



Item: X.

Wednesday, May 28, 2008

**SUBJECT: COLLEGE OF BUSINESS – HOSPITALITY MANAGEMENT AND TOURISM
PROGRAM FIVE YEAR UPDATE**

PROPOSED BOARD ACTION

No action required. This presentation is for Board information.

BACKGROUND INFORMATION

The Hospitality and Tourism Management Program is one of ten majors in the Barry Kaye College of Business. It was originally approved by the FAU Board of Trustees in Spring 2003 and launched in Fall 2004.

This presentation provides an overview of the status of the program at its five-year mark with regard to enrollments, program highlights, corporate connections, and career placements.

IMPLEMENTATION PLAN/DATE

N/A

FISCAL IMPLICATIONS

N/A

Supporting Documentation:

Presented by: Dr. Dennis Coates, Dean of the Barry Kaye College of Business

Phone: 561-297-3635

Email: coates@fau.edu

Update on the Hospitality and Tourism Management Program in the Barry Kaye College of Business

May 28, 2008



FLORIDA ATLANTIC UNIVERSITY



Background

- The Hospitality and Tourism Management Program (HTMP) was approved by the Board of Trustees in Spring 2003 and was launched in Fall 2004
- The HTMP is one of ten majors in the Barry Kaye College of Business (BKCOB)
- It has grown to include both an in-college and out-of-college minor in addition to the originally approved major.
- Current upper-division enrollment in the HTMP is approximately 90 students, and includes about the same amount of lower-division students for a total of approximately 180 majors and minors at all levels.

Background, *continued*

- In addition to 21 credit hours of upper-division hospitality coursework, students are required to complete a minimum of 1,000 hours of work experience in the hospitality industry.
- Students currently work at the following sites in addition to many others:
 - The Boca Raton Resort and Club
 - The Breakers Palm Beach
 - Four Seasons Palm Beach
 - Ritz–Carlton Palm Beach
 - Palm Beach Biltmore
 - The Chesterfield Hotel, Palm Beach
 - Hotel Biba
 - TGI Fridays
 - Seasons 52
 - Outback Steakhouse
 - Sea Watch Restaurant

Industry Connections

- Members of the regional hospitality industry:
 - Assisted in the development of the curriculum
 - Teach as adjunct instructors for certain classes:
 - Tricia Taylor, Hotel Manager at The Breakers Palm Beach
 - Anthony Franzone, General Manager of the Embassy Suites Boca Raton
 - Perry DonFrancisco, Former Owner/Operator of Boston's on the Beach in Delray Beach
 - Jody Rosen, President, The Association Source

Industry Connections, *continued*

- Members of the regional hospitality industry also:
 - Provide field work experience sites for students
 - Employ graduates in managerial positions
 - Guest lecture in classes
 - Provide site tours for members of the Hospitality Management Society, the students' professional organization
 - Mentor students in various capacities

What Makes the HTMP Unique

- Students graduate with a Bachelor of Business Administration from an AACSB-accredited college
 - FSU is the only other program in Florida that offers the same degree
 - Graduates are prepared and equipped to manage both the service side and the financial/capital side of a hospitality business
- Faculty members have extensive and current industry experience
- Students are deeply committed to the industry
 - Chantelle Bean, a rising senior, received a \$5,000 scholarship from the Palm Beach County Convention and Visitors Bureau at the Providencia Awards earlier this month, which is the top award in Palm Beach County for hospitality students.

What Makes the HTMP Unique, *continued*

- Students enrolled in Meetings and Events Management (HFT 3751) are required to volunteer at a charity event. A partial list follows:
 - Gilda's Club (for cancer patients and their families)
 - Girl Scouts of America
 - Florida Open International Wheelchair Tennis Championship
 - Women's Wellness Society
 - Allianz Championship Golf Tournament
 - The Leukemia & Lymphoma Society (Fashion Rocks event)
- The HTMP includes a Freshman Learning Community for Hospitality and Tourism Management which began in Fall 2006 and is now producing its first group of upper-division majors

What Makes the HTMP Unique, *continued*

- Students have the opportunity to study ecotourism abroad during spring breaks. This spring, two students traveled to Costa Rica and three went to Dubai, then completed an extensive paper and presentation on their experiences for course credit.
- Faculty members are committed to professional service:
 - Florida Restaurant and Lodging Association (FRLA) - Board Member
 - International Council on Hotel, Restaurant, and Institutional Education (I-CHRIE) – Past President
 - Olympic Heights and Forest Hill High School Academies of Tourism and Hospitality Management – Board Members
 - National Restaurant Association – Members
 - Meeting Professionals International - Member

Upon Graduation

- Hospitality and Tourism Management graduates experience a 100% placement rate. Following are some of the positions landed by recent graduates:
 - Management in Training Program at the Ritz Carlton in Lisbon, Portugal
 - Assistant Manager of Resort Activities at the Fairmont Turnberry Isle Resort & Club
 - Management Trainee at Enterprise Rent-A-Car
 - Caroline Café Manager at the Westin Hilton Head Island Resort & Spa
 - Beverage Manager at the Boca Raton Resort and Club
 - Financial Planner and Advisor for Kerzner International Resorts
 - Catering Event Manager for the Broward County Convention Center

The Future

- The prospect for hospitality and tourism graduates is outstanding (see attached *USA Today* article from January 8, 2008 which mentions FAU's HTMP).
- FAU's program is destined to become a national leader with a regional emphasis since we have such a high quality program in a tourism-intensive area.
- The HTMP at FAU will continue to attract outstanding and dedicated students, provide intensive personal attention and industry service, and produce high quality graduates who are prepared to enter the industry as professionals.

Hotel schools are in with inn crowd

By Gary Stoller, USA TODAY, January 8, 2008

ITHACA, N.Y. — In a classroom on a hill next to New York's Cayuga Lake, more than 50 Cornell University hotel management students take notes as their instructor explains how to triple-sheet beds, provide turn-down service and schedule housekeepers.

"Housekeeping is about managing people," lecturer Reneta McCarthy explains to the young Ivy Leaguers taking her required course, Introduction to Hotel Operations.

Cornell's prestigious hotel school, founded in 1922 and the nation's oldest, was once one of few academic options for students wanting to be managers at hotel or other hospitality companies. But the thriving Cornell institution no longer has the corner on the training of the USA's innkeepers.

About 200 schools now offer bachelor's degrees to students majoring in hospitality management, a five-fold increase over the past quarter century. Widener University Dean Nick Hadgis, a board member of an association representing schools with hospitality programs, says a record number of students — about 50,000 — are enrolled.

San Diego State's School of Hospitality & Tourism Management started with 13 students in 2001 and now has 500. At the University of Central Florida, the number of students majoring in hospitality management rose from about 85 in 1999 to about 2,000 today. **And at Florida Atlantic University, the number of hospitality students has grown from three in 2004 to 200 today.**

Hospitality educators say a variety of factors are driving the boom: a generation of students and recent graduates who are better traveled than their parents; a bigger, richer hospitality industry hungry for management talent and willing to pay for it; and broader curricula that train students not just for hotel work but for an array of business and management jobs. For graduates, it often means a choice of high-paying jobs. And hospitality educators argue that travelers benefit from greater staff professionalism when they check into the nation's hotels.

"We're going from an accidental industry to one where there's an explosion of hospitality schools, and the bar is getting raised," says Cornell graduate Carl Winston, who is dean of the San Diego State program.

The \$133 billion U.S. industry grew from 32,000 hotels in 1987 to 49,000 today, and the number of hotel brands has increased significantly. That expansion has fueled the growth of hospitality schools. The brands impose higher standards and demand consistency, which requires "more focused management," Winston says.

Technology has made the hotel industry more complex, and growth in the number of public hotel companies has increased pressure to hit earnings targets. "This requires management that is really on their game when it comes to leadership," Winston says.

Hotels, which saw a business downturn after the Sept. 11 terrorist attacks in 2001, are profitable and hiring. They need more employees to replace retiring baby boomers, and their recruiters are competing on campuses for hospitality school graduates.

Growth in related fields — tourism, restaurants and gaming, for example — are also creating job opportunities for graduates. Of 154 former Cornell students who responded to a survey of 2006 hotel school graduates, 29% accepted jobs with hotel companies, 34% took financial services or real estate jobs, and 14% went into the restaurant industry.

This spring, most hospitality school graduates looking for hotel jobs will get multiple job offers at an annual salary of at least \$40,000, hotel school deans say. Many graduates have annual salaries above \$70,000 within three years, says Richard Zurburg, interim director of the hospitality school at the University of Memphis.

Carmen Serra, the front office manager of the Omni San Francisco Hotel, says three years ago she had interviews with 10 hotels immediately after graduating from San Francisco State with a hospitality management degree. Within two weeks, she received nine offers for management or management trainee positions. Her first job paid about \$45,000 annually.

A profitable hotel industry has also meant more scholarship money and other contributions from hotels. Hotels are also offering more internships and part-time opportunities for students.

Nick Massad, the president of a Houston company that owns 12 hotels, donated \$1.5 million in September to expand and improve the library facilities at the University of Houston's hotel and restaurant school. "The college totally changed my life," says Massad, a 1973 graduate who first learned of the school while working as a bellman at a Howard Johnson hotel. "It allowed me to learn on a professional basis what I was experiencing on my job." His three children, Margo, Nick and Taylor, also graduated from the college.

How hotel schools began

The idea for a U.S. hotel school was first pitched to Cornell in 1912 by John Howie, owner of a hotel in Buffalo. Howie believed that many hotels could be improved by college-educated managers, and that American travelers deserved better than sleeping on straw mattresses in drafty inns above noisy taverns.

But 10 years later, when the Cornell hotel school began, there were plenty of skeptics who knew that inns had operated for centuries without formally trained managers. Founding Dean Howard Meek maintained that service was "the subtle anticipation of human needs" and could be taught to prospective hotel managers, according to *Hospitality Goes Global*, a 2007 book written by Bill Summers. The American Hotel Association trade group donated some money to Cornell in 1924, but the hotel

school wasn't sound financially until Meek persuaded Ellsworth Statler, a self-made millionaire and hotel chain founder, to provide support in 1927.

Hospitality schools have long been regarded as the ugly stepchild on many campuses where teaching students how to serve hotel and restaurant customers has been perceived as inferior to other academic fields.

"At one time, hospitality management was not generally viewed as a professional field, but within the last 15 years or so, that view has changed," says Melissa Dallas, director of Florida Atlantic University's Hospitality and Tourism Management department.

The curriculum has changed and become more demanding. The emphasis today is on business and management courses, giving many hospitality school graduates a foundation for jobs in the financial industry and other businesses.

Bert Van Hoof, director of the School of Hospitality Management at Penn State, says many more students today than in the past "see the industry ... as a valid career from the moment they start thinking about going to college." The number of Penn State freshmen who declare hospitality management as their major "from Day 1" has doubled, he says. Perceptions have changed from "you serve" to "you manage those who serve."

Michael Johnson, dean of the Cornell School of Hotel Administration, says his school "used to be a hospitality school with a business focus." Now, he says, "We're a business school with a hospitality focus," training students for senior corporate management.

As the industry evolved from mom-and-pop operations to large, publicly traded companies, "We're now putting (students) on a path" for senior leadership positions at corporations, he says.

That message, however, has not filtered down to parents of many high schools students, hotel deans say. Many parents are not supportive of their child's desire to attend a hospitality school, the deans say.

"My father was positive I was making a big mistake," says Brett Rubin, a Cornell senior whose goal is to become vice president of operations for a major Las Vegas hotel.

Rubin says her father wanted her to take chemistry, psychology and other traditional college courses, but he has since realized that Cornell's hospitality school creates the kind of opportunities that an Ivy League business school would.

Bjorn Hanson, a lodging analyst at PricewaterhouseCoopers, says he probably wouldn't be in his position had he not graduated from Cornell's hotel school in 1973. "I would be working for my sister in the family business," designing interiors of banks, he says.

Rostana Wardak, a sales manager at the Manchester Grand Hyatt San Diego, graduated four years ago with a hospitality and tourism management degree from San Diego State. She says, "Almost every class is a simulation that prepares you for life and the real world."

A big edge

Hotel school grads have a big edge getting jobs in the industry, say some of those who do the hiring.

"We believe a hospitality program graduate is best prepared to hit the ground running in our operation," says Steve Bauman, Marriott (MAR) International's vice president of talent acquisition.

Marriott, the nation's largest hotel company, has a 10-person staff that recruits candidates at more than 75 hospitality schools. It expects to hire 300 to 400 hotel school graduates annually during the next few years, Bauman says. In 2002, when the hotel industry was struggling, Marriott hired 120 graduates. Robert Nelson, chairman of the University of Delaware Hotel, Restaurant and Institutional Management program, attributes the popularity of his program and others like it to the fact that "today's college students grew up watching Emeril (Lagasse) and other celebrity chefs," he says. "Many had wonderful travel experiences ... including cruises, resorts and stays in luxury hotels, which my generation was never exposed to."

The Delaware program has 100 graduates a year and receives about four times as many applicants as it can accommodate in its freshman class, says Nelson.

"We could easily triple our enrollment tomorrow without compromising our admissions standards," he says. "It is a good time to be graduating with a hospitality degree."

ON-CAMPUS HOTELS

Some universities have on-campus hotels where hospitality students work to gain experience.

Cornell University

Cornell's 153-room Statler Hotel connects to classrooms and other hotel-school facilities. It offers many amenities of full-service hotels, including a fitness center, a gift shop, room service and valet parking.

University of Houston

Students at the University of Houston's Conrad N. Hilton College work at an 86-room Hilton Hotel, a 40,000-square-foot conference center and two restaurants. The college began in 1969 after a \$1.5 million contribution from Hilton chain founder Conrad Hilton.

University of Memphis

The late Kemmons Wilson, who founded the first Holiday Inn in 1951, started the hospitality and resort management school at the University of Memphis in 2002. The school's classrooms are part of a Holiday Inn with 82 two-room suites.