Travel Weekly bestows Lifetime Achievement Award on Dr. Richard Kelley

Not quite three weeks ago, on Tuesday, December 16, nine members of the Kelley family and the Outrigger ‘ohana brought a wave of Waikiki warmth to wintry New York as they joined our chairman emeritus, Dr. Richard Kelley, at Travel Weekly’s annual Readers’ Choice Gala Awards Dinner at the Plaza Hotel where he received an early – and extraordinary – Christmas present, Travel Weekly’s Lifetime Achievement Award.

Linda V.G. Kelley, David and Kathy Carey, Bitsy Kelley and Greg Shaw, Linda Jane Kelley, Chris Kelley and Jean Rolles as well as Outrigger Executive Vice President and Chief Marketing Officer Sean Dee were in the ballroom to cheer enthusiastically for Dr. Kelley as he was honored before hundreds of luminaries representing all the branches of the Travel & Tourism industry – hotels and resorts, airlines, cruise lines, railroads, auto rental companies, tour operators, theme parks, destinations and others.

The Travel Weekly Lifetime Achievement Award, first presented in 2003, honors members of the industry who have consistently demonstrated leadership and insight, profoundly changing for the better not only their own companies, but the industry as a whole and whose careers have provided a model of vision and accomplishment for tomorrow’s leaders.

The honor represents the pinnacle of achievement in the industry and places Dr. Kelley in the company of such all-time Travel & Tourism greats and previous Lifetime Achievement Award winners as his friend Bill Marriott (Marriott International chairman), Gordon Bethune (former Continental Airlines chairman and CEO), Richard Anderson (Delta Air Lines CEO), Bob Dickinson (former Carnival Cruise Lines CEO), Richard Fain (Royal Caribbean Cruises chairman), Randy Garfield (Walt Disney Travel Company president), Tim and Nina Zagat (co-founders and co-chairs of Zagat Survey) and Rossi Ralenkotter (Las Vegas Convention and Visitors Authority president and CEO). See sidebar by David Carey and Bitsy Kelley, “A lifetime of accomplishments,” and “Acceptance remarks” on Page 14.

A lifetime of accomplishments

While most members of the Outrigger ‘ohana may feel they know Dr. Kelley from his frequent visits to company properties around Hawai‘i and across the Pacific and Indian oceans and from his weekly Saturday Briefing articles, much of his life story and his accomplishments may not be widely known.

Dr. Kelley began working in our company practically as soon as his parents, Outrigger co-founders Roy and Estelle Kelley, built and opened their first hotel, the Islander, in Waikiki in 1947, when he was 13 years old. Together with his sisters Jean and Pat, he did everything from folding towels and carrying luggage up five flights of stairs to serving pineapple juice to guests at breakfast. He often did the night audit, using a manually cranked adding machine and pencil-on-paper spreadsheets.

In 1951, he left for Stanford University and later, Harvard Medical School. After a year of research at Massachusetts General Hospital on heart valve pathology and two years as a resident physician in the Pathology Department of the University of California Hospitals San Francisco, he returned to Honolulu in 1963 to begin a successful medical career specializing in pathology at The Queen’s Medical Center. When the University of Hawai‘i opened its John A. Burns School of Medicine in 1965, Dr. Kelley was appointed assistant professor of pathology. Known for his popular and highly informative lectures, he spent several years teaching, while continuing his work as a board-certified pathologist even after transitioning to Outrigger Hotels in the early 1970s.

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Although he eventually left the active practice of medicine, Dr. Kelley has remained strongly involved with health care throughout his life, serving on many boards and speaking and writing often in support of a free-market approach to health care reform.

Contributions to Outrigger

Working at first in tandem with his father, then independently, Dr. Kelley led Outrigger’s growth and transformation from a “mom and pop” business to a well-known international company. His many transformational company initiatives include:

• Bringing advanced technology to Outrigger Hotels and championing innovation.
  - Early on, he designed software to balance reservations and room availability in a multiple-hotel environment in Waikiki. He put this in place several years before similar hotel software was developed and made available nationally.
  - Online reservations system and Internet marketing.
  - Automation of as many routine tasks as possible.
• Envisioning the growth of Outrigger Enterprises beyond Hawaii’s shores.
  - Enabling the firm to expand and upgrade through strategic divestitures and the assumption of management contracts across the Pacific, Australia and Asia.
  - Supporting diversification of the hotel business into resorts, condominiums and vacation ownership.
• Leading the transition of leadership and decision-making from his father’s unilateral dictates to a professional board of directors comprising four family members and five independent, experienced business leaders.
• Ensuring the option of continuing as a family-owned business for current and future generations by implementing a three-pronged strategy that includes developing and offering educational opportunities to family members; implementing a succession plan, structure, governance and a family constitution; and learning how to work together and conduct business as a family.

Initiatives that have benefited Hawaii’s

Dr. Kelley has contributed profoundly and extensively to developing Hawaii as a visitor destination and as a desirable place to live and work. His contributions to the state’s visitor industry are varied and lasting. They include:

• The Hawaii Convention Center – thanks to his tireless leadership of a 15-year campaign to develop a state-owned convention center for Hawaii, Dr. Kelley is referred to as “the father of the Convention Center.”
• Military appreciation – through articles, speaking engagements and a wide range of company initiatives,

state’s visitor industry he has honored and supported the military in recognition of its tremendous contribution to the state’s economy. In 2000, the Hawaii Army Museum Society presented Dr. Kelley with the Ihe Award for his outstanding support of and contributions to Hawaii’s military community.

• Championing the establishment and growth of the Waikiki Improvement Association, to focus on the physical plant as well as the visitor experience.
• Working with the London-headquartered World Travel & Tourism Council to initiate and fund multi-year studies that for the first time accurately quantified the major impact of visitor spending on the state’s economy.
• Tirelessly promoting and reinforcing the concept that “Tourism is Everybody’s Business” to create deeper understanding among employees, lawmakers, opinion leaders and the general public of how vital the Travel & Tourism industry is to Hawaii’s present and future.
• Serving on the State of Hawaii’s Economic Revitalization Task Force (1997), which helped strengthen the competitive position of the state’s tourism industry by securing dedicated funding for visitor industry marketing and promotion through changes in the transient accommodations tax (TAT or “hotel room tax”).
• Supporting the revitalization of a large portion of Waikiki through Outrigger’s $460 million Waikiki Beach Walk® project, which served as a catalyst for numerous other private and public efforts to revitalize the geographic center of Hawaii’s visitor industry, the engine of the state’s economy. The changes included the creation of a Business Improvement District (BID) with private funding and control of streets and public areas through an assessment district, along the lines of one that Dr. Kelley had seen successfully revitalize Gramercy Park in New York City in the 1990s.
Serving as chairman of the Hawai'i Visitors Bureau, during which time, in anticipation of the building of a convention center, he laid the groundwork for changing the organization's name to the Hawai'i Visitors and Convention Bureau, which it remains today.

Offering complimentary or deeply discounted hotel accommodations to residents of Hawai'i's neighbor islands who must travel to O'ahu for outpatient chemotherapy or radiation treatments over several days or weeks.

Offering similar complimentary or deeply discounted accommodations to the parents of children living on the neighbor islands who require hospitalization on O'ahu. For more than 22 years this initiative has provided over 20,000 room nights. In addition, Dr. Kelley helped raise funds to build a Ronald MacDonald House to accommodate those parents but continues to offer hotel rooms when the Ronald MacDonald House is full. In 2009, Ronald MacDonald House Charities of Hawaii honored the entire Kelley family for their generosity.

Other initiatives and accomplishments

In addition to his lifelong focus on Outrigger Enterprises and Hawai'i's Travel & Tourism industry, Dr. Kelley has involved himself with many community and business initiatives, including several beyond Hawai'i's shores.

Entrepreneur: Working with others, Dr. Kelley has been a serial entrepreneur and lead investor in a number of small to mid-sized companies in a variety of businesses including: Hawaii Pathologists’ Laboratory (co-founded by Dr. Kelley and two other pathologists in 1965, HPL contracted with The Queen’s Medical Center to run its laboratories; the company now has 16 pathologists), Outrigger Shops, Ltd. (selling clothing, liquor, sundries, pharmacy items), Outrigger Auto-Services (installing and operating self-service, coin-operated washing machines, soft drink vending machines, etc.), Waikiki Services, Ltd. (operating parking facilities in Waikiki), Long Distance USA, Inc. (reselling long-distance telephone time in the early days of the deregulation of telephone services), Tel-A-Com Hawaii, Inc. (sold, installed and maintained commercial and office telephone equipment (PBX), Hilton Garden Inn Denver Airport (Dr. Kelley led the development of that property after moving to Denver in 1993). When his sister Pat had to retire suddenly after she developed cancer, Dr. Kelley assumed the leadership of her companies, Pat Kelley Tours (sold optional excursions and activity packages at multiple Waikiki outlets) and Pat Kelley International Travel, Inc. (a full-service travel agency).

Author and Speaker: Since he founded Saturday Briefing in 1984, Dr. Kelley has written about 1,500 weekly columns for this employee newsletter, which explores industry news and trends as well as broader national, international and economic news that affects Travel & Tourism. It is also published on the Web and circulated to influential audiences in Hawai'i and beyond. Dr. Kelley’s Saturday Briefing columns are often excerpted by the media for commentary on industry and other issues. He has written many editorial page articles for Honolulu's daily newspapers and the weekly Pacific Business News, and has spoken in local, national and international forums. Excerpts from his speeches have been reprinted frequently in various national and international business and trade publications.

Community Leader and Volunteer: Dr. Kelley has worked tirelessly with Hawai'i’s government, labor, industry and education leaders in many areas. He also serves on the First Hawaiian Bank board of directors.

Education has been a lifelong passion for Dr. Kelley, who has been an advocate for improving the quality of both public and private educational institutions.

Public Education:
- For two years Dr. Kelley chaired the State Commission on Performance Standards, to set and assess educational standards of achievement for Hawai'i's public schools, and he has long lobbied for school choice, charter schools and the need for reform.

Private Education:
- Dr. Kelley was instrumental in launching the use of technology education at Hawai'i's renowned Punahou School. At an early date he helped the school recognize the value of computers in education. Then, to assist the campus in moving from theory to practice, he underwrote a technology center, instruction and equipment. That, in 1982, was a visionary achievement. He later secured funding for an even larger technology center at Punahou. In 2004, the Punahou Alumni Association bestowed its “O’ in Life” Award on Dr. Kelley.
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Kelley. The annual award is presented to alumni who have “lettered in life” over the decades through achievements that exemplify the ideals of service to Punahou and the community.

- He spent many years as a member of the board of trustees of Punahou School and Kent Denver School, serving in multiple leadership and committee roles. He is currently a trustee at the University of Denver, where several years ago he served on the committee to develop and fund a new facility for the Fritz Knoebel School of Hospitality Management in the Daniels College of Business.
- He recently established the Richard Kelley Family Endowed Scholarship Fund to support undergraduate students in the University of Denver’s Fritz Knoebel School of Hospitality Management.

- Health Care:
  - Dr. Kelley also has provided a leadership voice on health care reform and has spoken frequently to community groups and organizations on that topic.
  - He is past chairman and trustee of the Colorado Neurological Institute and continues to support that organization.
  - He served for six years on the board of trustees for Craig Hospital in Denver, a world-renowned rehabilitation hospital specializing in traumatic brain injury and spinal cord injury (1999-2005).

Awards and Honors

In addition to Travel Weekly’s Lifetime Achievement Award and the other honors noted above, Dr. Kelley has been presented with many awards. These include the Legacy in Tourism Award from the University of Hawai’i’s School of Travel Industry Management, the Pacific Business News Lifetime Achievement Award and being named Sales Person Of The Year by the Sales and Marketing Executives International Honolulu chapter for his accomplishments in selling Hawai’i to the world.

This lifetime of accomplishments – service to the community and helping to improve the lives of others – would not have been possible were it not for Dr. Kelley’s consistent efforts to live by his strongly held personal values: integrity, responsibility, loyalty and hard work.

Still active at age 81 – he celebrated his most recent birthday on Dec. 28 – Dr. Kelley considers his most important accomplishment to be his family – seven children, 13 grandchildren and three great-granddaughters, who are all productive members of society, carrying on the family tradition of service and dedication to the principles they hold dear. Dr. Kelley currently resides in Denver, Colorado, with his wife of 35 years, Linda Van Gilder Kelley.

Dr. Richard R. Kelley - Acceptance remarks

Thank you, Arnie [Arnie Weissmann – editor in chief, Travel Weekly]. I am touched and humbled for many reasons, including:

- The sponsor of this event, Travel Weekly, which represents the best in the coverage of Travel & Tourism, the profession to which I have devoted most of my working life.
- The location of this event, New York City, the epicenter of the business world and of our far-flung, global industry.

The lifetime achievements for which I am being honored do not belong to me alone. I would never have been able to accomplish even a fraction of them were it not for the support of the outstanding men and women of the company it has been my privilege to lead. I am talking particularly about the many individuals at Outrigger Hotels and Resorts with whom I have worked for so many years. Ranging from our housekeepers and the bell staff to those in the executive offices – up and down the ranks – there are thousands in our company who work daily to turn the concept of hospitality into a reality.

I also want to thank the members of my family for the strength and depth of their support. Many are here with me this evening including my wife Linda, my sister Jean, my daughters Bitsy, Linda Jane and Kathy, my son Chris, my son-in-law Greg Shaw, and my son-in-law David Carey, who succeeded me as president and CEO and has taken Outrigger Enterprises farther and more successfully along the path of international growth than I ever imagined. Although they are not physically here, I want to say thanks to my extraordinarily talented, far-sighted and hard-working parents, Roy and Estelle Kelley. They put together the foundations of what would become Outrigger Hotels & Resorts. They opened our first hotel in 1947 and guided our company through a period of breathtaking growth in Waikiki during the 1950s and 60s.

That was long before computers, cell phones and the Internet. My father produced architectural plans by hand and my mother wrote commission checks for travel agents using a fountain pen with a nib tip and real ink.

So, thank you all for the honors you have bestowed on me, the Kelley family and the wonderful team of dedicated employees who work at Outrigger locations, which now span almost all the way around the world.

I’d like to end by adding:

To my family, friends & colleagues: Thanks for the great ride!
To our competitors: Watch out! We’re heading your way.

Mahalo, Thank You and Aloha!