



Truly Unique

An Interview with Paul N. Leone,
Chief Executive Officer, The Breakers Palm Beach
and Flagler System, Inc.



The Breakers main drive (above);
Rees Jones® Course (left)

EDITORS' NOTE Born and raised in New York, Paul Leone was exposed to the hospitality industry at an early age, having been raised in a family that owned and operated five local motels and two restaurants. He went on to study accounting and became a Certified Public Accountant. After graduating from the University of Kentucky, Leone joined Coopers & Lybrand in Louisville, Kentucky. He later relocated to Coopers & Lybrand in West Palm Beach where he worked with various hospitality accounts, including The Breakers. He joined The Breakers in 1985 as Controller and was later promoted to Vice President and Chief Financial Officer. In 1992, he was promoted to President of Flagler System Management and two years later became President of The Breakers Palm Beach and Flagler System, Inc. In January 2016, Leone was appointed CEO of Flagler System, Inc. and The Breakers Palm Beach, Inc. respectively.



Paul N. Leone

PROPERTY BRIEF Set amid 140 acres of oceanfront property on the island of Palm Beach, Florida, The Breakers Palm Beach (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 an outstanding selection of nine restaurants, two 18-hole championship golf courses, a 6,000 square-foot indoor/outdoor oceanfront fitness center, a 20,000-square-foot indoor/outdoor spa, a Mediterranean-style beach club overlooking one-half mile of private beach, four swimming pools, five whirlpool spas, luxury poolside bungalows, a variety of water sports, 10 lighted tennis courts, an extensive program of family and children's activities, as well as 11 on-site boutiques with distinctive merchandise.

The travel industry has achieved strong growth over the past year. Have you been happy with the growth for The Breakers and what is your outlook for the property in 2019?

Growth for The Breakers is a relative benchmark because the hotel has been running near capacity for many years. We have stabilized occupancy around 80 percent and our market-leading RevPAR index is almost 200 percent, but it is our ability to drive rate that is fueling our growth. We are achieving rate because we continue to improve

our product and service and distinguish The Breakers as truly unique. We anticipate another strong year in 2019.

Will you highlight some of the projects taking place at the property that guests can expect in the coming years?

The Breakers endures as a spectacular, continuously-elevated resort, with the support of our family ownership (heirs of founder Henry Flagler, c. 1896). Their investment of over \$30 million each year in property enhancements represents a peerless, long-term commitment for a single, independent hotel and is about three times the norm for luxury resorts. This ensures that our abundant amenities and guest experiences remain exceptional and ever evolving. We have recently completed a full-scale renovation of our historic Ocean Course, Florida's oldest golf course, by famed golf course architect Rees Jones, our Spa received a stunning makeover and we renovated our News and Gourmet shop and Flagler Club, our ultra-luxe boutique hotel situated atop The Breakers, which has now become the crown jewel of VIP lodging in Palm Beach.

In such a competitive market, how challenging is it to differentiate and how do you define The Breakers' advantage?

With the hotel's unique architectural design, priceless 140-acre Palm Beach oceanfront location, which is just 15 minutes from an international airport, unparalleled array of amenities and our genuinely friendly, engaging staff, we are easily differentiated from the more cookie-cutter, chain-affiliated properties, and from trendy, boutique hotels that lack the variety of offerings and services that we provide. But we have also really differentiated The Breakers by evolving as an organization, not just as a property, recognizing and reinforcing that our team members are the heart and soul of our company.

Will you highlight The Breakers' food and beverage offerings and what are the keys to driving profit for this part of the business?

The Breakers is among the world's best destinations for great food, cocktails and award-winning wine programs, with nine distinctive restaurants that reflect a variety of concepts fulfilling every guest's need. Our restaurants are continuously elevated thanks to our talented chefs, expert food and beverage team (including two Master Sommeliers) and Adam D. Tihany, our partner in interior design. Our restaurant profiles include the glamorous HMF,

a *Wine Spectator* Grand Award winner since the award's inception in 1981, which offers an extensive menu of sharing plates inspired by global cuisines and a lively cocktail culture; the re-imagined Seafood Bar, reminiscent of a private luxury yacht; Flagler Steakhouse, a fresh take on the classic American chophouse; Echo, which features the distinct cuisines of Asia; The Italian Restaurant, which draws all generations to enjoy authentic cuisine; and our Sunday Brunch at The Circle, renowned for its variety of impeccably prepared items, is arguably the most successful of its kind in the business. Having made our restaurants feel like independent establishments as opposed to "hotel" restaurants, we drive profitability by keeping hotel guests on property and creating significant demand from locals.

How much of a focus are the spa/wellness offerings at The Breakers and will you provide an overview of these facilities at the property?

A destination for personal renewal, our 20,000-square-foot indoor/outdoor spa is a focal point within our operations, as we recognize many of our guests travel to escape their stressful, fast-paced routines. The facility's relaxed modern style complements The Breakers' seaside sophistication and Italian influence. Our expert team of therapists customize treatments based on our client's needs, nurturing guests with heightened comfort and care. The curated menu of spa services focuses on quality, with treatments that are built around three core product lines, which represent the finest in natural skin and body care: Tammy Fender, OSEA and Guerlain. The Spa is one of the most important and appreciated amenities on property, coupled with the 6,000-square-foot Ocean Fitness Center that shares its prized oceanfront location.

What advice do you provide to young people interested in a career in the hospitality industry?

I want the young enthusiasts of our industry to recognize the many possibilities and paths that exist within this business, as well as the opportunity to work among a dynamic group of mentors and peers, in a continuously evolving environment. In the course of our recruiting efforts, we encourage the younger generation to seize the most from their role by taking advantage of experiences, such as supporting sustainability initiatives or volunteering within the community. At The Breakers, we provide forums for millennials to do all of this in a meaningful way so that they feel professionally and personally inspired and, hopefully, recognize their responsibility as future leaders. ●