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A MESSAGE FROM RICHARD R. KELLEY TO OUR OUTRIGGER ‘OHANA

The Times They Are a-Changin’

By Dr. Richard Kelley

This week I was in Denver, Colorado, and, on my laptop computer, I watched and listened as David Carey, our president and chief executive officer, held a Web briefing for nearly 100 key members of our company in various locations around the Pacific, many of them nearly halfway across the globe from where I sat. As David discussed the hospitality industry, Outrigger’s development initiatives and our brand strategies, I could not help but reflect for a moment on how much our world, the travel industry and our company have changed since Roy and Estelle Kelley opened a 50-room, five-story walk-up hotel in Waikiki in 1947.

Over the past 66 years, transportation has evolved from steamships to jet aircraft. Information is no longer transmitted on pieces of paper hand-carried from one place to another over days and (hard as it may be for young readers today to imagine) weeks, but is now sent as a stream of electrons that appear on your “smartphone” within milliseconds.

The number of international travelers has gone from a just a handful of wealthy individuals to over a billion passengers a year from a growing range of the economic spectrum.

This travel boom has brought with it unbelievable economic growth and job opportunities as well as significant, complex and challenging economic, social, environmental and political issues.

The potential for the future is boundless if we, as individuals and as countries, can keep things in balance despite the dizzying pace of change. David Scowsill, president of the World Travel & Tourism Organization, predicts that by 2050 there will be 3 billion people enjoying middle class wealth – meaning more middle class consumers, enjoying more travel, creating more jobs and generating more income … for still more and more people.

Much of this growth will be centered in the Asia-Pacific area where Outrigger® is also focusing its investments. China, with a population of 1.3 billion, has recently built 42 airports. Another 52 are scheduled for completion by 2020, just seven years from now! Global air traffic is expected to double over the next 20 years.

Unfortunately, such rapid growth in air travel has the potential to create significant environmental hazards. A 2009 University of Manchester study commissioned by Friends of the Earth found that air travel is the world’s fastest-growing source of greenhouse gases like carbon dioxide, generating nearly as much CO2 annually as that from all human activities in Africa.

However, dramatically new, fuel-efficient aircraft may soon be transporting travelers to the world’s destinations. *Gizmag*, a publication that focuses on new and emerging technologies, reports that a research group at the Massachusetts Institute of Technology is developing a highly fuel-efficient aircraft design concept that gets aerodynamic lift from a double fuselage as well as the wings. This “Double Bubble” design promises a 70 percent drop in fuel consumption, less noise, reduced nitrogen oxide (NOx) emissions and increased passenger comfort.

So, as I listened to David Carey outline our company’s future plans, I have to confess that images of the past and predicted future changes in our world and our company also whirled through my mind. Yes, we are facing some really big challenges, but I have been around long enough
to know that time passes really quickly and everything can change significantly almost overnight.

For example, it is hard to believe that it has been 51 years – over half a century! – since I returned to Hawai‘i as a young man to start a career and a family in 1962. The second tower of the Reef Hotel (now the Outrigger Reef on the Beach) was still under construction. The Outrigger Canoe Club occupied the lot between the Royal Hawaiian and Moana hotels, where the Outrigger Waikiki had yet to be built.

It was the beginning of a time of big changes in the United States and around the world. To name just one: A few U.S. troops were then being deployed in Vietnam – a far cry from the more than half a million who were there six years later, at the height of the Vietnam War.

Entertainer-songwriter Bob Dylan had just recorded an iconic song titled The Times They Are a-Changin’. It was a symbol of the times not only then but throughout the past half century.

It looks as if Dylan’s song will also symbolic of what we as a company, we as individuals and we as a world community will face and experience in the years to come.

I don’t know Dylan personally, but next Friday, on May 24, as he celebrates his 72nd birthday, I plan to send him a message in care of his agent to congratulate him on his accomplishments. He had it so right in 1962, and based on the way things are going today, everything he sang then is still valid.

The Times They Are a-Changin’!