

# LODGING

# 50

## MANAGEMENT COMPANIES PROFILED



SMART ADVICE  
FROM EXPERIENCED  
MANAGERS

### USE CAUTION

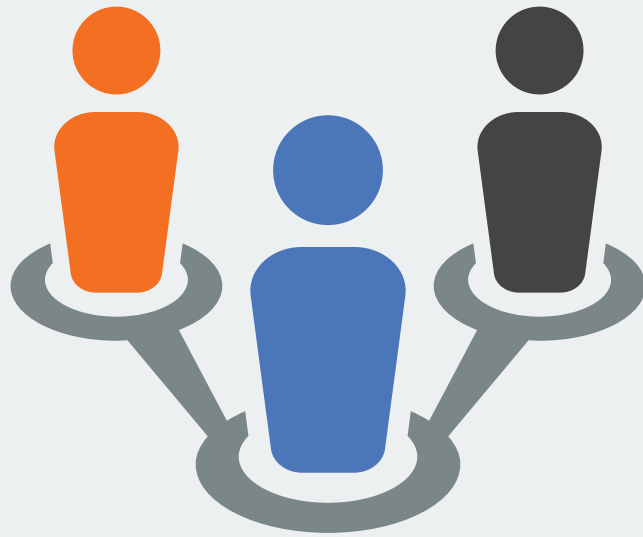
MINIMIZING  
SAFETY RISKS

### TAKE CARE

THE BENEFITS OF A  
MENTALLY HEALTHY  
WORKPLACE

MAKING  
ROOM  
FOR THE  
**BLEISURE  
TRAVELER**

**GREG FRIEDMAN**  
CEO, PEACHTREE HOTEL GROUP



# 2019 GUIDE TO MANAGEMENT COMPANIES

What hoteliers need to know before putting their property  
in the hands of *a professional manager*

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## IN THE FAMILY

# TO THE MANNER BORN

*Greg Friedman leverages legacy lessons to compete in the current environment* BY ELLEN MEYER

**GREG FRIEDMAN, WHO IS PEACHTREE HOTEL GROUP (PHG) MANAGING PRINCIPAL AND CEO,**

barely remembers a time when he was not at the table when hotel financing deals were being discussed. As a child, it was the kitchen table, where he began absorbing “family business” discussions between his mother, formerly Susan Friedman and now Susan Gravellee, and grandfather, Dr. Fred Rosemore, who started PMC Capital in the late 1970’s. In an interview with *LODGING*, Friedman and Gravellee recalled their family’s hotel roots, and Friedman described how his own company functions in today’s hotel environment.

Gravellee says her father’s path to the hotel business was definitely not direct. “My father was actually an optometrist, who started PMC Capital to fill a void he saw, that of helping non-medical doctors like himself—e.g., optometrists, podiatrists, and chiropractors—get the financing they needed to open practices.”

She says, her family entered the hotel space in the late 1960s with the purchase of a small motel in Fayette, Alabama. “It had about 20 guestrooms and was a typical mom-and-pop type hotel.” Gravellee, who worked alongside her father and two brothers as

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marketing director and executive vice president of PMC, says, even as a little boy, her son showed enormous interest in the hotel business. “Greg would sometimes come along to visit the hotels I supervised in the early days; and later, when we were trying to expand the hotel business, he’d come with me on drives along the interstate as I stopped at different hotels to tell owners about our financing services.”

Gravellee says, just as her father had developed a business based on the underserved health professional market he identified, Gravellee herself helped develop a niche providing hotel financing to Asian Americans. Friedman observes the impact of those first initiatives by his mother on the presence of the Asian



American community in the industry today. “As a major debt provider in the 80s and 90s for these limited-service type hotels, PMC was instrumental in helping the Asian American culture become fully invested in the hotel business.”

Friedman worked at PMC’s Miami office in summers during elementary, middle, and high school. However, after graduating from the University of Texas, he worked in banking as a hotel financing specialist for a decade before striking out on his own. Then, in 2007, he and fellow hotel legacy friend Mitul Patel started PHG. Patel now serves as chief operating officer. Then, in 2009, they were joined by a third partner, CFO Jatin Desai. All are managing principals and equal partners.

Explaining PHG’s structure, Friedman says, unlike most companies that manage multiple funds, PHG has different divisions and lending platforms that work together to make investment decisions. “We have different investment vehicles that we’ve set up to invest either on the equity side or the debt side of premium-branded flex-service, limited-service, and compact full-service hotels.” Under the banner of the parent company, he says are individual companies that service its investments. “We created our hotel property management company, Peachtree Hospitality Management, about 10 years ago to service and operate the hotels that we invested in on the equity side. We also have a development



SPRINGHILL SUITES BY MARRIOTT  
NAVARRE BEACH, NAVARRE, FLA.



company, Peachtree Hospitality Development, that develops and renovates hotels. Stonehill, our lending platform, is for originating, underwriting, asset managing, and servicing the debt investments that we make in the hotel space. Then, too, is our asset management division that's set up to optimize the return on our investments." He notes that the company's property management division, whose president is Patrick O'Neil, began handling third-party management about six years ago. Primarily, Peachtree is focused on servicing and operating their investments. "It's not a large part of business, but it is very strategic. We operate about 50 hotels, which is close to 90 percent of those we own in different investment vehicles that we've created. The balance are hotels that we third-party manage for different organizations or different investment companies."

Friedman's list of challenges is familiar. There is the difficulty of finding qualified hotel staff, without which a hotel cannot succeed. "You need to make sure you're putting people in the right positions to be successful corporately." He says, too, that he believes the industry is now at the top of the current business cycle and seems to be facing uncertainty in the political and economic climate. "It's a very challenging market in which to transact and find buying opportunities."

Nonetheless, he says, between its structure, the expertise of its senior staff, and the strength of its platform, his company is well positioned to pivot however necessary. "Operationally, we're trying to set our hotels to run as lean as possible, making sure to control expenses, and being very thoughtful about the business we're taking with the different hotels. On the investment side, we're taking on less leverage, less debt across our development and acquisitions to be in a better position if there's a pullback in the economy."

Friedman is proud of his hotel-industry roots, particularly the role his grandfather's company played first in helping non-physician doctors, then Asian-Americans, obtain new-business financing; and he regards his participation in the hospitality industry as a continuation of his grandfather's legacy. "He's the one that really sparked it and got my entire family into the hotel business."



DOUBLETREE BY HILTON BIRMINGHAM  
PERIMETER PARK, BIRMINGHAM, ALA.

MANAGEMENT CHOPS

# BORN TO RUN

*Patrick O'Neil on hotel management*

**PATRICK O'NEIL, WHO IS PRESIDENT OF PEACHTREE HOSPITALITY MANAGEMENT,**

grew up in hotels, literally—his family lived at the Waikiki Sheraton, where his father was general manager, until he was a high school freshman. As he described to *LODGING*, "Of course, I ended up working there—running towels, room service, laundry chutes; being a houseman, room attendant—you name it, I did it." Yet, even so, after a few years of corporate experience, followed by a Harvard MBA, he's clearly there to stay.



● **WHAT'S THE SECRET TO A GOOD MANAGEMENT PARTNERSHIP?**

Assuming that the selection process matched the management company and owner correctly, it's developing a real partnership that works, one where everyone knows exactly what they want out of the relationship and agrees on the same things—especially in terms of the support that they need. We're very involved in our hotels—we operate them like owner-operators; but for us as the management company to meet owners' expectations, we need to know exactly what they want. Do they want the management company on property once every 6 months, or in every day? Do they want them more or less engaged? How about reporting? We analyze the data coming in from a revenue and operational standpoints, and we give owners access to tools and systems so they can actually see for themselves what's going on. But what do they want us to provide? A weekly or monthly report? Should it be by phone or email? Every owner is different, but when everybody's aligned and understands, communication is efficient and effective.

● **HOW CAN A MANAGEMENT COMPANY ENSURE THAT ITS PROPERTIES PERFORM IN BOTH GOOD TIMES AND BAD?**

If you're doing everything consistently, it should work in good and bad times. There should be no surprises. You should be in touch with your customers, know what your brands are saying, and be on top of your market reports. We utilize quite a few technologies, from the scheduling tools to enterprise systems where we can compare like-branded hotels and hotels in the same market.

● **IS THERE ANYTHING KEEPING YOU UP AT NIGHT?**

The things that keep me up at night are people, culture, and training. This is a tight labor market, but these people are running multimillion dollar assets, so we need to have the right people in the right places. We also need to keep the people we have because training and retraining is expensive. You've got to battle and make sure you have these things in place.