotten bigger and slowly gotten better."



Four Seasons has four properties in Thailand, including its Koh Samui resort shown here. Properties in India and China are next up in the Asia Pacific.

For years, the company has faced the question of: How big can it get?

"When we had five or six hotels, a question was asked: How many more can you do and still have this fanatical attention to detail and concern for the customer?" Mr. Sharp says. "I said, 'I don't know.' But if the last hotel we build in Rome doesn't embody everything we've learned, and therefore should at least be better because we've gotten more experience and more knowledge, then that will be

the end of it."

"I remember asking Issy Sharp in the late '70s what was going to happen now that we're going to be bigger," says Jim FitzGibbon, president of worldwide hotel operations, who has been with Four Seasons for 31 years. "He said, 'As long as we do the proper job in one hotel, the next one will be fine.'"

Around the world

Mr. FitzGibbon says the sky is the limit for growth at this time.

"The amount of opportunities is somewhat endless at the moment," he says. "This generation is moving to appreciate quality and the kind of service that we offer."

The company is experiencing tremendous growth outside North America with a robust pipeline in the Asia Pacific region, says Scott Woroch, executive vice president of worldwide development. It will open its first hotel in India later this year, and has five hotels under construction in China.

"Owners there tend to be less institutional than in North America," Mr. Woroch says.

It also is developing a property in Dubai, which he says is a rare lodging market.

"It continues to absorb all of the new supply, which is pretty amazing," Mr. Woroch says.

Europe provides one of the company's biggest opportunities, according to Mr. Woroch, although new construction is more or less out of the question there. That means expansion might take longer because rehabilitating existing buildings into Four Seasons properties takes more time than new construction.

As for North America, Mr. Woroch says the company is filling in the markets where it doesn't have enough representation.

"We're looking for cities that can handle more than one Four Seasons [such as New York City]," he says.

Mr. FitzGibbon says Four Seasons will in time have more development in Africa and South America.

"[South America] has a wonderful opportunity for

North American travel because of the ease of time change," he says.

Seventy-five percent of Four Seasons properties are built by developers who previously had not developed a luxury hotel, says John MacKinnon, senior vice president of design and construction.

"It's up to us to teach them," he says.

And what does the management team do when times get tough during contract negotiations or the construction process?

"We think, 'What would Issy do?'" Mr. MacKinnon says. "No matter what, we always take the high road."

Mr. Sharp participates in all development deals. He looks at every project in the pipeline from the time it is conceived.

"Most owners wouldn't appreciate how much he's on their side and how he is fighting for what's right for them," Mr. MacKinnon says. "He's very sensitive to the cost of construction."

The restaurant revolution

Mr. MacKinnon says the trend in Four Seasons' new properties is to enhance the dining experience.

"Restaurants and spas have changed significantly in the last 10 years," he says. "The design philosophy for restaurants is about a restaurant that just happens to be in a hotel."

"We've started to use food-and-beverage design to create a buzz," he adds. "We want to make hotel guests want to go as well as local people."

"Restaurants and hotels have changed in the last 20 years with the branding, chefs and concepts of restaurants," Mr. Sharp says. "We, as a hotel company, are moving into that sphere. The higher specialty restaurant designers give it their touch."

That approach also is being used throughout Four Seasons properties, says Mr. MacKinnon, who adds that the average age of guests at Four Seasons has remained steady between 42 and 44.

"The age hasn't changed," he says. "The way that this age group acts has changed. They still want to feel young, hip and part of the buzz. Mr. Sharp has adapted to that."

—J.H.

Sharp: Company's future is set

Isadore Sharp is comfortable with the future of Four Seasons Hotels & Resorts now that it is a privately held company that is controlled by interests that he believes have a long-term hold in mind.

The \$3.4-billion deal to take the company private was completed earlier this year. Despite opinions of some shareholders that the company could have fetched more on the open market, Mr. Sharp says he is happy Cascade Investment and Kingdom Hotels are the majority owners. Mr. Sharp retains management control and a 10-percent stake. The deal, which garnered about \$82 a share, included the long-term management contracts for 73 hotels.

Cascade is controlled by Bill Gates of Microsoft Corporation and Kingdom is controlled by Saudi Prince Al-Waleed bin Talal—both of whom own Four Seasons-branded assets.

"The main purpose of doing it was to put in place an ownership that would always be there," Mr. Sharp says. "The concerns were that if something happened to me—unexpected or expected—that the family would eventually sell. If they put the company up for sale, who knows what buyer would end up with it. Such a sale could affect the company dramatically in terms of what might happen to it."

Mr. Sharp says the idea of taking the company private came from an undisclosed investor who was interested in doing just that. Due to some changes within their company, that person ended up dropping out, but Four Seasons continued with the plans.

Mr. Sharp says the new majority owners view the hotel industry as a major growth industry.

"It is today the single largest industry in the world," he says. "And it is growing. The simple math is that this is a good business to be in."

—J.H.

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that the company has the people and the skills to be able to do this. This whole idea of being indispensable—at points in time that could be in question, but that passed a long time ago."

The Golden Rule

Mr. Sharp earned a degree in architecture from Ryerson University in Toronto and became a hotelier when he opened his first hotel on the city's Jarvis Street.

"If you ask me what I know most about, I know more about construction than hotels," Mr. Sharp says. "I'm not sure of



Kathleen Taylor

the definition of hotelier. I would say I do have a kinder view of people—an appropriate way to deal with a customer as a guest. So in that regard I would consider myself a hotelier."

Ah yes, people. Just about everyone at Four Seasons knows Mr. Sharp is a people person. He long ago established The Golden Rule—treating others as one would wish to be treated—as Four Seasons' guiding principal.

"He's been very strict about having the culture define everything we do," says Kathleen Taylor, Four Seasons' president and chief operating officer. "You have to treat people the way you want to be treated. He really does believe that and uses it every day."

Jim FitzGibbon, the company's president of worldwide hotel operations, says he views Mr. Sharp in some ways as a father figure, and definitely as a coach. He says the biggest lesson Mr. Sharp has taught him is to have faith in people.



What is luxury?

"Luxury is not one thing anymore. There's so much demand for quality that it's leading to many different ways of thinking about it."

—Barbara Talbott, executive vice president of marketing, Four Seasons Hotels & Resorts

"Believe that there is another gear in everybody's minds," Mr. FitzGibbon says. "If you really believe in human beings, and choosing the right human being, and treating him or her with dignity, there's something else that doesn't come out until it's needed."

Mr. Sharp says his own experience tells him that people are any company's greatest assets—if they're given the opportunity to participate in a meaningful way.

"More companies are coming around to this idea and I know for a fact that they can't take the work force for granted," he says. "They can't just treat it as a labor source. It's a force to be reckoned with and has great power."

The service culture at Four Seasons is its lifeblood. The company trumpets that philosophy every chance it has. It also puts its fortunes in the hands of its 34,000 worldwide employees every day.

"At the end of the day, service is delivered by someone you don't control," Ms. Taylor says. "They are out there at the property taking care of a guest, and it is up to them to deliver the service that guests expect. It's totally an issue of trust."

That trust means allowing them to make mistakes, says Ellen Dubois du Bellay, vice president of learning and development.

"Mr. Sharp says things like, 'Don't try to work everything out for people; let them work some things out for themselves,'" she says. "Give people the space to learn."

The people principal

Mr. FitzGibbon says there's an easy way to sum up Mr. Sharp's thoughts on employees: "You really have to see »

people as people and not as a cost on your balance sheet."

Those people deliver the service that has become Four Seasons' trademark.

"We have, over the years, gotten people to understand the importance of it," Mr. Sharp says. "With business or leisure travel, time is of the essence. We have to prove that we can help make the most of that."

Ms. Talbott agrees. "The reason Four Seasons has grown is that for so many travelers worldwide, time is the most scarce resource," she says.

In Four Seasons parlance, the goals are 3 P's: people, product and profit. Clearly they complement one another, as the consistent focus on guests and staff has allowed the company to grow, from its first location in Toronto to now 74 hotels in 31 countries.

Along the way, Four Seasons has garnered every important award for service excellence. Employees have voted it one of Fortune's "100 Best Companies to Work For" in each of the past 10 years.

Helping to ensure that growth continues is Scott Woroch's job. Mr. Woroch, Four Seasons' executive vice president of



worldwide development, typically searches the globe for the company's next hotel location. But he's a people person, too.

"Truly anybody with money can build a luxury, five-star hotel," Mr. Woroch says. "What distinguishes Four Seasons is the service element, the people element."

Mr. Sharp said the people element only

Four Seasons' pillars

Founder Isadore Sharp established the pillars of Four Seasons Hotels & Resorts at various times over the company's 47-year history.

- **Quality:** "We will only operate medium-sized hotels of exceptional quality with an objective to be the best."—1972
- **Service:** "True luxury will be defined not by architecture or décor, but by service. So we must make the quality of our service our distinguishing feature and a competitive advantage."—1976
- **Culture:** "We will create a work ethic based on the Golden Rule to give our people a framework to pursue a superior service culture."—1980
- **Brand:** "We will grow as a management company and build a brand name synonymous with quality."—1986

works when employees are empowered.

"We can build beautiful buildings. Everybody else can too," Mr. Sharp says. "How our employees serve their guests is the thing that can't be copied."

Employees are chosen through a behavior-based interview process that includes at least four interviews before the final hiring decision.

"You're getting to know about their attitude," Mr. Sharp says. "You're trying to find out what they expect from the company, what they are looking for. Are we able as a company to give them that? So you're really trying to develop an understanding of their personalities."

"It's a huge commitment, but we believe it's the right way to do it," says Ms. Dubois du Bellay.



What is luxury?

"The world has gotten more complex. People think how they're going to spend their time. It's how people define themselves."

—Kathleen Taylor, president and chief operating officer, Four Seasons Hotels & Resorts



What is luxury?

"Luxury is something I can't do for myself. It's something I didn't know I wanted. It's anticipating my needs."

— **Ellen Dubois du Bellay, vice president of learning and development, Four Seasons Hotels & Resorts**

Four Seasons provides a working environment that recognizes individual employees and their contribution. Benefits include free meals and complimentary stays at Four Seasons properties around the globe. Like many global hotel chains, Four Seasons encourages employees to transfer to other properties. That's one way the company achieves such an exceptional retention rate, says Ms. Dubois du Bellay.

The company gets many requests to use its training program, but it declines.

"Our training programs are made infinitely easier by who we hire," she says. The results speak for themselves.

"We took another hotel company's program and applied it to our 50 best employees," Ms. Dubois du Bellay says. "Not all of them passed."

But that doesn't worry her or the rest of the executive team.

"We have one clear mission and one clear vision of what we are," she says. "We want to be the best possible hotel with the best possible people in the best possible location. That's a very simple place to be."

"We want them to feel good about their jobs, because there's a purpose to what they're doing," Mr. Sharp says. "Every person's job, every person's role, is important."

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» ONLINE EXCLUSIVE:

For more of this issue's profile of Isadore Sharp and Four Seasons Hotels & Resorts, including related stories about Mr. Sharp's philanthropy efforts and the company's position on loyalty programs, visit www.luxuryhotelier.com

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