

The Breakers Brand

An Interview with Paul N. Leone,
President and Chief Operating Officer, The Breakers Palm Beach, and President,
Flagler System Management, Inc., Palm Beach, Florida



EDITORS' NOTE Previously, Paul Leone worked with hospitality accounts, including *The Breakers*, at *Coopers & Lybrand* before joining the hospitality industry full time in 1984 as Controller of *The Breakers*. He subsequently served as the property's Vice President and Chief Financial Officer before being named to his current positions in 1994. He was appointed President of *Flagler System Management* in 1992. He is a graduate of the University of Kentucky.



Paul N. Leone

PROPERTY BRIEF Set amid 140 acres of oceanfront property on the island of Palm Beach, Florida, *The Breakers* (www.thebreakers.com) is a privately held AAA Five Diamond award-winning resort destination. Founded in 1896 by magnate Henry M. Flagler, it was rebuilt in 1926, after two fires destroyed the original building. The multifaceted, Italian Renaissance-style property features 560 deluxe guest rooms including 57 suites, two 18-hole championship golf courses, a 20,000-square-foot luxury spa, a Mediterranean-style beach club with 30 premium beach bungalows and cabanas for day use, two fitness centers, four swimming pools, 10 tennis courts, a family entertainment center, eight outstanding restaurants, and an array of on-site boutiques, all owned and managed by *The Breakers*.

How has *The Breakers Palm Beach* fared during the economic crisis and do you foresee growth opportunities for the property?

We managed to turn the global economic crisis into an opportunity thanks to an investment-grade balance sheet and an enduring family ownership with a long-term perspective. By successfully executing strategies that focused on improving value, service, employee satisfaction, and engagement levels, as well as products and marketing, we have increased our market share from 16 percent to 24 percent over the past three years. Furthermore, compared to pre-recession levels in 2008, hotel occupancy is higher, room rates are slightly lower, and RevPAR the same.

We do foresee opportunities for growth in all lines of business, from leisure travel to corporate meetings. One leading indicator, advance group bookings, reveals that we are on track to achieve

record-level occupancies. We are also starting to realize the positive and compound effects of the strategies noted above, as well as a 'flight to quality' by our customer base of affluent travelers and client industry professionals. Our guests, in general, have tempered their discretionary spending in other areas while treating travel and leisure, especially family time, as a necessity. These discerning consumers, who were motivated by heavy discounts and free promotional offerings, seek out *The Breakers* to provide the value and rewards they expect in a premium destination.

At the same time, we continue to "rig for bad weather" and expect some disruptions in demand and spending, due to the continued volatility of the global economy.

Would you highlight some of your top suites and special accommodations?

The Breakers' tropical oceanfront location is the basis of our design aesthetic – a fresh, new decor that reflects the relaxed yet glamorous Palm Beach lifestyle and brings the "outside-in" with references to the sea. All suites are appointed with marble bathrooms, custom-designed furnishings and fixtures, sound systems, wireless Internet access, and flat screen TVs, and each includes personal concierge services, daily spa and fitness membership, and a welcome amenity.

Our two, top-tier accommodations are the Imperial Suite and the Imperial Designer Suite by Badgley Mischka – each 1,700 square feet, both are serene and luxurious yet naturally elegant.

For the Imperial Designer Suite, we embarked on our first fashion designer collaboration with internationally acclaimed designers Mark Badgley and James Mischka, their first-ever hotel design project. This premium suite resonates old Hollywood glamour and timeless elegance. Our other recently renovated Imperial Suite features the tasteful, contemporary style and classic comfort for which *The Breakers* is known.

For those who prefer an enhanced level of exclusivity within a luxury resort destination, we offer the Flagler Club, a private residential-style experience comprised of 27 restricted-access rooms on the top sixth and seventh floors of the hotel. The Flagler Club has the feel of an inn within *The Breakers* coupled with the resort's legendary experience.

How has your spa product developed?

In the 13 years since our spa first opened, we have seen the shift from indulgence and pampering to include health/wellness benefits, and we have taken that a step further with an emphasis on customization. Our extensive range of offerings focuses on delivering the finest-quality "classics" such as facials, a variety of therapeutic and soothing massage, fitness-related programs, personalized fitness training, private Pilates instruction and a regimen of daily classes, and nail services. Our beautiful indoor/outdoor facilities are regularly refurbished to keep our spa fresh and inviting for our guests and club members. But the differentiating factor is our highly skilled, experienced, and nurturing staff.

How important are meetings and events business to the property and what makes *The Breakers* an ideal location?

After a full-scale, \$250-million revitalization, we continue to invest \$20 to \$30 million each year in capital improvements to offer the finest collection of modern amenities; exquisite, state-of-the-art meeting and banquet facilities; and a range of services.

The resort's unique ability to accommodate groups in a leisure environment, with a genuinely friendly staff, is a boon to meeting planners who tire of destinations with sprawling, convention-like atmospheres. We also focus on the individual experiences of attendees, not just the program as a whole, and it's why so many corporations, associations, and organizations return to the resort as often as they can for everything from high-level conferences and board meetings to larger scale events; 50 percent are repeat clients.

How do you maintain such consistent service standards?

We place more emphasis on hiring talented, energetic, positive, team-oriented people whose ideals reflect the highest standards of ethics, service, and excellence, and we treat them as well as we treat our guests. We also invest in a variety of professional and personal development programs for our management and line staff, and our service standards are integrated into all of these courses and workshops.

We also nourish our employees with recognition and gratitude for their service accomplishments and their tenure, and we find that appreciation goes very far in reinforcing their service-minded values. ●

Aerial view of The Breakers, Palm Beach