



*Al and Nick Patel*

# It's a Family AFFAIR

Bridging the generation gap  
to build a better business

BY LEDA KOPACH

**A** According to a study published in *Family Business Review*, a publication that provides scholarly research and practical information for family-owned businesses, an astonishing 80 to 90 percent of all U.S. companies are family-run businesses. And among them, 85 percent of those who have identified a successor say that it will, more than likely, be another family member. Needless to say, family does matter when it comes to business, especially for a vast number of Choice Hotels properties that are also family owned and operated.

Disagreements between business partners are often inevitable, but when you add family members into this mix, other issues, such as generational differences, emotions and history, have to be taken into consideration in order to maintain a balanced working relationship. For the families featured in this story, the positive aspects of working together and the ability for older generations to personally groom their successors far outweigh any negatives. Anil Chagan, a Choice Hotels owner, who has two sons working with him, sums it up best: "Working with family is always a good thing, because there is trust. The worst part is you have to be tough. You expect more from family."

Here, five Choice owners and operators share a page from their family album, describing how their experiences of working together have helped them build their business and strengthen their family ties.

### All in the Family

With 34 hotels under his belt and more in development, it's hard to believe that Al Patel wasn't always sure he wanted to be in the hotel business. Al now serves as the president of Baywood Hotels, a Greenbelt, Md.-based company that operates several Choice brand hotels, among others, with both of his parents, Nick and Indu, and his uncle and cousins rounding out the management team.

After spending his childhood watching his parents build up their fledgling hotel business and helping when he could, Al went in a different direction when he started college. Instead of studying hospitality or any other business field, he opted to earn a degree in mechanical engineering.

"I encouraged Al to pursue a college major that didn't involve the hotel business so that he could have a well-rounded experience," Nick says. "Al took a number of business courses which have provided a solid foundation for him."

While he never did work a day as an engineer, Al says that he found his place in the family business. "After graduating, I moved to

Texas so that I could spread my wings and be on my own. My parents were very supportive of me. I was able to manage a hotel that we had just purchased, and we ultimately sold it at a huge profit."

After returning to Maryland, his strong business acumen and education helped professionalize the business, an aspect, Al says, that needed improvement.

"My parents were immigrants from the '60s so their communication and technology skills were not as advanced as mine or my cousins," Al says. "We communicated better with staff, and we were able to incorporate more technology, like property management systems, into our hotel systems. But since I was younger, it took some time gaining the respect of my father, uncle and my two older cousins. There was a lot of consensus decision-making before they were comfortable with me making decisions on my own."

With Al currently managing the majority of the day-to-day operations with his cousins, Nick says he is happy to finally be able to step away from the business.

"[Semi-retiring] has allowed me to have a more balanced life which I didn't have for 25 years, and I have the opportunity to travel more," Nick says. "I am still familiar with Baywood's projects, and I am happy to see them grow in the hands of the next generation."

"The benefits for us to work as a family are really endless," he continues. "We know each other's strengths and personalities, and we have an inherent trust in the people that run the business and that the decisions made are in the best interest of the family. We are able to avoid the conflicts that other businesses run into as they grow."

### My Two Sons

For many business owners, passing down their company to their children is often part of the plan. For Anil Chagan, owner of the Comfort Suites hotel in downtown Visalia, Calif. and currently developing two Cambria Suites hotels in Fresno, his plan took a twist when his two sons—Ameet and Ajay—left for college, announcing they weren't sure they wanted to join the family business.

"I really thought Ameet would be suited for



*The Chagan Family*

this business, but he wanted to decide on his own," Anil says. "And I supported that. Initially, Ajay wasn't sure either."

The young men quickly rethought their decision to enter the family business when they realized that the "grass is not always greener" in other businesses, and that the hotel industry is both exciting and rapidly changing. With their father continuing to develop and sell properties as the real estate market soared, their entry into the business was solidified.

"As a finance major, I realized that you can manage other people's money and assets, but if you can manage your own, you have a greater benefit that far surpasses that," says

work that much, I might as well have a piece of the action," he adds.

While the sons enjoy the business, they both say challenges will sometimes arise when working closely with family.

"You have to have some humility and patience, and there has to be a balance between expressing your opinion and absorbing both sides," Ameet says. "You must know when to speak up and when to listen. When you work for somebody else, you're only working for them. And when you work for your parents, you're being groomed to be an owner."

With the increased roles of his sons within the company and Anil inching closer to retirement, he reflects on his success.

that his father had opened.

"We've been involved and helping out almost as long as we can remember, and we have had a lot of fun doing it," says Cory, the older of the two. After both graduated college with degrees in hospitality, they took different paths in the company.

"I don't know if Dad understood our strengths, or he thought it would be best if we were apart, but I have always been stronger on the sales side, and Cory on the development side," Neal says.

"We naturally gravitated to these areas, and he gave us the freedom to grow where our expertise lay," Cory adds.

They both quickly add that while they now stand at the helm of the company, the positions were not given to them, but were earned through their hard work and training. As Cory, Sr. grew the business, he assigned his key staff members to oversee the training and development of his two sons, so that they could learn as much as they could from his seasoned staff.

"Our dad was really too involved in growing the business to train us day-to-day," recalls Cory. "We didn't have a lot of direct supervision from him, but we were assigned to his top people. He probably thought we wouldn't last," he adds laughing.

On the contrary, while Cory, Sr. is still very much involved in the acquisition aspect of the hospitality group, serving in essence as the company's chairman of the board, the younger generation has assumed all day-to-day operational control of the business having learned "from the best" and risen up through the ranks.

"While we manage the company, we are operating it with the same high degree of integrity that my dad had instilled in the company," Neal says. "His reputation was that he was always fair. We never want to tarnish that reputation."

While sibling rivalry can cause headaches in some companies, the Jackson brothers say that it has never been a factor for them since their responsibilities don't overlap and neither is the other's boss.

"[Between us] there is a trust factor," Cory says. "I don't have to double check what he is doing, nor does he need to oversee me. We're both professionals."

"And, it may sound cliché, but he's also my best friend," Neal adds. "Our desks are right next to each other."



(above) Cory Jackson Sr., chairman of the board of Jackson Hospitality Services, is flanked by his two sons in earlier years: Cory Jr. (left) and Neal, the younger of the brothers.

(left) The Chagan family portrait. From left, Ameet and his wife, Sunita; Ajay; Jyoti and Anil (front).

Ameet, who is currently the operations manager of all of his family's hotels. "The value is exponential."

Currently training to be the company's Assistant CFO, Ajay came to a similar realization after earning his degree last year.

"I had a few friends who worked for Google. Other than sleeping and eating, they were constantly working. If I am going to

"The secret to working with family is to keep both family and home life separate. At work we fight about work things, and at home we only fight about home things. We never mix the two."

### Who's The Boss?

Brothers Neal and Cory Jackson of Jackson Hospitality Services have been involved in the hotel business as long as they can remember. Their Birmingham, Ala.-based hotel and development management company oversees lodging properties throughout the United States, including several Choice hotels. They fondly remember summer jobs working as bellmen or front desk clerks when their father Cory, Sr. oversaw the hotels

### Family Matters

In 1975, at age 25, Champ Patel, an Oklahoma-based franchisee who currently owns 70 hotels around the United States, was struck a terrible blow. His father passed away in India while Champ was living and working in South Africa as a chemical engineer with his brother. Champ was the eldest son in his Indian family and by tradition he became the head of the household, and was responsible for taking care of his five brothers and sisters, the youngest of which was eight-years-old.

Champ vowed to always take care of his family, and he has done that in spades. In 1977, with money contributed from his family in India, he moved to the United States with his wife, infant daughter and brother. They moved into a hotel that his uncle owned in New York that also housed 40 other members of Champ's family, who also immigrated to America.

By helping their uncle, Champ and his brother learned the hotel business and began saving money to start out on their own. After two years, they saved enough to buy their own hotel and move their family to California. They only stayed there a short while, before seeking more opportunity in Oklahoma, which still remains the location of the headquarters for their company, Champion Hotels.

During those early years, 13 members of his family lived with them so they could share expenses and maintain a close family bond. To this day, 28 years later, he and his brother still share a checkbook, never questioning any expenses. And among his 35 partners, five of them are his siblings.

"In my family, the bond that you share is very important," Champ says. "Money is not important but how you lead your life and treat people."

Having owned 145 hotels in his lifetime with only four failing, Champ's financial success is obvious. But what he enjoys most in life, he says, is having the ability to help others, both in his family and in his community, where he is active in several charitable causes.

"I consider the people I do business with my friends," he continues. "I want to be social with them and enjoy doing business. When I die my money stays here but the memories [of me] stay with the people."

He recently shared this philosophy and his principles with his son Harshil, who joined

him in the business earlier this year. Before Harshil's first day of work, Champ sat him down to offer this advice.

"Never make friends for gain. Never look for return; it will come later. Treat older employees with respect, like they're your father and mother. Never do something for someone just for gain; do it because you want to. And always remain honest."

Harshil says that he had the opportunity to continue his education and pursue a Master's degree but opted instead for a real-life education, working intimately with his father. When Harshil joined the company, his father told him to take the office next to his, but Harshil insisted on putting his desk next to Champ's so he could learn everything possible about the business.

"I have a huge opportunity in front of me to learn from someone that has been in the business and is very successful, and I want to take full advantage of that," Harshil says. "To see him be so successful and help so many people at the same time is very interesting to me. I ask a lot of questions. I want to understand how he makes his decisions and what his thought process is.

"In the next few years, my role will be to learn everything I can from him," he continues. "In the long run, I want to be able to do the same things he has done for our family. He has taught us to not worry just about money but to help people with their problems, whether they're financial or otherwise. That's more important."

### Father Knows Best

It's often said that different generations can learn a lot from each other. Dan Patel, a seasoned hotelier with 22 hotel brands, including many Choice properties, and his son, Amit, wholeheartedly agree.

Based in Fort Lauderdale, Fla., Dan, a 25-year veteran of the hotel industry, thrives in the acquisition and development of hotels. But when it comes to issues in technology, he refers to his son.

"I didn't go to college in America," Dan explains. "My communication skills aren't as good. Amit doesn't have that barrier. Yes, I have access to the technology, but I don't use it [as much]. As my son gets more and



*Champ and Harshil Patel*

**Father-and-son team Champ and Harshil Patel sit side-by-side in their joint office at their Champion Hotels company headquarters in Oklahoma.**

more involved, I see the company being able to grow even more. He'll be able to improve our tracking and efficiency programs, and whatever I'm missing, I'm sure he can finish it out."

Amit says that he always wanted to be a part of the hotel business and that some of his favorite childhood memories include the time he and his family spent living in hotels, as his father grew the business.

"You meet so many interesting people working the front desk," he says. "And I learned so much by watching my dad interact with his employees. He always made time for everyone and listened to their issues. He taught me how to treat people with respect."

While Dan currently spends most of his time developing hotels, Amit is working closely with Clive Walcott, general manager of the Sleep Inn & Suites hotel at the Fort Lauderdale International Airport, and is learning the day-to-day operations of hotel management. Simultaneously, he is also studying for the HOST certification test, which he will take soon.



*Dan Patel and Family*

**Dan Patel (middle) is surrounded by his beloved family. From left: Daxa, his wife; his daughter Tanvi; Dan; Bina, Amit's wife; and Amit.**

Working with his dad has many advantages, however, Amit admits there can be some downsides.

"When your boss is your dad and you did

something wrong, you heard about it when you got home," he says. "We can disagree on some issues, but that's fine. He can also be harder on me and expects me to set stan-

dards for everyone else. The positive is that I'm learning from the best."

While Dan always wished for his son to follow his footsteps, early on he says that he kept some information, like his financial successes, to himself.

"I didn't want Amit to know too much about me financially when he was young," Dan admits. "I always wanted him to work hard. But now that he is involved, I want him to know everything."

"I know that my father wants to teach me so much about the business, and I want to absorb as much as I can," Amit says. "Hands-on learning is so important. I can only be told so much about the hotel industry. I have to experience it. My father says he wants to retire, but he's not ready to pass that torch on, and I still have a lot to learn. He has given so much to my family and me. Hopefully, I can make him proud." ★

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