

Owner & Franchise Services of Canada

Canadian Franchise Support and Resources



deplo MOVING FORWARD



- Overview of Owner & Franchise Services Account Management Strategy
- **Review Organization Structure**
- **Operations, Sales and Marketing Support Moving Forward**
- **Global Quality**
- **Questions and Answers**



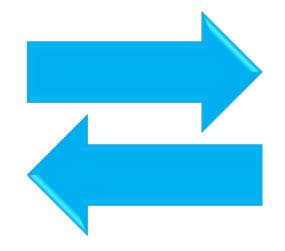


Marriott Account Management Philosophy



Our Role

Deliver tools, resources, systems, brands and standards that work.



Your Role

Leverage internal and external resources to run GREAT hotels.





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Drive excellent returns for owners and franchisees and deliver value and exceptional on-strategy growth for **Canadian** Owners and Franchisees AND Marriott International

Objectives

- Deliver margin and cash flow growth with *exceptional* Owner return on invested capital
- **Represent** Owners and Franchisees within Marriott
- Act in a manner that is *transparent* in terms of business decisions, being direct and honest
- Display a *sense of urgency* for resolution
- Drive *alignment* with Owners and Franchisees to support business objectives and brand integrity



* Experienced Leaders Around The Globe





J.W. Marriott, Jr. Executive Chairman and Chairman of the Board



Arne M. Sorenson President and Chief Executive Officer





Anthony G. Capuano Executive Vice President and Global Chief Development Officer



Edward A. Ryan Executive Vice President and General Counsel



Alex Kyriakidis President and Managing Director, Middle East & Africa



Stephanie Linnartz Executive Vice President and Chief Marketing and Commercial Officer



Tricia Primrose Global Chief Communications & Public Affairs Officer



Amy C. McPherson President and Managing Director, Europe



David J. Grissen Group President



David A. Rodriguez Executive Vice President & Global Chief Human Resources Officer



Craig Smith President and Managing Director, Asia Pacific



Leeny Oberg Executive Vice President and Chief Financial Officer



Peter Cole Managing Director, Business Integration



Stephen Ho CEO, Greater China

22 **Americas Organization**





David J. Grissen Group President





Operations

Bill Barrie

SVP, Americas A&C

Dual Reporting to Dave Grissen & Ron Harrison

SVP & Managing Director of



Ray Bennett Noah Silverman Chief Global Officer Global CDO, NA Full Service Hotels Also Reports to Tony Capuano



Tim Sheldon President CALA



Herve Humler President and Chief Operations Officer The Ritz-Carlton

Karl Fischer

CHRO, Americas HR

Dual Reporting to Dave Grissen & David Rodriquez

Don Cleary

President

Canada



President, Franchising, Owner Services and MxM Select Brands, North America



Erika Alexander CLSO, Americas CLS Also Reports to Ray Bennett



David Marriott Chief Operations Officer Americas Eastern Region



Jen Mason CFO, The Americas Dual Reporting to Dave Grissen & Leeny Oberg



Steve Heitzner CSMO Americas Sales & Mktg Reports Dotted Line to Stephanie Linnartz



Rob Steigerwald Chief Operations Officer Americas Western Region

Canadian Leadership Team



Don Cleary President, Marriott Hotels of Canada



✓ Account Management

Marriott

INTERNATIONAL

- ✓ Business & Transactional Support
- Portfolio Execution & Performance
- ✓ Discipline Strategy & Initiative Mgmt.
- ✓ Brand Engagement
- ✓ Franchise Forums
- ✓ Owner & Operator Approval

Canadian OFS Leadership Team





Roz Winegrad Area VP Owner + Franchise Services



Senior Director, Sales, Marketing & Revenue Management Franchise Support



Don Lougheed Senior Director of Franchising

- ✓ Support for maximizing use of MI RevGen tools
- ✓ Sales and Marketing support and training
- ✓ Strategic analysis and support to optimize revenue
- ✓ Analysis and pull-through of initiatives

- ✓ Account Management
- ✓ Portfolio Performance and QA Accountability

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- ✓ Brand Engagement
- ✓ Franchise Forums



Franchise Strategy and Support Team Vision



Support

Franchisor in the Lodging Industry Transparency

Partnership

Develop the best brands and strongest channels that deliver the highest returns and work with Owners & Franchisees to realize their portfolio's full potential.

Provide tools and resources to enable Owners & Franchisees to run great Marriott-branded hotels that are accretive to Marriott brand equity, deliver outstanding guest service, and industry leading NOIs.

Provide opportunities for Owners & Franchisees to share their perspective during Marriott decision-making process to achieve stakeholder buy-in on strategy and initiatives. Communicate with Owners & Franchisees on regular/ondemand basis to provide critical information to support their business operations.

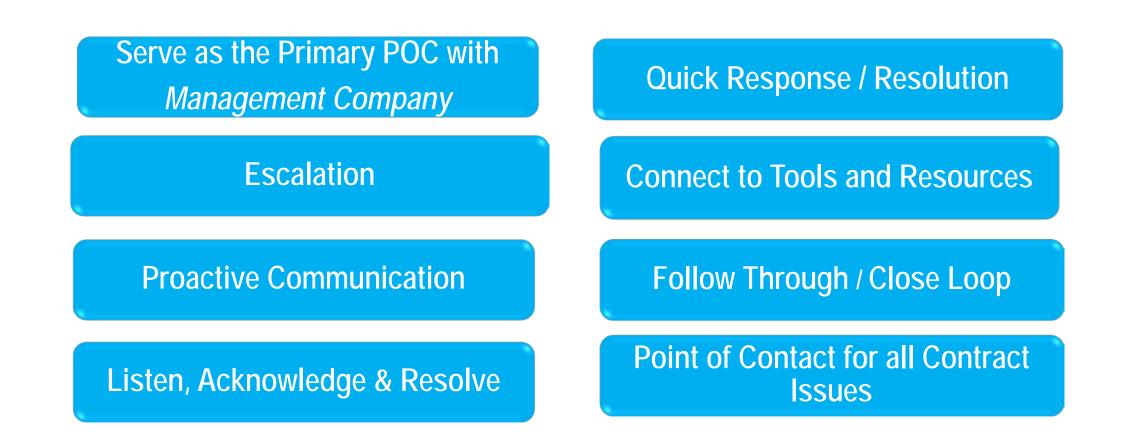
Build the strongest relationships with our Owners & Franchisees by conducting business with integrity, recognizing their investment with Marriott, celebrating their success, and acting in the long-term interest of our Owners & Franchisees.

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"What We Do Primary Role & Responsibilities







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Engage in the Management or Operation of any Aspect of a Franchisee's Hotel or Business Operations

Manage or Direct the Work of Hotels or Above-property Teams

Train Hotels (and to some extent, the franchise management company)

Inspect Hotels for Compliance, Operational Performance, Sales Execution

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"Engagement Conferences, Meetings & Advisory Boards

FULL SERVICE BRANDS

- Full Service Owners Meeting / MINA
- Canadian Full Service GMs March 22-24
- Individual Brand Boards

BOTH FS & MSB

- Integration Advisory Boards
- General Managers Meetings
- Canadian Owners Conference June Calgary
- Account Meetings
- Market Meetings
- Annual Canadian Sales Conference JANUARY!
- Workshops and Training

MARRIOTT SELECT BRANDS

- CONNECT Owners Conference LA Live April
 30 May 2, 2017
- MSB GM's Conference New Orleans -March 29 - April 2, 2017
- Individual Brand Boards







22 Canada Integration Advisory Board Members





Gerry Chase President & COO New Castle Hotels and Resorts



Tony Cohen EVP & Partner, Canada Crescent Hotels & Resorts



Drew Coles President & CEO InnVest Hotels



Dino Dicienzo President **Canadian Niagara Hotels**



Philippe Gadbois Senior Vice President, Operations Atlific Hotels

Amin Lalji

President

Larco Hospitality



Steve Giblin President & CEO SilverBirch Hotels



Anthony Messina CEO Westmont Hospitality Group





Danny Murphy President

D.P. Murphy Inc. Group of Companies



Steve Gupta President & CEO Easton's Group of Hotels Inc.



John O'Neill President & CEO **O'Neill Hotels**



Azim Jamal President & CEO





Retirement Concepts



Deepak Ruparell President & Owner Silver Hotels



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SALES, MARKETING AND REVENUE MANAGEMENT SUPPORT



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FOCUS & PARTNERSHIP

• SMR Franchise Services leaders partner with their AVP to drive performance for management companies, ensuring they understand how to fully leverage the power of Marriott's marketing, sales and revenue management.

EXPERTISE

- Identify areas of opportunity at the Management Company level
 - Analysis of performance and identification of areas of opportunity for improvement.
 - Ensuring utilization of systems & tools.
- Connecting Management Companies with resources
 - Sales & Revenue Management Training opportunity areas.
 - System enhancements and improved adoption.
 - Existing tools to improve revenue performance.
- Ensure successful pull through of key SMR initiatives through partnership with all discipline leaders throughout the company





Erin Wade SD, SMR Franchise Support Canada

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Canadian Revenue Management Shared Services

- For MI legacy brand today
- Launched in 2016 bringing revenue management expertise
- Highly experienced with MI systems. Efficient and knowledgeable
- Locally based
- Outperform non-participating hotels
- Over time will determine the future of the SW v. MI Canadian Revenue Management support





Sales, Marketing & Revenue Management 'SMR'

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- SW Legacy Hotels will remain on the existing reservation platform (ISAC, ROS, Vahalla) in the near term
 - There are several existing inboxes that will remain active for technical questions, and are listed in the appendix
 - The Bridge question box will remain live: <u>The Bridge</u>
- For Full Service general SMR questions: Full Service SMR Inbox
- For Select Service general SMR questions: <u>MSB SMR Inbox</u>



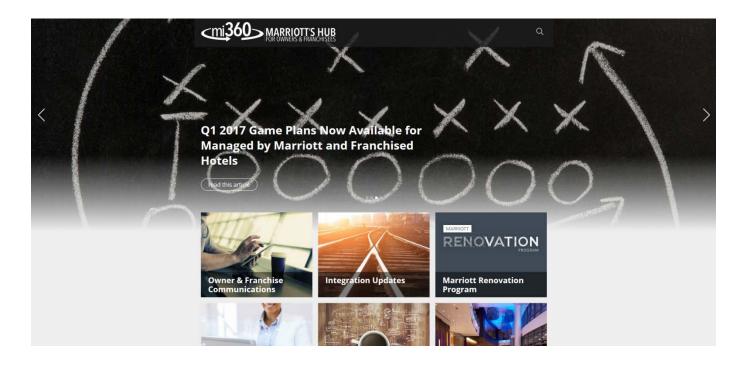
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Owner & Franchise Services *Communications*

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- Marriott Global Source (former Starwood brands can access The Platform for now)
- Weekly Update (former Starwood brands should review the Week Ahead email for now)
- Quarterly Game Plans
- Ad hoc owner/franchise memos
- Market meeting presentations
- Conferences
- Roadshows / Webinars
- Office Hours

mi360... *Marriott's Hub for Owners & Franchisees* (used for communication to above-property Owners & Franchisees)







YEAR-END LETTER FROM DON CLEARY

MARRIOTT HOTELS OF CANADA – 2016 UPDATE



December 2016



Don Cleary President Marriott Hotels of Canada

2016 has been a busy and exciting year for Marriott Hotels of Canada. First, we completed the integration of Delta Hotels into the Marriott system. We are excited by the owner and franchisee investment in upgrading our Canadian portfolio of Delta hotels, and we have successfully rolled out the new brand positioning and endorsed name: "Delta Hotels by Marriott." All Delta hotels are in Marriott Rewards and we are seeing significant market share growth for the brand, we remain focused on driving those top-line results to the bottom line. Delta Hotels by Marriott is now an established global brand within the Marriott portfolio. There is a rapidly growing pipeline in both Canada and the United States, currently on track to more than double in size within the next few years.

Of course, on September 23rd Marriott Finally, 2016 also brought us recognition for completed the acquisition of Starwood Hotels winning the AON Best Employer in Canada & Resorts, creating not only the world's largest and most diversified hotel company, but also the largest and best hotel company in Canada. We now offer the broadest portfolio of strong brands across all segments of the industry. I am excited that we have 19 of our 30 brands in Canada, and look forward to bringing more of our brands to this country.

Closing on the purchase is just the beginning of the acquisition. While we're off to a good start, we have much hard work to do over the next couple of years to successfully integrate the Starwood and Marriott worlds. Rest assured that our highest priority during the transition is to minimize distractions on property and remain focused on taking care of business as usual. Throughout the

integration process, we will remain laser focused on continuing to take care of our customers, owners, and employees.

In 2016 we were excited to have enhanced engagement and communication with our Canadian owners and franchisees. We initiated owner advisory councils in Canada and are working to ensure Canadian representation on all of Marriott's North American brand and discipline advisory councils, including conducting our first Delta brand advisory council in Toronto this coming February. We remain committed to furthering our goal of engagement, transparency and candor, and are grateful to our Canadian owners who are participating in these councils with time, input and expertise.

for the 12th year in a row. We know that it all begins with the hard working associates in our hotels and we are pleased to have been recognized as a great place to develop and further their careers. Looking ahead to 2017, what better place to start than the great honour of being named the number one country to visit in 2017 by the world's top-rated travel magazine, Lonely Planet. That honor comes at a great

moment for the country, which is poised to celebrate its 150th anniversary in 2017. At Marriott Hotels of Canada, we look forward to being a big part of the surge in international interest in Canadian travel and celebrating the anniversary.

In January we are welcoming new members to our Canadian team, with the addition of sales and revenue management associates. We are also adding two new resources dedicating to supporting our franchise community. These additions will enhance our ability to drive our Canadian results.

I'd like to conclude by thanking you for your partnership this past year and extending my best wishes for a wonderful holiday season. I look forward to working with you toward great success in 2017.

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22 Ongoing Services

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- Operations
- Sales & Marketing
- Revenue Management
- Human Resources
- Tools & Technology
- Systems Installation











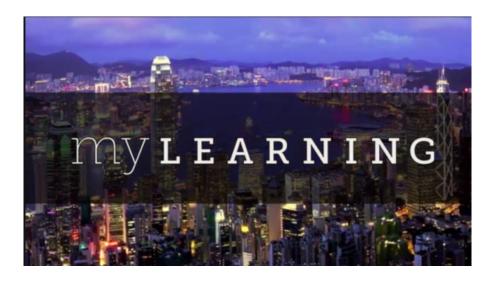
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- Results-oriented curriculum fosters proficiency in meeting customers' expectations while supporting career advancement
- "myLearning" enterprise learning management system enables 24/7 access to more than 2,000 Marriott-offered training activities
- Success of training programs is measured by GuestVoice, Engagement Surveys and Quality Assurance metrics











Business Objectives

- Brand Detractors
- Renovation Compliance
- Capital Asset Planning & Execution (CAPE)
- Tracking for Capital Investment Priorities



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Global Quality

Executive Orientation December 2016



Changes for former Starwood properties



One, global, guest feedback and quality program to drive consistency, cost efficiency and continued innovation

Q1 2017: Launch guestVoice Transition all Starwood brands to guestVoice from GEI/CEI in Q1 2017 (Targeting Jan). All brands accountable for Intent to Recommend metric starting Q3 2017.

GuestVoice (GSS)

ACCOUNTABILITY

Combined GSS, BSA Brand, and BSA Ops scores along with capital improvement compliance drive accountability standing; replacing the elevation program.

Major Capital Improvements / CAPEX Monitor Capital Improvements:

Brand

Standards &

Audit

(BSA)

Q2 2017: Migrate Standards Launch consolidated Standards in one global repository. Q3 2017: Launch BSA

Transition to Marriott audit program beginning Q3 2017 (phased by brand). Group 1 accountable for BSA Brand and BSA Operations scores starting Q3 2018

Monitor Capital Improvements: Rollout Renovation Program with delayed accountability; timeline is still TBD and will be communicated throughout 2017.

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What is guestVoice?



The guestVoice platform replaced Starwood's GEI and CEI programs in January 2017.





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- One-stop shop for guest surveys, event surveys, and social media feedback
- Measures 30+ key touch-points in the guest experience
- Scrapes social media feedback from 20+ major global sites (over 95% of all social reviews)
- In the future, it will offer a verified review platform for M.com
- Allows for real-time guest response through email alerts and a 48 hour response requirement
- > Keeps guests engaged beyond their stay
- Provides a breadth of feedback to drive property improvement

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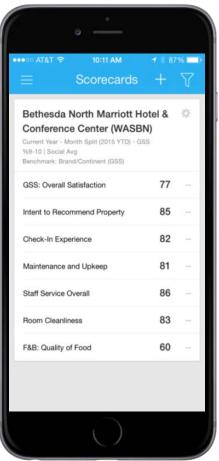
guestVoice Mobile Application

The mobile app allows property users to quickly and efficiently address guest satisfaction issues and get back to their daily operations

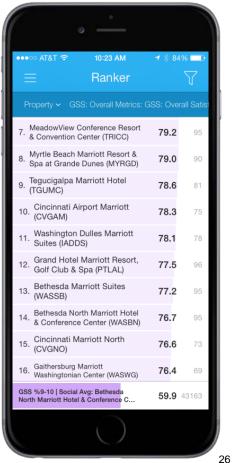
On-The-Go Responding

••••• A	tat ବ 9:51 am ≁ % 82 Feedback	*=>, 7
1-25 of	95	
10	SCHILKE, BETH Bethesda North Marriott Hotel &	
10	GROTEGUT, CHAD Bethesda North Marriott Hotel & Great place. Keep relationship with NICHD Medalia	1/27/15
9	MILAZZO, DIANNE Bethesda North Marriott Hotel & Medallia	1/27/15
10	FORKER, DOUGLAS Bethesda North Marriott Hotel & Not much to tell other than it is the nicest Marriott I've been in over Medallia	1/26/15
8	COHEN, NED Bethesda North Marriott Hotel & Overall - comfortable stay, Room wal seemed to permit noise/sound Medalia	
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Quick View of Hotel Performance



Snapshot of My Hotel Performance Versus Peers



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Three Components to the Audit Process

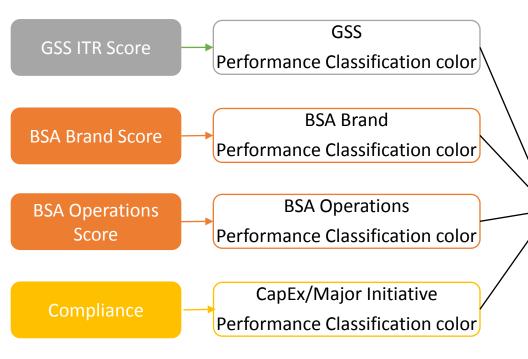
The audit measurements align with the key drivers of guest satisfaction and brand differentiation



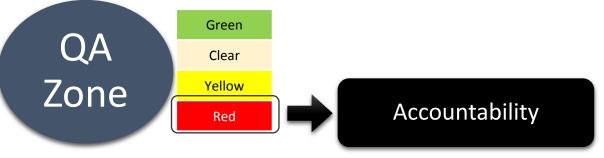


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Overall **QA Zone** determined by <u>lowest applicable</u> classification Determined each 6-month tracking period (Jan-Jun & Jul-Dec)



Each time hotel is in the Red QA Zone it will escalate in the Accountably Program; the hotel must go 4 tracking periods with a QA Zone that is Yellow/Clear/Green to earn a Clean Slate.

Another Red Zone occurrence during any of those 4 tracking periods will result in an additional escalation and cause the clean slate "clock" to reset, requiring the hotel to be out of the Red Zone for the next 4 tracking periods.

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2017 Thresholds

Global Quality - Accountability

GSS Metric has changed to Intent to Recommend

54.0+

RC

	GSS Intent to Recommend Metric						
	GREEN	CLEAR	YELLOW	RED			
Americas	71.0+	70.9-59.0	58.9-55.0	Below 55.0			
U, MEA, AP	70.0+	69.9-51.0	50.9-48.0	Below 48.0			
Customer Engagement							

53.9-44.0

Below 44

BSA Scores have been updated for Ops and Brand and consolidated into Luxury, Premium and Select

BSA Performance Classification **Brand Section GREEN** CLEAR **YELLOW** RED Luxury, 96.0+ 95.9-82.0 81.9-79.0 Below 79.0 Premium Select 91.9-77.0 76.9-72.0 Below 72.0 92.0+

	Operations Section					
	GREEN	CLEAR	YELLOW	RED		
Luxury, P <u>remium</u>	94.0+	93.9-82.0	81.9-79.0	Below 79.0		
Select	90.0+	89.9-80.0	79.9-78.0	Below 78.0		

<u>guestVoice</u>

First surveys went live in guestVoice on January 10, 2017

Review items listed on The Platform with critical information, dates and direction

Where do we go if we have questions?

Quality Assurance: qa@marriott.com

Operations: change.champions@marriott.com or ask.ops@marriott.com guestVoice@marriott.com

Additional operations links are listed in the appendix





DRIVE IMPROVEMENT - Best Practices



<u>RELENTLESS</u> Focus

- Set Goals Communicate these goal
- Celebrate Wins / Address issues
- GuestVoice / BSA Board
- Daily Meetings
- Build into team goals
- Use the tools to understand
- Attend webinars



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Key Takeaways

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- Engage Take full advantage of Marriott's tools, system and support
- READ EMAILS
- Relentless focus on QA and GuestVoice
- Run GREAT hotels











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Appendix



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Roz Winegrad Accounts

Brock Hotels Canadian Niagara Hotels, Inc. Concord Hospitality Enterprises Company Crescent Hotels & Resorts Easton's Group of Hotels Fairmont Hotels & Resorts Groupe Hoteilier Grand Chateau Hospitality Inns Limited Iber Management Keck Seng Group Larco Enterprises New Castle Hotels, LLC

Northampton Group of Hotels Ocean Properties - Atlific O'Neill Hotels and Resorts Mgmt., Ltd. **Pivot Hospitality** Platinum Investments, Ltd. Pomeroy Lodging **Retirement Concepts** Silver Hotel Group SilverBirch Hotels & Resorts Tarn Financial Corp. **Urgo Hotels & Resorts** Wall Financial Corporation Westmont Hospitality Canada







Non Lougheed Accounts

1701469 Alberta Ltd. 2461764 Ontario Inc. 9149-8329 Quebec Inc. Airline Hotels Ltd. a Astoria Enterprises Bhanji Brothers Investment, Inc. Bona Building and Management Co. Ltd. **Cavalier Enterprises Centre Suite Hotel Holding Charltons Evergreen Court Limited Crown Group of Hotels Daisy Tse Cheung** Diamond Hotels Canada Inc. **DP Murphy Incorporated Ecoasis Group of Companies** Esmail Bhanji Fallsview Group **Genesis Hospitality** Gestion Hoteliere M.B.A Inc.

Harbour View Inn, Inc. HHC Hotels, LLC Hollypark Organization, Inc. (The) Hornstein-Higgins Partnership Iliyan Hospitality Inc. **INN-TRUST Hospitality** Intrawest Itcan (Sault) Holdings Inc. J. Dass Investments Limited **KRS Hospitality** Lakeview Management LHMD Inc. Lixi Group M2K Manga Hotels Mel Dhaliwal Minaz Rahemtulla Niagara 21st Group, Inc.

Parkway Hotels and Convention Centre PHI Hotel Group **Ouint Trust RIMAP Hospitality** Rosdev Group Sarup Enterprises, Inc. Sohal Family Southtoon Hospitality Group, Inc. Sunny Hospitality **Tidan Group of Companies** Vista Hospitality VJ Management Vrancor Group of Companies WeStar Holdings Ltd. Williams Hotels Ltd. Woodlawn Hospitality Group YQR Ventures Hotels and Resorts Inc





Sales, Marketing & Revenue Management '5/MR' Resources

- General Inbox <u>RMS.Support@starwoodhotels.com</u>
- For Installs, Training, Pre Go Live <u>ROS-ProjectManagementTeam@starwoodhotels.com</u>
- Billing Questions <u>ARFranchise@starwoodhotels.com</u>
- Galaxy Lightspeed Support 800-434-9990 | <u>support@galaxyhotelsystems.com</u>
- ISAC <u>ISAC.Support@Starwoodhotels.com</u>
- Lanyon Lanyon.support@starwoodhotels.com
- SRS (Starwood Reservation Service) <u>SRSHelp@starwoodhotels.com</u>
- Rate-Related Inquiries <u>grst@starwoodhotels.com</u>
- Reservation Inquiries <u>ResInquiriesNAD@starwoodhotels.com</u>
- ROS Group Support <u>ros-gosupport@starood.com</u>
- ROS Support <u>ros-projectmanagementteam@starwood.com</u>
- StarCOM <u>salesprodhelp@starwoodhotels.com</u>
- Starboard Reports business.intelligence@starwoodhotels.com
- Smith Travel Research star.program@marriott.com
- SPGPro <u>SPGPro@starwoodhotels.com</u>
- Valhalla Property Content (512) 821-6221 <u>Global.Content@starwoodhotels.com</u>
- Access to Valhalla grst@starwoodhotels.com



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Rev Par, Financial, SPG, and high-level GEI data: Go to Reflex via the etools menu on the Bridge. <u>https://bridge.starwoodhotels.com/community/eTools/reflex</u>

Channel Contribution: download the Stewardship report via Microstrategy/Starboard reporting: <u>https://bridge.starwoodhotels.com/community/eTools/starboard-reports</u>

Detailed GEI data: Go to the Guest Experience Index (GEI) portal via the etools menu on the Bridge. Data on the GEI portal will be available until February, 2017. <u>https://bridge.starwoodhotels.com/community/eTools/gei-portal</u>

Master Arrival: <u>https://sgr.starwoodhotels.com</u> use the Health Check to see property's SEI score including MAR (Master Arrival Report) run rate.

Next Gen Service Culture Training: <u>https://bridge.starwoodhotels.com/community/programs/service-culture-training/service-culture-training-the-americas/pages/reporting</u>

Final 2016 NGSC Results will be pulled Jan 2, 2017. So hotels should start getting all of their Rosters up to date and make sure everything is properly loaded into the DC before then. As a reminder, we are only looking at associates hired before July 1, 2016.

RMI data: <u>https://bridge.starwoodhotels.com/community/teams/social-media/reviews</u> The November 2016 RMI report, with results per division and property, is now <u>available on the Bridge to download</u>

Brand Health Results: log onto the StarQA portal via the etools menu off of the Bridge: <u>https://bridge.starwoodhotels.com/community/eTools/starqa-portal</u> Former Starwood properties will be transitioning to Marriott's Brand Standard Audits (BSA) program in 2017. Under Marriott's BSA program, hotels receive an unannounced audit annually. The BSA program will be phased in by brand, beginning in Q3 2017.



Questions: <u>qa@marriott.com</u>

Sustainability: go to the Sustainability Resource Center (SRC) to find information on Environmental Sustainability and Social Responsibility programs & initiatives.

https://bridge.starwoodhotels.com/community/teams/global-citizenship/the-americas

Photography Report Card: go to the Starwood Asset Library. Starwood AssetLibrary.com is a marketing resource that contains all of our brands and properties marketing assets

TO VIEW A SPECIFIC HOTEL PHOTOGRAPHY SCORECARD go to the following link and type in the pin number at the

end: <u>http://www.starwoodassetlibrary.com/reportcard/</u>

Corporate Guest Complaints: the GM and StarGuest Champion can access property summary and detail reports via Microstrategy/Starboard reporting: <u>https://bridge.starwoodhotels.com/community/eTools/starboard-reports</u>

Owners and management companies can ask their hotels to run and share reports.

Customer Experience Index (CEI): https://bridge.starwoodhotels.com/community/eTools/cei-portal

CEI Year End Memo Available | Please review the <u>CEI Memo</u> for a reminder of key year-end deadlines and instructions for downloading CEI results.

Ratings & Reviews: R&R will be integrated into guestVoice with a target date of end of February, 2017. In the meantime, there will be a gap in reporting. Please be on the lookout for additional details. Questions: Email <u>guestvoice@marriott.com</u>

Team HOT: https://bridge.starwoodhotels.com/community/teams/sales

The **Team HOT** Program has been extended through 2017 for eligible associates at former Starwood-branded hotels, with slightly modified guidelines as highlighted <u>here</u>



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