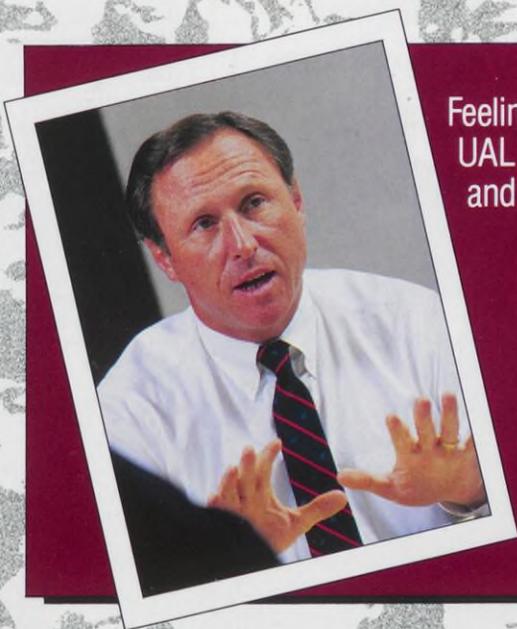




# FRONT



Feeling 'bullish' about UAL, Inc. companies—and their people

(Story, page 4)



# NEWSFRONT

## Moving up Moving on

**Ray Beaumont**, asst. director of housekeeping, The Westin Bonaventure to director of housekeeping, The Westin William Penn

**Bonnie Best**, director of marketing, The Westin Hotel, Williams Center to director of marketing, The Westin William Penn

**Darlene Brady**, director of F&B, The Westin Hotel, Cincinnati to director of F&B, The Westin Cypress Creek

**Marion Campo**, housekeeper, The Westin Paso del Norte to executive housekeeper, Benjamin Franklin, San Mateo, CA.

**Mary Clayton**, asst. front office manager, Century Plaza to convention services manager, The Westin Bonaventure

**Kathleen Ham**, director of sales, The Westin Hotels, Houston to director of sales, The Westin Plaza

**Jon Hill**, executive sous chef, Arizona Biltmore to executive chef, The Westin Cypress Creek

**Joe Ramirez**, executive steward, The Westin Hotels, Houston to executive steward, The Westin Hotel, Chicago

**Andre Rolli**, director of F&B, The Westin Chosun, Seoul to director of F&B, Shangri-La, Hong Kong

**Pam Saunders**, group benefits coordinator, The Westin South Coast Plaza to benefits coordinator, Century Plaza

**Hart Sugarman**, director of housekeeping, The Westin William Penn to director of housekeeping, The Westin Cypress Creek

**Kent Taylor**, sales manager, The Westin Hotel, Cincinnati to director of sales, The Westin Hotels, Houston

**Jeannette Verhoff**, asst. director of catering, The Carlton to Fountain Room and room service manager, The Westin Cypress Creek

**Bradford Zak**, profit improvement manager, Century Plaza to asst. director of F&B, The Westin Maui and Kauai.

*The "Life's a Beach" group dress the part.*



## CSONY 'road show' a hit in Hartford and Philly

This summer, the Corporate Sales Office New York (CSONY) took its "show" on the road for a two city tour and came up a hit.

The show, "Life's a Beach", was actually a beach-themed luncheon targeted to special audiences of corporate and association clients and meeting planners in Hartford, Connecticut and Philadelphia, Pennsylvania. The luncheons were designed to heighten Westin visibility and awareness of Westin's hotel products in these important business markets and to help develop stronger client relationships.

The luncheons' "Life's a Beach" theme was largely the inspiration of CSONY sales managers Serena Leiser and Steve Gorse. Luncheon sites featured beach decor and sales staff hosts wore colorful beachwear outfits.

A novel after lunch guest activity was a sandcastle building contest. Guest teams were let loose at sandbox tables to build a sandcastle within a minimum set time period for prize awards. At the Hartford luncheon, the winners were a table of inspired meeting planners who created their version of the "perfect" meeting hotel.

In addition to CSONY staff, hosts at both luncheons included sales staff representatives from these twelve Westin hotels: The Westin Hotel, Washington, D.C.; The Westin Hotel, O'Hare; The Westin Mauna Kea; The Westin Canal Place; The Westin Bayshore; The Westin St. Francis; The Westin Hotel, Chicago; The Westin Plaza; The Westin Hotel, Cincinnati; The Century Plaza; The Westin Hotel, Copley Place Boston and The Westin Peachtree Plaza.

The luncheons were rated outstanding successes in accomplishing their intent of promoting Westin's name and product and in building good will through strengthened personal relationships. Even more than that, according to Serena Leiser, they resulted in several definite bookings for Westin.

COVER: Richard Ferris photo by Martha Leonard. Background photo by Peter Timmermans/Aperature PhotoBank

## FRONT

A monthly publication by and for employees of Westin Hotels & Resorts

**Gabe Fonseca**  
Publications Editor  
The Westin Building  
Seattle, WA 98121

Printed in U.S.A.

# NEWSFRONT

## Public offering completed

In early September, UAL, Inc. announced the completion of a public offering of Westin Hotels Limited Partnership through an underwriting led by Merrill Lynch Capital Markets. As a result of the offering, the Westin Hotel Limited Partnership now owns and operates The Westin St. Francis and The Westin Hotel, Chicago.

The two hotels, purchased from Westin subsidiaries, will still be managed by Westin under long term contracts. Westin Realty Corp., a wholly-owned subsidiary of Westin is the general partner.

The partnership acquired the hotels at a cost of \$248 million and raised an additional \$16.5

million for working capital and other purposes. Funding for the partnership was provided by \$135.6 million in limited partner's equity retained by Westin Realty Corp., and \$116.15 million in mortgage debt secured by the partnership.

By selling the two hotels, the company converts unrecognized asset appreciation into cash. In addition, Westin, through its subsidiaries, has retained an interest in the two hotels so that it will receive part of any proceeds in the eventual sales by the limited partnership.

Because the first offering received an enthusiastic response from the financial community, UAL, Inc. plans additional limited partnership offerings in the future.

## Management changes

Recent changes in management positions have included the following:

**Jim Treadway**, managing director, The Westin Bonaventure, has been named managing director of The Westin Kauai.

**Bernard Agache**, general manager, The Westin Hotel, Toronto, has been appointed managing director of The Westin Maui.

**David Shackleton**, executive assistant manager of The Westin Chosun, Seoul, moves to The Westin Mauna Kea as resident manager.

**Ciaran Kelly**, executive assistant manager, The Westin Hotel, Edmonton, is now executive assistant manager at The Westin Bayshore.

In Mexico, **Nick Van der Kaaij**, former general manager of the Camino Real, Cancun, has been appointed to the position of vice president/operations for Hoteles Camino Real (HOCASA). Van der Kaaij will supervise the HOCASA resort properties and will also maintain liaison with the Camino Real, San Salvador and the Camino Real, Guatemala City.

Supervising the city hotels of HOCASA is **George Saade** who also carries the title of vice president/operations. Saade is a newcomer to HOCASA with many years of experience in Latin America and Mexico.

F&B  
COST CONTROL

Report

## Most learning/training ever

Not too long ago cost controls in hotel food and beverage operations were largely a hit and miss proposition. Mostly miss.

Now, at least within Westin, the reverse is true. Cost control has become a manageable science. Some of this has to do with today's sophisticated information systems. Some has to do with

staff training in the sophisticated processes of cost control and department operations analysis. Still more of it comes from the learning and training benefits gained from the annual corporate F&B Division Cost Control Workshops.

This year's Workshop, held at The Westin Peachtree Plaza in early September, was perhaps the most learning/training intensive ever.

The first three days of the five-day get together featured an agenda packed with cost control relevant lectures, demonstrations and discussion group sessions under the direction of Gene Swartzfager, corporate F&B systems and control manager. Sessions ranged from F&B cost and financial analysis techniques to a kitchen demonstration of butcher/yield tests and control cycle for meat and fish.

A change of pace computer simulation exercise, under the direction of Professor Robert Chase of the Cornell School of Administration, filled most of the remaining two days. The team exercise simulated the management of a restaurant through several quarters of formal operations based on team member input and decision making.

Additionally, that exercise was interspersed with lectures by Professor Chase on marketing techniques and various aspects of financial management.

Attending this year's Workshop were some 37 F&B operations analysts from throughout Westin. And, for the first time, attendance included a number of other hotel management F&B people with chefs, restaurant managers and assistant F&B directors among them.

Attendees were presented with Workshop completion certificates at the session closing Awards Dinner.

YOUR  
COMMENTS  
ARE NEEDED



Last spring your hotel participated in the company-wide employee recognition program based on the Caring, Comfortable, Civilized theme. The program included weekly cash drawing prizes.

Plans for the 1987 Employee Recognition Program will soon be underway. We would like to hear your comments about the program and how it could be improved. If you have any ideas, please send them in an inter-office envelope to: FRONT Editor, HR-7, Seattle

UAL, Inc. Chairman

# RICHARD FERRIS

talks about 'The World's  
Premier Travel Company'



“What we have here is a distinctive partnership of companies where all the people who work for United, Hertz and Westin are concerned with one thing. That is *caring* for travelers worldwide. What we want to do is help them care by, for instance, presenting products they can be proud of . . .”

**T**

he people-caring attitudes of the UAL, Inc. companies' employees and a pride of product. As reflected in the comment above, these were among the more often repeated themes stressed by Richard Ferris, chairman and chief executive officer of UAL, Inc., throughout the interview.

That interview occasion was a recent in-house “press conference” with Ferris at which three employee communications staff members of the three subsidiary companies — United Airlines, Hertz and Westin — had been invited to participate.

It took place in Ferris' office. As with all of UAL, Inc.'s office

operations, his office is located within the United Airlines headquarters complex in Elk Grove Village, Ill., a community adjacent to O'Hare International Airport.

Some interviewer questions related strictly to the subsidiary companies they represented. Most, however, related to a more general parent company relationship. As many of the interview session questions were similar in content they are presented here more as discussion topics or items and with summarized responses rather than in a more traditional, question and answer format.

**ITEM:**

**In late September, UAL, Inc. announced that the Apollo Travel Services (ATS) Division, and Mileage Plus (MPI), and United Vacations, Inc. (UVI), subsidiaries of United Airlines, would become separate operating subsidiaries of UAL, Inc. effective as of December 31. Ferris was asked to comment on the strategies of this move:**

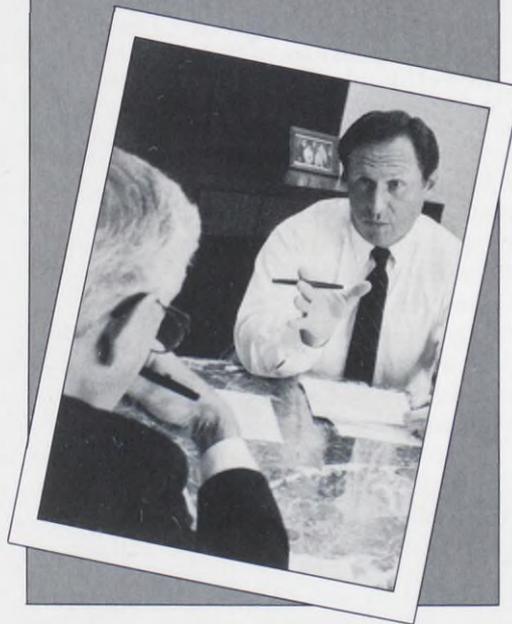
Ferris began his comments by referring to a basic UAL, Inc. concept. "Our objective", he said, "is to become the world's premier travel services company." Along with this he noted that the travel sector of the U.S. economy is one of the fastest growing and that trend should continue at least over the next decade or so.

Then, referring to the three United Airlines subsidiaries—ATS, MPI and UVI—Ferris pointed out that like United Airlines, Hertz and Westin, they are also part of this travel sector. He felt however, that these subsidiaries' abilities to fully realize their growth potential might be constrained under the United Airlines wing.

"What we want to do", he said, "is to take these companies out from under United so that they can operate on their own. They need to have a freer entrepreneurial spirit to pursue service of all segments of the travel sector with guidance by their own Boards." He foresees that expansion "spirit" to go beyond the travel sector in providing services to many other areas of the economy.

He referred to the Apollo system as an example, "Apollo is doing about \$300 million annually now", Ferris said, "within five years and on its own it has the capability of doing well over a billion dollars in travel services as well as other applications areas of the economy. It could become very big, very fast. MPI and UVI could also do very well. We have a lot of exciting plans for these companies."

**"We have the objective to grow in size and profitability and to create more opportunities."**

**ITEM:**

**Also announced in late September, was the election of John Zeeman as executive vice president of UAL, Inc. with responsibilities for marketing and planning. Zeeman had held a similar position with United Airlines. Ferris comments on the significance of this appointment:**

The travel services interrelationships of United, Hertz and Westin in the marketplace, Ferris noted, had long been apparent to all three companies. It made good sense that a coordination of efforts among the companies, particularly in the area of marketing, would be advantageous to every one.

"We asked ourselves", Ferris said, "such questions as: What would be the mutual advantages of having a common customer data bank to include the frequent flyer, the frequent car renter, the frequent hotel guest? Should we have programs that utilize the potential of all three of our companies to recognize and reward those frequent, loyal customers of the UAL family of companies? Are there joint customer promotions we should all be involved in to our mutual benefit? What are the operating and product synergies we can

take advantage of now and over the long range and so on?"

"To explore such questions and their mutually beneficial marketing possibilities it was evident to myself and to the CEO's and marketing people of all the subsidiary companies that we needed a person to drive the process", Ferris said. "We needed someone with tremendous marketing and planning skills and who is respected by all the players. Someone to take over the more senior role at the holding company level. John Zeeman fits the bill. He will be charged with developing and implementing strategies that utilize the products and services of Hertz, United, Westin and the subsidiary companies as well."

Zeeman, who assumed his UAL, Inc. post as of October 1, has what Ferris referred to as "a very heavy dotted line responsibility" into the marketing and planning organization of all the subsidiaries. His major contact at Westin is with executive vice president Fletch Waller.

**ITEM:**

**A good deal of the press conference discussion focused on UAL, Inc. becoming recognized as the world's premier travel services company. Here, Ferris comments on various facets of this concept:**

Does the premier travel services company concept necessarily mean market share leadership in all areas for all the companies? Ferris felt that achievement was not only impossible but also not imperative to the company's success.

"There are certain advantages in being the market share leader or one of the market share leaders. No question. That's a basic law of merchandising." Ferris went on to say, "Our goal is to deliver a consistent quality product to the customer whatever market we are in. It's not enough to be the biggest in every market unless you are the best."

Asked if there are other segments of the

"People take pride in working for a winner, and in knowing that if a company is a winner they are more secure."



travel industry to be pursued as additions to UAL, Inc., Ferris commented, "We really have all the basic ingredients we need to become the world's premier travel service company. If over time, we see segments that could be added profitably and make sense, we would consider doing so. But for right now we've digested an awful lot."

Will UAL, Inc. stray from its avowed travel service company path in the future?

That gets an it's possible but not immediately likely response from Ferris. "We feel if we are going to acquire, we should probably keep ourselves in areas we understand—capital intensive, service oriented businesses in the travel segment of the economy."

"But," Ferris adds, "at the same time we are not going to inhibit or restrain the creative new ideas that are occurring in the various companies. Hertz, Westin and United have a lot of talented, creative people who are coming up with new ideas, new markets, new people and new ways to service. That gives growth to new possibilities. If these ideas are perceived as good and we can do them well, let's do them. We have the objective to grow in size and profitability and to create more opportunities."

#### ITEM:

**The question arose as to who directly benefited from the monies gained from the sales of the two Westin Hotel limited partnership transactions involving The Westin St. Francis and The Westin Hotel, Chicago. Ferris' response included a brief overview of his job responsibilities relating to its financial aspects:**

"I have the responsibility for going through the strategic plans of each of the companies on an annual basis. Also to approve the capital—the money to support this strategic plan of each of the entities. I have review meetings on a quarterly basis with each of the companies to see that they are adhering to what they said they would do and if we are getting a return on the money that UAL, Inc. agreed to spend with them."

"As for the monies derived from the sale of these real estate partnership trusts, it's money that doesn't have a home. That is,

when John Cowan (vice president and chief financial officer for UAL, Inc.) and I analyze the strategic plans of each of the companies, decisions are made as to where to put the trust money where it can earn the most. Westin competes for it, but so does Hertz and United."

As to the concept behind the Westin Limited Partnership itself, Ferris makes these comments:

"Hotels traditionally earn money two ways. We earn it from management fees, or, if we own the hotel, from the profit the hotel makes. Then, we can also earn money from a hotel we own by the appreciation of the property over time."

"But the only way we can get at the equity appreciation without losing the hotel is to sell real estate partnership trusts. This allows us to get at the profitability of the hotel and participate in future profitability as well without losing the hotel or its management."

#### ITEM:

**Following are abbreviated responses, to a number of other questions asked and discussed during the session that may be of interest to FRONT readers:**

##### **As to Pacific Basin expansion:**

"The Pacific basin is the growth sector of the world. It was our long-held dream to expand in the Pacific, which we did with the acquisition of the former Pan-Am routes. Hertz is moving aggressively to seek out opportunities to increase its presence in the far East as is Westin Hotels. We plan to be a major force in the Pacific with all of our companies."

##### **As to operating and product synergies:**

"We feel a lot of synergies are going to develop on the local level where each of the partner companies can work together. For instance, at some future time, what's to prevent the person at the Hertz counter from selling a ticket or answering a question on a United subject or a hotel to handle luggage check-in as at The Westin Hotel, O'Hare, or..."

##### **Asked if UAL, Inc. will be profitable in 1986.**

His answer was: "We don't publicly forecast profits", but added: "Right now things are going very well. Hertz' busi-

ness is up. Westin's business is up. The airline is up after a very busy summer. I feel very bullish about our companies. Things are looking very good."

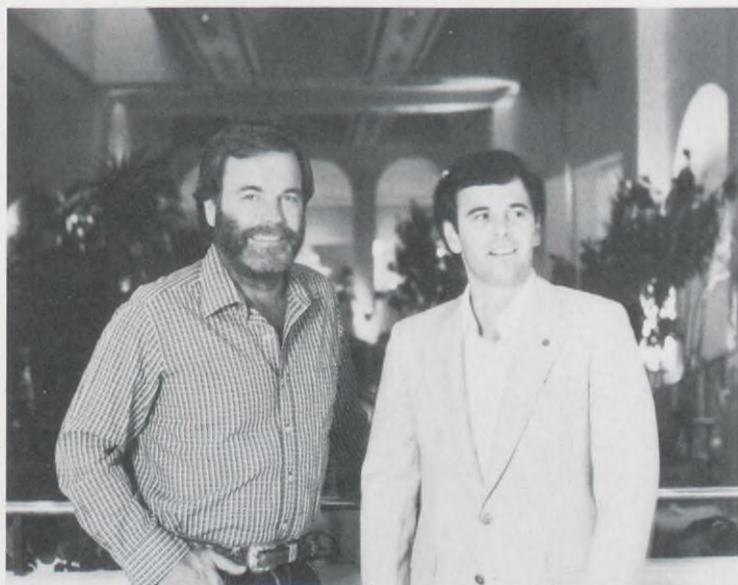
##### **And more on the product quality and people caring themes:**

"We have a company where people take pride in delivering a quality service level that takes a back seat to no one. Westin is constantly rated number 1. Hertz is constantly rated number 1. There is no one that I know that has rated airlines, but United is always rated tops in many areas."

"People take pride in working for the best. They take pride in working for a winner, and in knowing that if a company is a winner they are more secure. Economic security means an awful lot to all of us."

"Individual employees are United, they are Hertz or they are Westin to our customers. They are the face of this company. They are the product and the service. The one thing we want to be noted for—consistently—is that we really care about the traveler and we do it better than any other group of people. That's why we are the world's premier travel services company."

# PHOTO NEWS



## Star time

TUCSON—The latest Westin entry in the "made for TV movie" ranks was The Westin La Paloma with a bit part in the upcoming ABC production, "Here A Thief, There A Thief" starring Robert Wagner and Audrey Hepburn. Wagner is pictured here with the hotel's senior assistant manager Ray Hopkins (right) at the entry to the Desert Garden Lounge.



## Opening night

CHICAGO—While the state of the art Executive Forum auditorium at The Westin Hotel, O'Hare has been packing in the group meeting business during the day, it's been going mostly unused at night. But not anymore. Since early October, the Forum has taken on a new night time name and identity as the Rose theater for the presentation of legitimate stage productions. Since its debut, the Rose's house-lights have been going up every night (and Sunday matinees) to packed houses of theater buffs who have come to see and applaud the current production of "A Split Decision", a satirical musical review. Among the opening nighters were Libby Adler (left), manager/producer and Rick Layton, general manager of the hotel.



## Birthday and baseball

HOUSTON—Famed Dodger manager Tommy Lasorda (left) also known for his TV commercials enjoyed his most recent birthday party at The Westin Galleria's Delmonico's restaurant. Hotel resident manager, Tony Cherone (center), hosted the party for Lasorda. Both have been friends for several years. Joining the celebration was Ken Aspromonte (right), a former major league player and whose birthday also happens to be on the same day as Lasorda's.



## Formidable force

SALT LAKE CITY—Under the direction of sales department strategists Dell Schooley, Judy Roberts and Connie Seaman, a formidable force of 45 members of The Westin Hotel, Utah's staff blitzed the city of Salt Lake during the week of October 15-19. The members, from all hotel departments, made good will sales calls on approximately 640 businesses. As a result, numerous solid leads were generated with potential for producing a half-million dollars worth of business for the hotel.

# WESTIN PEOPLE

## 'Best bellman' ▶

COSTA MESA—Bell Sheehan, luggage attendant at The Westin South Coast Plaza for the past ten years, wears a broad smile on his face these days and for good reason. He recently learned that he had been selected "best" in the AH&MA's California Chapter "Bellman of the Year" category of their annual awards program. Unbeknownst to Sheehan, his entry as a candidate for the competition had been submitted by the hotel's public relations department. The California hotel group has subsequently forwarded Sheehan's entry to AH&MA national headquarters for consideration as winning candidate in the 1987 national awards program.



## Super server ▶

SEATTLE—Sada Light, a Westin employee for the past 24 years and most recently with The Westin Hotel, Seattle, was named "Banquet Server of the Year" by the Puget Sound Chapter of the National Association of Catering Executives. Over the years, Light has had the honor of personally serving some of the nation's most famous personalities including U.S. Presidents Nixon and Kennedy. As her award, Light was presented with a \$250 check, a recognition certificate and a Sunday Brunch for two at a Seattle hotel.



## ◀ Cooking credentials

ACAPULCO—Tiburcio Balois, sous chef at the internationally renowned Las Brisas resort hotel in Acapulco, is an expert in fine Mexican cuisine and he has the credentials to prove it. For one, his job responsibilities put him in charge of the El Mexicano Restaurant at Las Brisas which features gourmet Mexican dishes. Secondly, for the past three years he has been invited by Cunard Lines to participate on segments of the Queen Elizabeth II annual world cruises as shipboard chef for featured Mexican menus. And, most recently, Balois has been invited by the Government Tourism Department and Soccer World Cup "Mexico 86" organizers to prepare special Mexican dishes during the "Mexico 86" promotion in Frankfurt, West Germany this month.



### Got a question, comment or complaint for FRONTLINE?

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Corporate Offices, Seattle  
(No postage necessary.)

Or if you prefer, you can send questions, etc. by regular postage mail to:

**FRONT EDITOR**  
Westin Hotels & Resorts  
2001 6th Avenue  
Seattle, WA 98121



Question: \_\_\_\_\_

Name: \_\_\_\_\_

Hotel/Office Location: \_\_\_\_\_