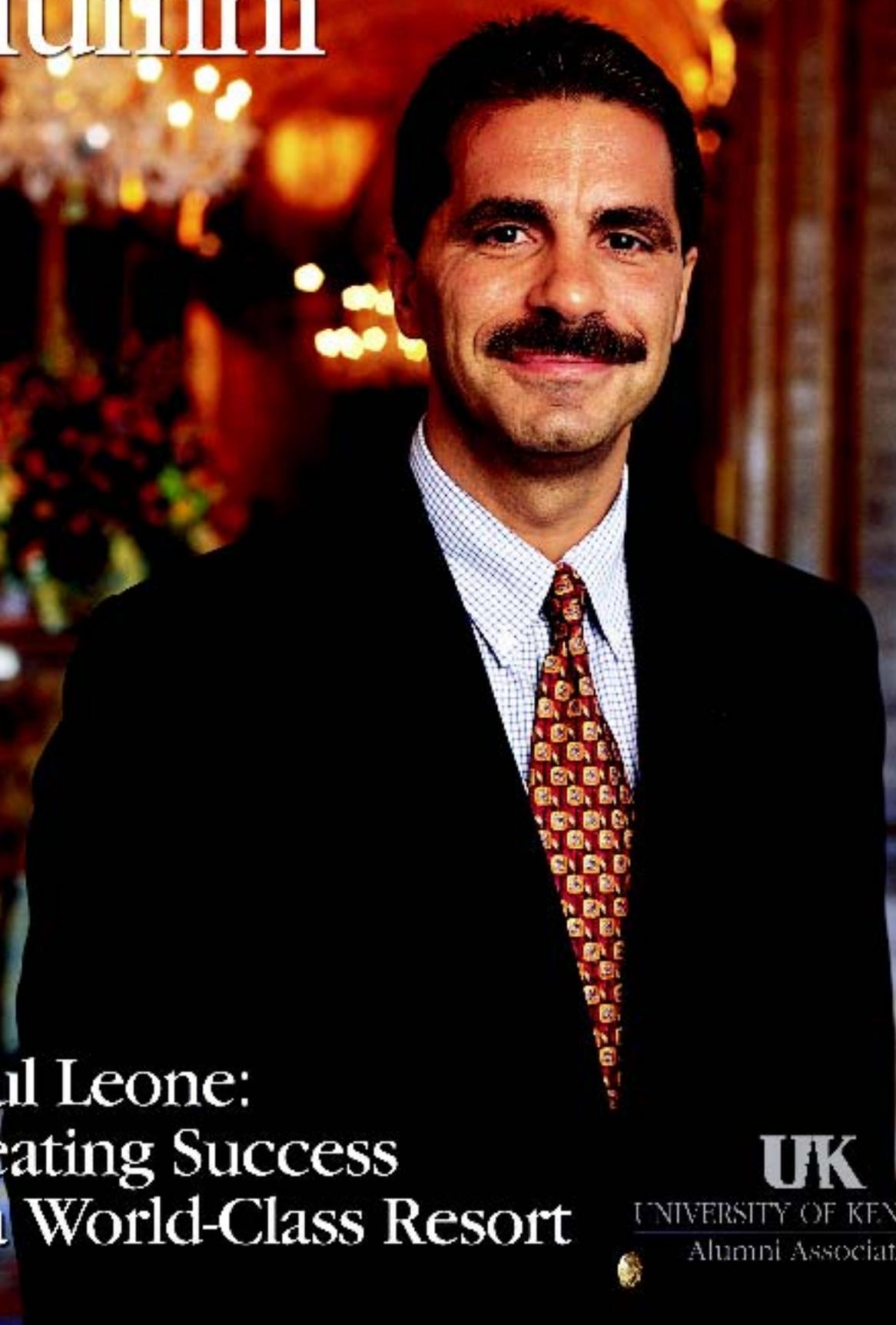


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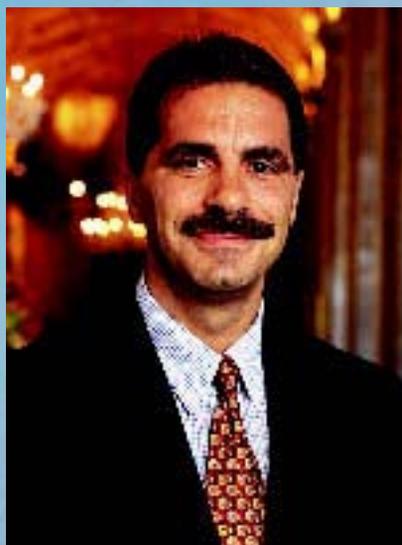


Paul Leone:
Creating Success
at a World-Class Resort

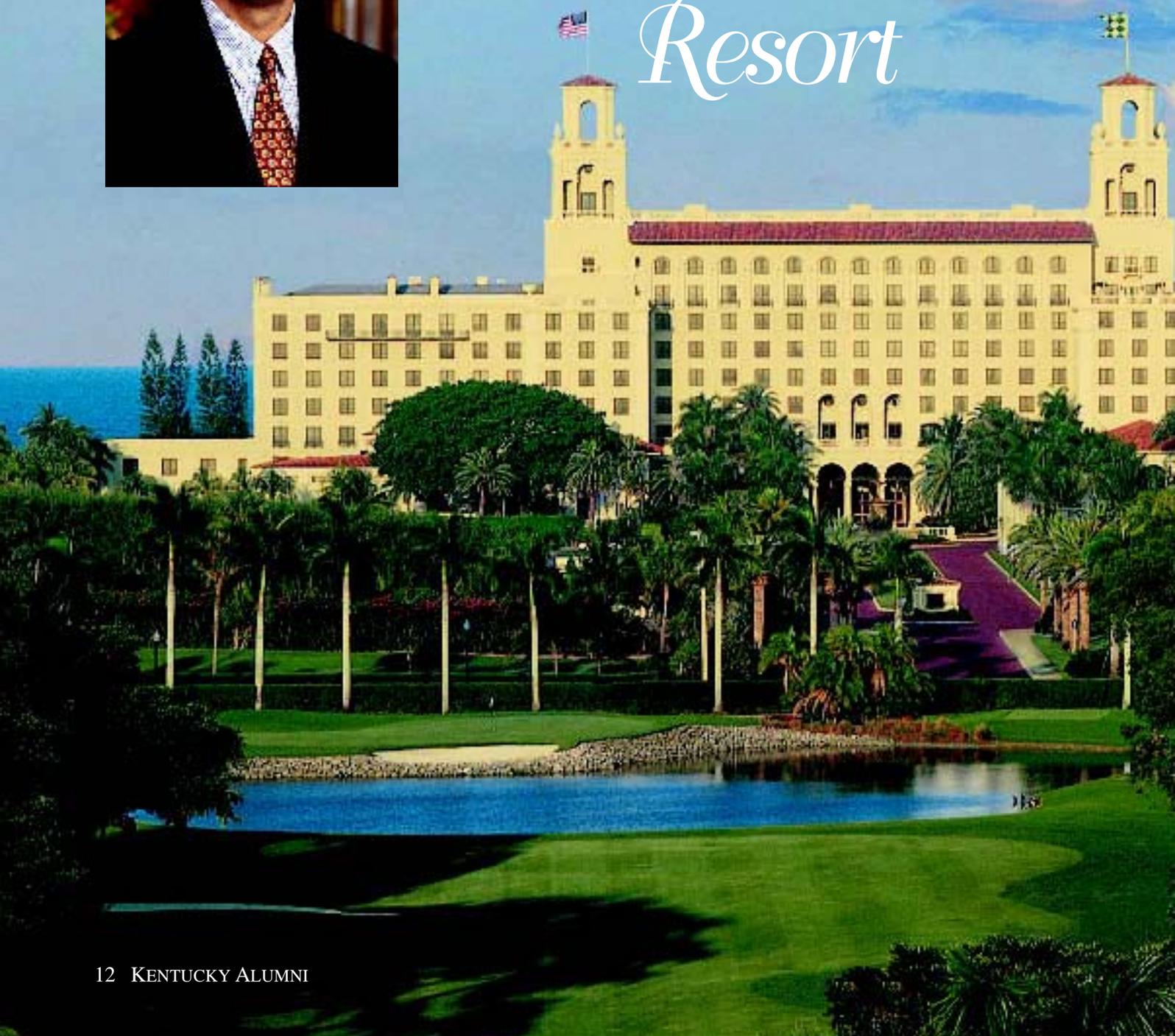
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UNIVERSITY OF KENTUCKY
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Paul Leone:



*Creating Success
at a World-Class
Resort*



UK grad leads a culture of excellence at The Breakers Palm Beach

By Robin Roenker

In his last semester at UK in 1980, just months away from earning his bachelor's degree in accounting, Paul N. Leone donned his best suit and trekked to the Student Center for a round of on-campus interviews with each of the Big Eight accounting firms.

Having struggled his first couple of years in college before transferring to UK, he rallied his junior and senior years to end with a solid "B" average in his major. Still, he feared that wasn't going to be enough to impress interviewers at the highly competitive firms. "I honestly went in thinking they're not going to give me a chance," he said.

But then something happened that surprised him. One interviewer didn't even mention Leone's GPA. Instead, he asked about his life experiences. Leone found himself talking about his roles as a UK resident's assistant and lab technician in the radiology department at the UK Hospital. He explained how he'd dealt with the challenges and pressures of calling games fairly as an intramural referee — despite the flashing tempers and competitive drive of fraternity players on both sides of the field. He talked about adapting to a new life at age 15, when his mom and stepfather moved his family from his native Oceanside, Long Island, N.Y., a suburb of New York City, to rural Paris, Ky., and how he'd grown up helping his family run small motels and restaurants.

The interview went well and Leone was offered a position with Coopers & Lybrand in Louisville after graduation. But beyond a job, the interview endowed Leone with a life lesson on the importance of looking beyond a résumé. In his current role as president and chief operating officer of The Breakers Palm Beach, a world-class, 109-year-old, 560-room historic Italian Renaissance resort, it's a tenet he still avows.

"We have developed a core competency at The Breakers at being able to dig deep and really find out what people are made of and what's not on that résumé," Leone said. "And we have some of the most brilliant people here you could ever want to hire. Some who were tops in their class, and others who didn't even go to college. We absolutely believe in the 'don't judge the book by its cover' cliché, and it's paid huge dividends for our company."

Photos: Courtesy The Breakers Palm Beach

Making Changes

By all accounts, Leone's 21-year career at The Breakers has, itself, paid healthy dividends for the resort, in more ways than one. Leone first joined the resort's staff in 1985 as hotel controller. The resort had been one of his clients after he moved from Louisville to Palm Beach in 1983 to work as a certified public accountant at the Coopers & Lybrand office there. Once on The Breakers staff, Leone was later promoted to vice president and chief financial officer, and then in 1992 to president of Flagler System Management. In 1994 he was promoted again to his current role as president and COO of The Breakers Palm Beach and its parent company, Flagler System Inc.

Child Magazine, a leading lifestyle magazine for families, has identified the Ten Best Family-Friendly Resorts and bestowed its #1 ranking on The Breakers Palm Beach.

It's a job that has him overseeing a staff of 2,100 at a AAA Five Diamond resort that sprawls across 140 acres of Palm Beach's most historic beachfront property. As president, Leone has helped advance the "repositioning and reinvigorating" of the resort, a process that has been backed by the Kenan family's investment of over \$250 million to upgrade the property since 1990. The goal of refurbishing The Breakers without sacrificing its historic character has been "an awesome challenge," but one that has also been "incredibly gratifying," Leone said.

"We've taken a traditional, Grande Dame resort and pursued a parallel strategy of preservation and modernization, doing some really exciting, unique and fun things," he said. "It's been a labor of love."

Under Leone's leadership, for example, the resort has renovated its guest rooms, lobby and entryway, and added a 20,000-foot-spa, upscale retail shops, and a new family entertainment center — including kids' playgrounds; day camps; craft, video game room and children's movie theatre; and even staff babysitters for when mom and dad want some time alone. Earlier this year, the resort unveiled its newest amenity: 20 luxury bungalows, built in old Florida, cottage-style architecture,

set amid elegantly-appointed pools within a lushly-landscaped tropical oasis right on the beachfront.

"We think it is the most unique product of its kind on the market," Leone said of The Breakers' Beach Redevelopment Project. "Our goal was to elevate the beach and pool experience for all guests and members, and we're getting rave reviews."

Pursuing Excellence

As happy as he is with all the upgrades to the physical amenities at The Breakers, Leone is most proud of the work he and his staff have done in "rebuilding the culture" at the resort, he said.

"We refer to it as a culture of excellence. A commitment to excellence in everything we do. And even on our best day, to believing we can do better. It's a continuous improvement model," Leone said.

The model seems to be working, with large percentages of repeat customers in all areas of the resort's diverse clientele — from families to business travelers. While Leone admits it can be a challenge trying to be





The Breakers Palm Beach

Listed on the National Register of Historic Places, The Breakers Palm Beach is a legendary resort destination. First opened in 1896, the hotel was originally built by Standard Oil and railroad magnate Henry Flagler. The resort was destroyed by fire in 1903 and again in 1925; the hotel building that stands today was constructed in 1926. Family-operated throughout its history, the resort is now owned by the Kenan family, descendants of Flagler's third wife, Mary Lily Kenan, who inherited the hotel in 1913.

For more information, see www.thebreakers.com.

“all things to all people,” The Breakers’ vast acreage allows it to offer separate and distinct amenities for corporate or leisure clients, as well as for families or individuals. What’s more, the staff there takes the stance that all customers are really one and the same. “The corporate guest could also be a customer who would want to come back with his or her spouse or family,” Leone explained, “and a leisure guest might want to bring a company meeting to the hotel.”

At The Breakers, the emphasis is on building relationships with the clients. “This isn’t just about renting a hotel room. It’s about the overall experience, whether you’re an individual leisure guest, or a corporate guest,” Leone said. “The overall experience is really what we sell. And we do it in a way that is highly personalized. I think that relationship building is what brings people back and sets us apart.”

Key to insuring the resort’s continued success, according to Leone, is — first and foremost — insuring the satisfaction of its employees. “We like to say we’re in the people business. We’re not in the hotel business, or the restaurant business or the spa business, or the retail business,” Leone said. “And what does that mean? It means our top priority is selecting outstanding people committed to the highest standard of excellence, putting them in a position to succeed and nourishing them with rewards and recognition. We value



our people more than anything.” Leone credits the Kenan family for helping establish and maintain the “incredible family-like” atmosphere among the resort’s staff, many of whom have worked decades at the hotel.

When *The Breakers* was hit hard by Hurricanes Frances, Jeanne, and Wilma in 2004 and 2005, it was forced to close for 40 days over a 12-month period. The hotel suffered a multimillion-dollar loss in revenue. But rather than laying off staff, all employees were paid in full during the downtime and encouraged to volunteer to help other Palm Beach County and Florida residents with area clean-up efforts after their own homes were in order. The hotel also was opened at discounted rates to residents, like Allen and Carol Wyett, whose homes were damaged in the storms.

“If anyplace is town-serving, it’s *The Breakers*,” Carol Wyett told the *Palm Beach Daily News* in December 2004. Scott and Kristy Johnson of Palm Beach had earlier written a letter to the editor of the same local newspaper to laud Leone’s “great leadership and unselfish kindness,” during the storms, calling him “a tremendous asset to our community.”

But Leone brushes aside the praise. “If you understand, as we do, that we’re in the people business, then to us, it doesn’t seem like we did anything heroic,” Leone said of *The Breakers*’ response to the hurricanes. “We just did what you’d expect, when you’re trying to help your family.”

Drawing on Experience

Leone, who with his wife, Kathy, has four young sons — Benjamin, 13, Griffin, 11, Jacob, 9, and Paul Nicholas (Nicky), 7 — says that becoming a father and having a family of his own has “had a huge impact” on *The Breakers*’ becoming a more family friendly resort.

For their part, when it’s time for vacation, the Leone family can often be found relaxing on the beach at Cape Cod, or boating on a small lake in upstate New York. But Leone says his sons, having grown up around *The Breakers*, are equally at home traveling to

other first-class resorts. And when they do travel in style, Leone says he can’t help but be a student of the experience, bringing back new ideas to try at *The Breakers*.

Today, Leone has come quite a way from his early beginnings helping his family run a small motel in Paris. Widely regarded as one of the nation’s premier hoteliers, Leone’s perspective recently was included along with other leading hotel executives in “*Inside the Minds: The Hotel Business*” published by Aspatore Books. He works actively with the Palm Beach United Way and serves as president of the Palm Beach Chamber of Commerce where, according to chamber Executive Director Laurel Baker, “he is an incredible mentor and strong voice” for the business community there.

And while he may get to report to work at one of the country’s most luxurious locales every day, that hasn’t dampened his memories of the beauty of Kentucky. Though he doesn’t get back to the Bluegrass State as often as he’d like, he recently promised a friend in Paris he’d try to get back for Keeneland soon. And in the meantime, he likes to tell his sons stories about his time spent at UK: Sneaking into Commonwealth Stadium with his brother, Nick, who also attended UK, to kick field goals when no teams were practicing on the field. Hanging out with friends atop the roof on his Linden Walk apartment for hours on end on weekends. And making it through tough business courses thanks to memorable professors, including the late Dr. Albert Patrick who knew how to energize students and subtly let them know when they were making a misstep — a skill he tries to implement in his own leadership style today.

“I love Kentucky. And I loved UK,” Leone said. “I had some great memories there, and some wonderful experiences. My education there, the people, the impressions that were made, play a big part in my business today.”

Robin Roenker '98 AS is a freelance writer in Lexington.