

# Hotel MANAGEMENT



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## FRANCHISING

### 5 QUESTIONS WITH **Ron Rivett**

My Place Hotels founder discusses his start in the industry and the brand's future

Ron Rivett's first hospitality venture happened in 1974 when he co-founded Super 8 Motels in Aberdeen, S.D. Rivett sold the business in 1993, remaining in the hospitality industry as a franchisee until 2011 when he founded My Place Hotels. My Place opened its flagship property in Aberdeen in late May, and Rivett is ready to once again do what he knows best.

**1 How and when did you get your start in the hospitality industry?**

**RR:** In 1972, I was approached by a friend from Aberdeen, Dennis Brown. Dennis had been exposed to the up-and-coming budget hotel business while spending time in California, and being the creative entrepreneurial mind that he was, he right away recognized a concept that hadn't yet hit the Midwest and an opportunity for Aberdeen. I was selling life insurance and doing some residential building on the side (whatever it took to keep my wife and daughters fed). I didn't really have anything to lose and was pretty confident that I could build a motel. So that same day Dennis formed a company and we set about raising funds to build a motel. At the time, we didn't really know what the future held and it took us about a year to get the financing to get started.

**2 What are some of the ways franchising has changed the most in recent years, and what is your take on franchising in America?**

**RR:** In terms of franchising within the hotel industry, the largest change since we started with Super 8 in the late 1970s is that back then franchising was more focused on helping new people get into the business. Today it seems that the focus of franchising within the hotel industry is centered on pushing products, substantiating franchisor overhead and franchising costs. Today's model lends itself toward the large-scale operators who can do the higher-cost or volume deals. Certainly this makes sense for fast-paced growth of a franchised brand; however, in many cases, the nature of today's



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franchising efforts enlarges the barriers to entry for industry converts, new entries and single-property operators.

**3 What are some of the biggest mistakes owners make when negotiating franchising terms?**

**RR:** The most common mistake in negotiating terms in any agreement, franchising or otherwise, is not fully comprehending the agreement. Agreements by nature are designed to be mutually relative to the consideration of both parties, but that's not always the case.

**4 What did you learn from your establishment of Super 8 that you are carrying into My Place Hotels?**

**RR:** There are so many facets of what I've experienced in establishing and growing Super 8 over its first 20 years that I'm not sure there's a definitive answer to that question. I learned enough to know that real education comes from experiences and I've had a lot of them in this business and look forward to more with My Place. I learned that real growth of the business came from the people we created relationships with, employees, partners and franchisees alike, and I'm pleased to say we're seeing the same trend today in My Place.

**5 What is the future of My Place? Are you ramping up development, and if so in what markets?**

**RR:** The future of My Place is bright. I'm wholly confident that we'll achieve a similar level of success as we did years ago, albeit I wouldn't be surprised if it happens faster this time. We're not limiting expansion to any certain area; we've got development happening from Georgia to Alaska and many places in between. That said, we are very focused on connecting the dots, so a lot of emphasis is being placed on multiple and territorial development relationships.

—C. Elliott Mest