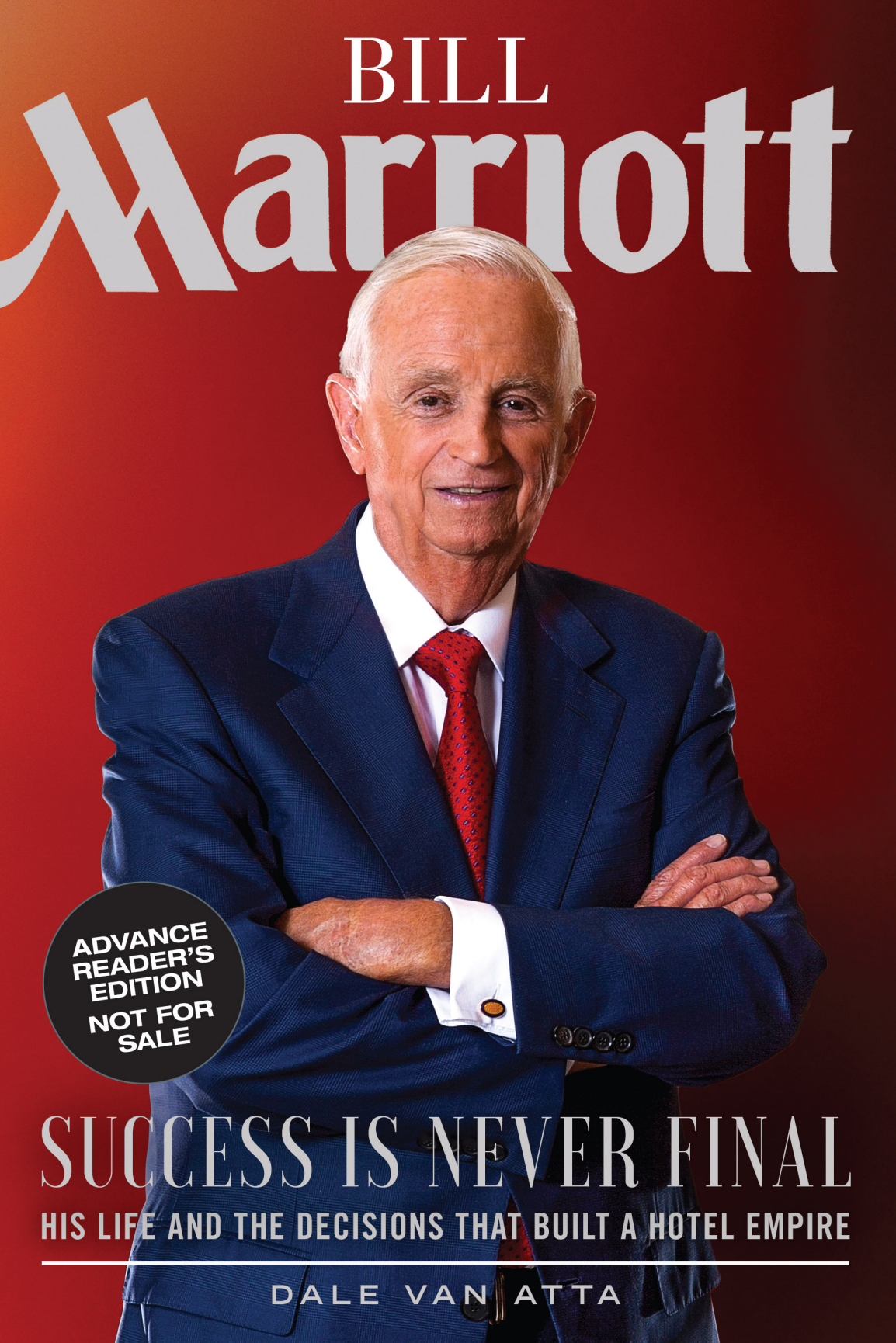
BILL Marriott



ADVANCE READER'S EDITION
NOT FOR SALE

SUCCESS IS NEVER FINAL

HIS LIFE AND THE DECISIONS THAT BUILT A HOTEL EMPIRE

DALE VAN ATTA

Bill Marriott—son of J. Willard Marriott, who opened a root-beer stand that grew into the Hot Shoppes Restaurant chain and evolved into the Marriott hotel company—grew up in the family business. In his more than fifty years at the company's helm, Bill Marriott was the driving force behind growing Marriott into the world's largest global hotel chain.

Bill Marriott: Success Is Never Final gives readers an intimate portrait of the life of this business titan and his definition of success. Bill shares details about his private struggles with his domineering father's chronic harsh criticism; his innovations in the hotel industry; and the boundless passion and energy he demonstrated for his work, family, and faith. Bill also shares spiritual experiences that allowed him to recognize God's guidance in his personal life.

- Details the story from Bill Marriott's first job in his family's restaurants to his monumental decisions in building Marriott, the largest hotel chain in the world.
- A boat explosion, just a week after his father died, caused a fire that severely burned Bill's body and damaged his hands so significantly, it was unclear if he would be able to use his fingers.
- Part of Bill's management legacy includes substantial and widespread philanthropic work, educational programs, and community outreach.
- As a business leader, Bill has met with American presidents, foreign dignitaries, and other business moguls. The biography is filled with newly told, behind-the-scenes, intimate stories such as "family dinners" with the Eisenhowers and the Marriotts.
- Readers will learn the fascinating details about the successes and failures of Bill's business ventures and relate to his challenges of balancing roles as a CEO, a husband and father, and a man of faith.

This is the remarkable story of a man who had the vision to create a multibillion-dollar business, who understood the power of giving, and who lived the creed that hard work will pay off but success is never final.

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BILL MARRIOTT

The final version of this biography will include a full-color photo section.

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PROLOGUE

The air was still. *Dangerously* still.

But no one on the beautiful Lake Winnipesaukee could have suspected that peaceful Saturday morning in 1985 just how lethal the stillness might be for one of the area's most recognizable summer residents, Bill Marriott.

Bill had been coming to New Hampshire's largest lake for four decades. His father, founder of the large Hot Shoppes restaurant chain, had been bringing his family to the lake since the 1940s. The Marriott clan rightly considered the place a paradise on earth. Proof of its strong magic was that it was the only place fifty-three-year-old Bill could truly relax. His $3.5-billion company had 140,000 employees around the world. He had built or bought 144 hotels and resorts, turning Marriott into the largest company-owned hotel chain in the United States. Dozens more hotels were in blueprint or construction phases. Added to that were 90 kitchens serving 150 airlines around the globe, more than 1,400 restaurants, and catering services for 1,400 clients in university, hospital, and company cafeterias.

Bill's father, J. Willard, Sr., had lived to witness these successes, but he had died that summer, on August 13, passing peacefully at the age of eighty-four after enjoying a family barbecue at the lake. The

well-attended Washington, D.C., funeral had featured speakers such as former President Richard Nixon and evangelist Billy Graham. Now it was August 24, and most of the Marriott family had traveled from the D.C. area back to their summer vacation homes on the north side of the lake.

An important event was scheduled for Sunday. All the family were members of The Church of Jesus Christ of Latter-day Saints (known by some as Mormons). The Latter-day Saint community in Wolfeboro near the lake had been growing slowly over the years and had finally qualified for its own chapel, which had just been completed in June. A close friend of the family, Elder Boyd K. Packer, a member of the Church's Quorum of the Twelve Apostles, had promised J.W. before his death that he would personally dedicate the chapel. After speaking at J.W.'s funeral, he had joined the family at the lake on Friday, awaiting the Sunday dedication services.

Having an Apostle staying with Bill's newly widowed mother, Allie, was a spiritual comfort and a singular honor. When Elder Packer mentioned that he would like to go on a boat ride Saturday morning, it was a request Bill was happy to fulfill. There were few more joyful times for him than driving his baby blue Donzi Express Cruiser out on the sun-dappled waters of the lake, throttling up to speeds in excess of fifty miles an hour. Incessant daily winds had been whipping the lake into whitecaps, but that Saturday morning was perfect. Though not breezy, it was cool, prompting Bill to wear a wool sweater.

After breakfast he went down to his two-slip boathouse to prepare the Donzi. It was after 9:30 a.m., and normally Bill's three small grandchildren would have been swarming all over the boat, anxious to be with Grandpa. But their mother, Bill's daughter, Debbie, had slowed them down that morning, and they were just getting on their life jackets. Friend and guest Roger Maxwell, the longtime golf pro at a Marriott resort, walked out on the back lawn and saw Bill gassing up the portside tank. The hose connected to a line that ran up to a

gas pump the Marriotts had installed mostly for filling up their cars. Refueling was routine for Bill, but that morning was so still, there was no breeze to disperse the gas fumes, and the vapors dropped down into the boat. Bill did not smell the accumulation, nor could he know that the boat's ignition switch was faulty. When he turned the power on to check the gas gauge, a spark ignited the gas.

The explosion rattled windows up and down the lakeshore, and the flames appeared to envelop Bill in a fraction of a second. There was no way he could survive. But then, within moments, Maxwell, the only eyewitness, saw his friend staggering through the lake shallows to the shore.

Newspaper reports would claim that Bill was blown out of the boat. But for Bill, a miracle had occurred. In the midst of the flare-up, he had heard a clear voice: "Get out of the boat!" Instead of being immobilized by shock, he had jumped into the lake.

Donna and son John heard the distinctive "whoosh" of a gas explosion, and they rushed out of the house to see the boat engulfed in flames. They were certain Bill must be dead. Grief turned to relief in seconds as Bill stumbled out of the lake, charred skin hanging from his hands, looking, as one witness put it, like "The Creature from the Black Lagoon."

Inside the house, John's girlfriend, Angie, was showering when she heard the explosion. Looking out a window facing the water, she saw Bill emerging from the lake. She swung into action, jumping out of the shower, ripping off the bedsheets, and bringing them back into the shower to soak them with water. Tossing on a T-shirt and shorts, she was out of the house in less than a minute, rushing down the yard to Bill, who had collapsed on the lawn with Donna and John ministering to him. Bill's polyester golf pants had melted onto his legs or been burned away, while the sweater, still hot from the fire, had prevented burns to his upper torso. The sweater came off, and Angie wrapped him in the wet sheets.

Someone called an ambulance, but the trip through the traffic-choked resort town of Wolfeboro would take too long. Maxwell loaded Bill, trembling with shock, into a car and sped the seven miles along country roads to Huggins Hospital. Doctors and nurses were alarmed at the third-degree burns over his body, as well as the possibility that fumes and flames had seared his lungs.

Bill's mother, Allie, soon arrived in the family station wagon with Donna, Debbie, and Elder Packer. Still fearing Bill might not survive, the family asked the Apostle to give Bill a priesthood blessing, which was done with consecrated oil and hands placed upon his head. Elder Packer felt inspired to promise not only that would Bill survive, but that he would not be scarred. He boldly pronounced that the accident would have some divine purpose, as yet unknown.

During the weeks of painful recovery, Bill had time to reflect on this life-altering event. He already had a strong conviction about God, the healing sacrifice of Jesus Christ, and the truth of the Church bearing the Savior's name. He knew without a doubt that he had been miraculously saved, that he was watched over from on high, that he had an important place in the world and a mission that included his family, his friends, his church, and his larger family of Marriott employees.

Among the condolences he had received after his father's death less than two weeks earlier, there was a particularly poignant note from family friend Coretta Scott King. The widow of the Reverend Martin Luther King, Jr., had written: "I pray that God will sustain you and help you to accept His will, knowing that all things work together for good, for them that love the Lord and are called according to His purposes."

Bill's life to that point had not been easy. Business for him had always been a kind of fiery battlefield with competitors, price fluctuations, the labor market, government regulation, and the seesaw of the economy. Overarching that was the most fiery flame of all—the hot temper of his Depression-era father, whose fear of debt led him to

oppose many of the daring business decisions Bill had to make to build the Marriott empire.

Now the son was on his own. Though Bill couldn't know it, the challenging years ahead would include explosive growth in the 1980s, a crippling recession and Japanese stock market crash in the early 1990s that would nearly cost him the company, a potentially fatal personal health issue, the challenges of a world after 9/11, when his Marriott hotel between the Twin Towers was obliterated, and so much more.

He could not see that there would come a day when Marriott hotels would number more than 7,000, and he would be the world's undisputed number-one hotelier. But what he already knew that day in 1985 was more than enough. He knew that God loved him, that his family and friends loved him, and that his employees deeply appreciated his leadership.

Later he would say of that day, "I could hardly wait to get back to work." It was a lesson he had learned from his father, that a life of ease is an enemy to progress, both for the person and for the corporation—that, as Bill often put it: "Success is never final."

CHAPTER 7

MOTOR HOTEL DIVISION CHIEF

While on a visit to Washington before he left his navy service, Bill drove to Hot Shoppes headquarters at 5161 River Road for some career planning with his father. Having outgrown the Upshur Street offices, J.W. had built a new three-story air-conditioned Hot Shoppes headquarters—the fifth since the company was founded in 1927—on a ten-acre tract in Montgomery County, Maryland. J.W. and his executives had moved in a year before, in May 1955.

Bill's plan had always been to join his father's company once he completed his navy service, which, with the end of the Korean War, had been shortened to two years. Bill would soon join the company, which had more than 5,000 employees and was experiencing rapid growth. Its annual sales from restaurants and catering were $29 million.

As Bill drove past the beautifully landscaped grounds, he admired the front of the building, shining with blue-green solar glass and porcelain panels. After parking, he walked the circular driveway to the entrance, with its ultramodern marquee. In the reception area, he relished the feeling that this was the place he would begin his chosen career. On the first floor were some of the executive offices, including those of three of his uncles.

Bill's destination was the third floor—the home of the boardroom

and his father's executive suite. He bypassed the office of Milton Barlow, the Harvard-educated finance expert who was a capable executive but a prickly man. A year before, Barlow had badgered J.W. into creating a number-two position at the company, executive vice president, with himself as its first occupant. At the time, J.W. wrote in his journal that he would have to "take a chance on his questionable public and personnel relations." After Barlow's promotion was announced there was "no shouting and cheering" among the normally upbeat Hot Shoppes executive ranks, but, J.W. wrote, "I believe they will accept him."[1]

Bill entered his dad's office at the west corner of the third floor. Above the mantel of a fireplace was a polished set of Texas longhorns. On the walls were several Western paintings, as well as a couple of original oils by Dwight Eisenhower, gifts from the president. J.W. invited Bill to sit down for a pro forma "job interview." His first job after the navy would be in restaurant operations at headquarters.

June 1956 was a busy month for Bill as he mustered out of the navy in Norfolk. He and Donna bought a house at 5214 Parkway Drive in the Kenwood neighborhood of Chevy Chase, Maryland. "It was the smallest house in Kenwood," Bill recalled. He sold some Hot Shoppes stock from his trust to buy the house outright at its $52,500 price. Donna was pregnant that summer and frequently sick.

When Bill first began work at the family restaurant business, the world was very different. As he humorously related in a speech decades later: "It was 1956, and Eisenhower was president. Bunnies were small rabbits, and rabbits were not Volkswagens. We thought deep cleavage was something the butcher did and outer space was the balcony at the movies. We never heard of FM radio, computer chips, CDs, artificial hearts, word processors, yogurt, and guys wearing earrings. We had bvds but no DVDs. Grass was mowed, Coke was a cold drink, and pot was something you cooked in!"[2]

Bill's first boss couldn't have been a better one—Iva de Freese

Savage, Hot Shoppes' top chef. Hired away from Schrafft's renowned restaurant chain, it was she who developed, wrote, and tested more than 4,000 standard recipes that J.W. accepted as the culinary bible for the company. He promoted her to head the company's research department, which made her the first female in the Hot Shoppes management hierarchy.

One of Iva's first assignments for the eager young man was "to tackle the sandwich wrap issue—the best way to keep a hot sandwich hot and fresh. Foil wraps were coming out then, but they sweated the sandwich too much. There wasn't anything like the plastic boxes today that allow a hamburger to breathe. We finally ended up copying what Big Boy was doing out in California—a very light, thin paper wrap almost like wax paper which held the heat and didn't make them too soggy."

Not all of Bill's ideas worked. Another Iva assignment was "to find out why we couldn't serve our customers faster. I collected some menus, and then I looked at the guest checks, which showed what customers were really buying. I found out that there were over 200 printed items on our menus, but there were another 200 items made for special orders, from peanut butter and jelly sandwiches to french fries with brown gravy. When we reduced the number of items, we speeded up the service, reduced our food cost, and reduced our kitchen labor. But the big mistake I made was not asking our customers what they wanted. So I cut items I shouldn't have cut and left selections on the menu I should have taken off. I made unilateral decisions with no customer input—and I made some bad mistakes."[3]

One of his more memorable tasks was to compare restaurant sales between Hot Shoppes and the much larger Howard Johnson's national chain. "I was amazed that the comparable Hot Shoppes had sales that were double, and even triple, Hojo's. I tried to define why this was. I studied the management style of my dad and Howard Johnson, whose restaurants were poorly run. My dad thought it was because most of

Hojo's restaurants were franchised and we weren't, but that wasn't really it. Howard Johnson and Dad were both charismatic leaders. Both were superb salesmen. But Howard Johnson concentrated on making money and living a lavish lifestyle. My dad concentrated on people: his associates and customers. These were two very different cultures. While Howard Johnson spent his time on his yacht in Florida in winter, and Nantucket in summer, Dad spent his time in the kitchens worrying about quality, and he spent time listening to his people. That was the difference in the quality and greater success of Hot Shoppes versus Howard Johnson."[4]

After Bill had spent six months with Restaurant Operations, J.W. gave him a new assignment in public relations, working for the company's veteran PR chief. The course of Bill's future was set when he was assigned to take on the PR and ad work for the company's newest venture: a Marriott motor hotel along the Potomac River.

Years before, J.W. had bought five acres of prime land on the Virginia end of the 14th Street Bridge, intending to use it for a new headquarters building and commissary, particularly with the convenient railroad siding next door for shipping supplies. Corporate legend perpetuated the idea that J.W. decided to build a hotel after he received a purchase bid from a hotel company for the property. Such a bid was received, but only *after* J.W. had decided that Hot Shoppes would build its own motel or hotel there.

In that era, hotels were large downtown facilities with few parking spaces. Motels were mom-and-pop operations along highways with plenty of parking but fewer rooms. In the early 1950s, the pioneers in motel chains were Holiday Inn and Howard Johnson. Though J.W. never intended to go into the hotel business, when he did, he decided he wanted a much grander facility than was then available. It would be a "motor hotel," since it would be neither a typical hotel nor a motel. J.W. had to fight against his own stodgy board of directors to push the Twin Bridges motor hotel plan, featuring a tower up to five stories

and a total of 375 rooms in eleven sprawling buildings, which J.W. declared to be the "largest motor hotel in the world" when it opened in January 1957. With its daring architectural features, elegant restaurant, Western frescos, and hourglass swimming pool, it was unlike any "motel" the motoring traveler had ever seen.

At the grand opening, J.W. experienced something he had never known with any of his restaurants: the name *Marriott* in lights. Shortly after the ribbon was cut, Bill was summoned to the phone to take a call from Texas oilman Jack Wrather, who owned two popular TV shows, *The Lone Ranger* and *Lassie.* Wrather had built a hotel for Walt Disney near his new Disneyland park, and business was slow. He was in desperate need of good hotel management.

"They say you're opening a brand-new motor hotel there in Washington," Wrather began. "Is that true?"

"Yes," Bill replied.

"Well, I own the Disneyland Hotel. It has about 100 rooms and it's not doing well. How would you like to come out to California and manage the Disneyland Hotel?"

Bill put his hand over the phone, motioned his dad over, and explained the situation. "Should we go out and take a look at this hotel?"

"No," J.W. groused. And then he betrayed his wariness of the hotel business he had just stepped into. "We probably can't run the one we've got!"

Bill got back on the line and declined, thus turning away the first offer for a line of business that would one day become Marriott's bread and butter.

However, the call gave Bill an idea that germinated for the next two months before his father asked him, "What do you want to do around here?"

"I'd love to run the new hotel," Bill answered firmly.

"Well, you don't know anything about the hotel business," his father responded.

"Neither does anyone else around here," Bill countered.

"Okay," his father said, "go ahead." And that was that. Bill Marriott was now the proprietor of his first hotel.

In its earliest year, prospective guests could drive up to the lobby window of the Twin Bridges Marriott, examine 3-D Kodachrome prints of the various room designs, and select the one they wanted to stay in. They were given a key and then followed a bicycle-riding bellboy to their room. "We charged $9 and $1 for every extra person in the room," Bill said. "When we were really busy during the tourist season, we would look inside the cars to see how many people were in there. If it was only one person or two, we would not check them in. But if they had two kids, a mother and father, we would jump at it. That way we would get $12 out of those rooms."

Bill started room service from scratch. "Talk about a hands-on, making-it-up-as-you-go-along experience. I had just officially moved over from the food-service side of the company. At the end of my first month on the new job, I found myself putting together room service trays and filling guest orders myself. Not that I was any kind of expert on the subject! I quickly trained two or three other people, and they took it from there."

His very first "executive decision" involved, of all things, ice buckets. "I was looking over our expenses for Twin Bridges and noticed a pretty hefty sum under the category 'Other.' A little investigation revealed that guests found our plastic-covered, cardboard ice buckets so sturdy and convenient that they were filling them up with ice and drinks to take on the road. At a dollar apiece, the loss of hundreds of buckets in a year would have quickly eaten up our meager profits, so I ordered permanent ice buckets to be placed in each room, and we were back in business."[5]

The same month that the Twin Bridges Marriott opened, newly reelected President Eisenhower asked J.W. to chair the food committee for the inaugural ball, which included a perk of prime seats for himself,

Allie, Bill, and seven-months-pregnant Donna at the inaugural parade. The parade was impressive, but J.W. described the food planning in his diary as "a real strain. My last inauguration work I hope."[6] Little could he or Bill have guessed that a decade later, J.W., at an older age, would chair the entire event for two successive presidential inaugurations.

In mid-March, Bill and Donna finally invited his parents over for dinner. It had been six months since they had moved into the Kenwood house. Donna was soon to deliver their first child, and she steeled herself for J.W's possible inspection of her housekeeping, remembering how he had repeatedly checked for dust when he visited the newlyweds' Norfolk apartment. Instead, probably because of Donna's condition, J.W. was on his best behavior.

On March 30, shortly before eight a.m., Donna's contractions increased enough that she told Bill it was time to go. He rushed her to nearby Garfield Hospital, and, about five hours later, baby Deborah arrived. She appeared to be healthy, but the doctor had a concern about her heart. One month later, the Marriott family doctor added his concern when he thought he heard a heart murmur; it was possible she would grow out of it, he said.

In addition to new fatherhood, Bill was learning the ropes of hotel management. Because of the prime location and resortlike facilities, high occupancy by summer travelers was fairly assured at Twin Bridges from April to October, but J.W. had made almost no provision for nontourist business. Bill quickly made the rounds of defense contractors around the country to lure their business when they visited the Pentagon. That was a short-term solution for the off season. Bill determined that the long-term solution would be conventions.

Twenty-first-century hotel guests would have trouble envisioning the "amenities" of Twin Bridges, the pioneer of the motor hotel. Rooms were only $9 a night, but there were no marketing program, no reservation system, no computers, and no meeting rooms. But there was

also no competition. It was the first real motor hotel of any size in the suburbs.

"As competition increased, we added all the services," Bill said, "a reservation system, an ice-skating rink, ballrooms and meeting rooms, sales staff, a specialty restaurant to supplement our coffee shop, and an accounting organization. It was tough convincing meeting planners to meet anywhere but downtown, but we did."

The ice-skating rink was an immediate hit, generally having more skaters than the rink could reasonably accommodate. Special guests one Christmas Eve included the family of Ezra Taft Benson. Bill was never a good ice-skater, so he stood on the sidelines to cheer the others on. Secretary Benson, who had not been on skates in many years, should have done the same. An hour after taking to the ice, Benson took a bad fall, dislocating his shoulder.

As the hotel became more profitable under Bill's management, he began to see a new direction for the company that would take it away from restaurants. "I was leery about the long-term viability of the Hot Shoppes restaurant business. It was a very complicated business and was labor-intensive. It took an awful lot of effort to earn any money. Plus, we had run out of locations in the Washington area so we had started to expand into other cities on a haphazard basis. I saw hotels as a new opportunity, a new way for the company to grow." That meant Bill needed to pressure J.W. into approving additional hotels. He didn't think it would be an easy sell; his father was, at heart, a restaurateur, and he also loathed borrowing money for construction.

In late 1957, J.W. and Allie went to the Soviet Union for three weeks with a delegation of restaurant operators and caterers as part of a business exchange program. While they were gone, Bill and Executive Vice President Milt Barlow cooked up the idea for a second hotel on land just outside D.C. next to the Rosslyn, Virginia, Hot Shoppe Number 12. Like the Twin Bridges Hotel, this site was at the end of another bridge over the Potomac—this time, the Key Bridge. When

J.W. returned, he surprised Bill by liking the idea. It fit his notion that bridges were excellent traffic choke points to build a business.

Bill was so excited about the hotel that he upstaged his father with the unscripted public announcement. The occasion was a banquet where J.W. was receiving an award from The Advertising Club of Washington. J.W. made a twenty-minute acceptance speech, which was well received. But a correspondent from the *Salt Lake Tribune* reported, "[I]t was his son who made the news by disclosing that a second multi-million-dollar Marriott Motel is going to be built here." The headline read, "Ex-Utahn Gets Spotlighted—But Son Steals the Show."[7]

• • •

In March 1958, Bill flew to Dallas to inspect the Hot Shoppes In-Flite kitchen there. At the last minute, he set up a meeting with land developer "Big John" Stemmons, who owned reclaimed river bottom land called the Trinity Industrial District in Dallas and wanted to build a hotel there. The Marriotts looked like they might make good partners. With one hotel in operation and a second under construction, Bill was no neophyte. But forty-nine-year-old Stemmons, who had substantial business experience and wealth, was bigger than life to the small-time hotelier who was just a few days short of his twenty-sixth birthday. Big John was a kind man, full of humor, and he treated Bill as an equal.

During one of their conversations, Stemmons taught Bill a powerful business lesson regarding "enlightened self-interest"—the idea that if you had concern for the well-being of your community, your community would support your business. Stemmons loved his "village," as he called Dallas. At the end of their memorable meeting, Stemmons recommended that Bill see his Trinity Industrial District partner Trammell Crow, who wanted to pay for the construction of a hotel in

the district. Bill returned home, excited to brief his father about the idea.

J.W. was pleased, but he made it clear that he didn't have full confidence in Bill's bargaining skills. "You don't know what you're doing," he said. "I'm going to send Milt with you, and you'll learn how to negotiate from him." Chafing a bit, Bill took Barlow back to Dallas with him, as ordered. Because they were all straight talkers, Bill had developed a solid relationship with John Stemmons and his brother Storey. But at the meeting, when Barlow took over, a chill came into the air. The brothers didn't like him. "He wouldn't listen to them," Bill recalled.

So, the sharp Dallas dealers decided to clean Barlow's clock. The Stemmons brothers controlled the negotiations and tipped the deal to their benefit. Barlow didn't appear to realize what had happened, but Bill did. "Those Texas boys cleaned him out, and we ended up with a deal that was better for them than us," Bill said. "I said to myself at the time, 'That's the importance of listening and not thinking you know it all. Always try to find out what's on the other person's mind, and work with them, and you both might get what you want.'"

Barlow also spurned Bill's recommendation of Trammell Crow as their Dallas hotel's partner and financier. Barlow preferred to deal with Wall Street, so he took Bill with him to New York City and secured a loan from Equitable Life for the Dallas hotel's construction. Plans were begun for a Dallas Marriott, which would open two years later.

But Bill's gut instinct about Crow had been dead-on. Crow became one of the greatest developers America has ever seen. He went on to build the famously successful Dallas Market Center, the Peachtree Center in Atlanta, and the Embarcadero Center in San Francisco. He founded the Wyndham Hotel chain and become a serious competitor to Bill Marriott's hotel chain.

• • •

In the early 1950s, the Civil Rights movement had begun to pick up steam, which impacted Hot Shoppes. Among the Jim Crow laws still on the books in Virginia was one mandating that "every person [operating] any public hall, theater . . . place of public entertainment or public assemblage [including restaurants] shall separate the white race and the colored race . . ." Even into the late 1950s, J.W. did not dare violate that law, which the state was willing to enforce. For a while, J.W. did what many other restaurant owners were doing; Hot Shoppes in Virginia were for "whites only." Finally, in June 1960, he invited the first African-American diners into Virginia Hot Shoppes. The unilateral move, which flew in the face of the state's tradition, was seen as a pioneering civil rights act and heralded by the National Association for the Advancement of Colored People.

As for the Hot Shoppes working staff, minorities made up 70 percent of the restaurant's workers. Still, J.W. was wary of having out-of-the-kitchen black female wait staff, fearing customers would balk. Bill finally told him, "Well, people will get used to it. You've got to do it!" J.W. tested the waters by first designating several black women to serve as "aides" to white waitresses. As they became a more familiar sight in the dining room, several black women were each assigned to be the sole waitress for a section. The change was not entirely trouble free. A busload of Southern tourists stopped at the Bethesda, Maryland, Hot Shoppe, and the white travelers were clearly shocked when a black waitress asked to take their orders. They asked for the manager, Bill's Uncle Russell, and complained to him about the woman. Russell cordially invited them to leave. They conferred together, and hunger won out. The travelers stayed and ate quietly.

The decision to serve alcohol created more anxiety for J.W. than integration of his customer base and wait staff. The Church of Jesus Christ of Latter-day Saints strongly discouraged drinking, and J.W. was also experiencing an alcohol-fueled family tragedy with his younger brother. Paul's marriage had failed, in large part due to his

drinking. J.W.'s journals are full of profound disappointment regarding his brother. Sometimes Paul would promise J.W. that he would stop drinking, but then he would fall off the wagon. In 1959, J.W. notified Paul he was going to be relieved of his duties running the company's Industrial Feeding Division (factories and hospitals) because of his erratic behavior. Paul went on a bender, adding heavy doses of sleeping pills to the mix. J.W. frequently went to Paul's apartment to check on him and make sure he was still alive.

Hot Shoppes already sold alcohol at its Albany restaurant along the New York Thruway, but that hadn't been J.W.'s choice. It was a requirement of the contract with the state. His son Bill's proposal to sell alcohol at their Philadelphia hotel restaurant was understandably more difficult for J.W. It was his own hotel, and no outsiders were twisting his arm. Bill had two hotels operating at that time, another under construction, and several more contemplated. If they were going to be in the hotel business, he felt they could not avoid selling alcohol. J.W. consulted with some friends in the Church leadership, but they told him it was his decision.

Bill pointed out to his father that Virginia allowed members-only private clubs to which members brought their own liquor, so J.W. reluctantly allowed him to open a club at Twin Bridges. The Windjammer became a favorite Capitol Hill watering hole for members of Congress, and another of its attractions was the fine view of National Airport plane traffic.

J.W.'s vision of his small company based on family sit-down restaurants was slowly being eroded. From Bill's scouting trips to California and elsewhere, he reported that "fast-food" restaurants were here to stay and were gaining ground on family restaurants. The California-born McDonald's franchise chain was expanding rapidly across the country. Bill reported that the profits for the fast-food joints, which offered takeout, were higher than those of Hot Shoppes.

In addition, Hot Shoppes was already primed for the arrival of the

commercial jet age. From the small beginnings bagging sack lunches at Hot Shoppe Number 8 near an airfield, the company snagged the Pan American World Airways contract in 1958 to cater the first Boeing 707s off the assembly line. Since 707s were seven feet taller than any other commercial airplane, Hot Shoppes invented a servicing truck that could jackknife up to the door.

Proud of Bill's progress, J.W. proposed to the board in late 1958 that his son be given a new position as vice president of the motor hotel division. The board vote was unanimous. That was Bill's first Hot Shoppes board meeting, and it was a memorable one. "We only had two hotels in our hotel division, but I was a vice president, so it was a big deal for me," he said. He had found his niche in the company.

Despite that vote of confidence, J.W.'s chronic harsh criticism of Bill became a difficult private struggle. On paper, J.W. facilitated and supported each promotion for his son, but in reality, he also derided Bill's efforts on a regular basis. "If it hadn't been for Allie, Bill would have been just beaten into the ground by his father," Donna observed. "She was such a supporter of his, such a saint, even when he was little. When his father didn't like the way Bill polished his shoes and would make him do it again, Allie would sit on the floor with him, take off all of the old polish, and help him put on the new polish. Time and again, she would have to step in between Bill and his dad to help him get through the tasks that weren't done quite right in his father's mind."

Bill said that if it hadn't been for his mother, things would not have turned out as well for the Marriott family. "I certainly was not always right, nor was I ever as wrong as my father believed I was. My mother was a great referee, mediating and softening the blows. And my wife was always beside me to pick me up, dust me off, and send me back into the ring again. I could never have been successful without the love and support of these two great women."

The more responsibility that Bill received in the company, the more J.W. berated him. That conflict was evident when J.W. went to

inspect Bill's nearly complete Key Bridge Hotel in late March 1959. "I had stayed up 24/7 for months to get that hotel opened," Bill recalled. "I never worked so hard in all my life. And my dad walked into a room and stared at the drapes, which were very full and heavy. And then he let me have it."

"Who was the stupid person who put those drapes in here?"

"I did," Bill responded.

"Why would you do this?"

Even after years of his father's parsimonious praise and nit-picking complaints, Bill was still shocked. J.W. had not offered a single positive word about the way the rest of the hotel and its furnishings looked. "I had worked for almost three years to get this hotel designed, built, staffed, opened, and my dad says nothing going through the hotel—but then he sees the drapes and goes ballistic. So I went ballistic. I wasn't about to take it."

Bill gave his father a piece of his mind. "You're impossible to work for!" he barked, and then he walked out of the room and went home.

Allie witnessed the fireworks and lit into J.W. when they got home, demanding that he apologize. In his journal that night, he wrote: "Bill and I had one of the worst arguments I have ever had with him. Doubt if he and I will ever get along. I don't think he likes me much. Surely doesn't like the way I do things and I can now see where his mother stands too."

But J.W. did not apologize. Instead, as was the pattern, it was Bill who made the first move for rapprochement, calling his father the next morning to iron things out. "Bill called and (he was) very sad. Allie sad also. She says I am terrible and I agree," J.W. wrote.[8]

Bill was stung by his father's seemingly random rebuke, but over time he came to see method in J.W.'s madness. In a speech to Marriott managers four decades after the drapes episode, Bill recalled: "It took me a long time to figure out that he was just continuing to raise the bar and to seek perfection in all that he did and in everything that had

his name on it, including me. He was never satisfied—never. It was frustrating working in such an environment. It created a lot of stress. But I knew he wouldn't fire me and he knew I wouldn't quit. So we had a Russian standoff. As the years went by, I came to realize that our company had become a great company because of his never-ending quest for perfection. Although he was very tough, he was successful in continuously challenging me and our executive team to always do better. Today, our belief that success is never final is what separates our company from our competitors."[9]

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On April 15, 1959, Bill's first son made his appearance. They named him Stephen Garff Marriott. Two months later, the Key Bridge Motor Hotel opened to great fanfare. The Marriotts almost didn't make it to Dallas for the opening of their third hotel in September 1960 because of a hurricane—Hurricane Donna, ironically. At the time, Donna Marriott did not like socializing at hotel opening parties. She was pregnant with their third child and skipped more than one meal at the Dallas hotel because of nausea. The mayor of Dallas cut the ribbon before a crowd of about five hundred who "all raved about our beautiful place," reported J.W. "Nothing like it in Texas or the U.S. Outdid Las Vegas in a clean way."[10]

Despite its beauty and prime downtown location, the Dallas hotel struggled at first. "Dallas was a dog for a year. It took us that long to develop the business, and then it took off," Bill said. Three years after it opened, Bill added more rooms to the hotel, thus taking the "world's largest motor hotel" title from his own Twin Bridges.

The next hotel Bill built—in Philadelphia—was Marriott's first purely suburban hostelry. "It was not downtown," he said. "It was not next to an airport, and it was not on a major highway. It was just a big suburban hotel." J.W. had bought the land for $30,000 in the 1940s. It was just outside the city's limits in the upscale Bala Cynwyd

neighborhood, a block from the heavily traveled Schuylkill Expressway and less than five miles west of the center of Philadelphia, which then had a population of four million and was the fourth-largest city in the country. When a contingent of Philadelphia businessmen had offered J.W. $1 million for the property, his response was, "Why?"

"We want to build a hotel there; it's a better location than any you've got in Washington." J.W. turned them down and years later gave Bill the go-ahead for the Philadelphia City Line hotel.

The board's approval presented J.W. with a new wrinkle on an old problem—serving alcohol. The first three hotels had been built in Virginia and Texas, which were "dry" states. Pennsylvania, on the other hand, was a "wet" state that allowed the sale of alcohol in hotels except on Sundays. Bill commissioned a report from hotel consultants Horwath & Horwath, which concluded that the hotel would be successful in the early years primarily because of expected "extensive local use of the restaurant and bar facilities." Bill knew they had to sell alcohol, and he advised his father accordingly.

J.W. still agonized over this decision in discussions with Bill, who had no similar misgivings. Bill advised J.W. to once again consult the Church leadership, this time the Church's eighty-seven-year-old President, David O. McKay.

"As you know, Brother Marriott," President McKay told him, "the Word of Wisdom also enjoins abstinence from the use of tobacco, except as an herb for bruises and for sick cattle. Moreover, it enjoins abstinence from the consumption of hot drinks, such as tea or coffee."

"Yes, President, I am aware of that."

"Well, then, I will ask you as one brother to another, suppose a sheepman, like you were, goes into a grocery store owned by a Mormon to buy supplies, and he wants cigarettes for his men. If the storekeeper says—'Sorry, we don't carry tobacco in any form because it's against our religion'—why, the customer won't come back the next time. If he wants coffee for his men and the storekeeper says—'We disapprove of

it, and we don't want your men to drink it either'—he won't come back again. He'll go to the store down the street not only for his tobacco and coffee, but for everything else he needs. In the long run, this could put the storekeeper out of business, don't you agree?"

"Yes, President, it could—very easily," J.W. responded.

"As I see it, Brother Marriott, if you don't satisfy your customers' wants and needs, you could be running the same risk. If liquor today is an essential part of the service that the hotel and restaurant industry offers to its patrons, it seems to me that you're obliged to sell it to them. To sell it to them doesn't mean that we approve of drinking, any more than to sell a gun means approval of using that gun to commit a crime. The patron who believes as we do is not compelled to buy liquor, nor, indeed, is anyone. But it is the patron's life, his money, his right to decide for himself, not ours."

President McKay cautioned J.W. against liquor sales in any family-oriented Hot Shoppes, and concluded, "It is hard sometimes to find the right path in these confusing times. But I know you will find it, and I know you will follow it."[11]

When J.W. returned to Washington, Bill saw a changed man, at least in regard to this troublesome question. It was clear that his father felt unburdened by his talk with President McKay. Liquor was made available for patrons of the sophisticated specialty hotel restaurants and lounges, but never in the Hot Shoppes or in other company eateries where youngsters went.

Bill, himself, was deeply grateful for President McKay's pragmatic counsel. Even though he had made the same points, his father accepted the advice more fully when it came from his Church leader. Because of J.W.'s frequent recounting of that meeting, it provided pivotal guidance for Bill in his own business dealings long after his father was gone.

Bill's increasing role in corporate decisions did not overshadow the big strides that J.W. continued to make himself. One of those was company profit sharing. He began thinking about it as early as 1945, when

his brother Woody raised the idea in discussions about creating a company pension fund. Hot Shoppes had a young workforce for whom retirement plans held little allure, but profit sharing was a different matter.

In 1960, following the example of the pioneer in profit sharing, Sears Roebuck, the Hot Shoppes board voted to enact a profit-sharing plan with contributions into the fund from payroll deductions and matching corporate contributions. It replaced the company pension plan. Initially it was calculated that the fund would have $500,000 in it by 1963. The actual figure was nearly $2 million. After twelve years, it was $42 million. The kitty grew as it was invested in company stock. Minimum-wage workers in a lowly Marriott kitchen job realized they could look forward to hundreds of thousands of dollars upon retirement if they stayed for thirty years.

In addition to loyalty and longevity, the effect on employees was increased emphasis on efficiency and the bottom line, because every dollar in profit for the company meant money in the fund for employees. J.W.'s penchant for frugality became a company-wide habit. Employees at all levels with an eye to profit were less interested in costly company perks, such as gifts on the occasion of a promotion, because those extravagances cut into profits. The program also had the effect of negating any benefits that unionization might bring employees.