



## *A Conversation with James*

# TRANSCRIPT: Choe Peng Sum Tells James Berkeley Extended Stay Business Facing Dramatic Changes

Today in *A Conversation with James*, James Berkeley talked to [Choe Peng Sum](#) Chief Executive Officer at Frasers Hospitality. Peng Sum is a thoughtful leader, who has been helping Fraser Hospitality exploit tremendous opportunities in Asia and around the world. We sat down in the comfortable surroundings of his Singapore Headquarters at a time of great change in the industry. We talk about PROFITABLE GROWTH AND LEADERSHIP PRIORITIES IN A HIGH GROWTH MARKET.

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**JAMES BERKELEY, HOST:** Thank you for welcoming me here.

**What is the biggest challenge you are facing in your job?**

**CHOE PENG SUM, CHIEF EXECUTIVE OFFICER, FRASERS HOSPITALITY:** Explosive growth to second and third tier cities in Asia as a whole, and China in particular. China is a story you cannot ignore simply because of the size but it needs to be put into the entire Asia growth story.

**BERKELEY:** If you could change just one thing tomorrow, what would it be?

**CHOE PENG SUM:** There are many. The important question is how can we adjust to improve the delivery to the customer? I will give you four areas that are my priorities:

1. Seamless book-in and check out
2. Offering an intimate experience which is tough to replicate. We are trying to evolve with the customer's lifestyle, while striving to be one step ahead. What are their needs we can anticipate, not just serve today's needs

3. Profitably grow my portfolio at a time where we will 60% more properties in our system in a very brief time period
4. Localised property clusters and organisational support structures

**BERKELEY: What advice would you give to a new person in your position with the business and people challenges over the next 5 years? Priorities?**

**CHOE PENG SUM:** People, people, people. The requirements attached to success in the future there don't tally with the realities of the marketplace. It is a priority to stay highly engaged with owners, which perhaps is more difficult for those brands expanding furiously. I tell my people, the future is all about people, culture, language and how to handle our people. Contrary to widely held beliefs, Hotel Owners have moved quickly in their learning.

**BERKELEY: When you look at your business and capability, where is the most urgent need for change?**

**CHOE PENG SUM:** General Managers. They need to know lessons about how to engage with employee for the future, most learning is based on the past. It is a process of constant engagement with them in learning new skills. Age should never be an impediment to learning.

**BERKELEY: What are your finest accomplishments over the past year? Why were you successful? What do you plan to replicate next year?**

**CHOE PENG SUM:** Let me take one example. At the Frasers Suites in Beijing, we focused on three things: putting in place the right leaders, institutionalising ("I" became least important word and "we" takes over) and replication. I am glad to say our results proved we picked the right things to do! We will do the same at our next property in China.

**BERKELEY: Peng Sum, what else is attracting your attention and shaping those who compete in your markets?**

**CHOE PENG SUM:** There is tremendous change taking place – things are moving very fast. The entire business model is changing tremendously. For example, the customer extended stay guest, previously with us for 1 to 2 years is shortening the average stay to 6 to 12 months. Our average stay across all our brands varies markedly from 1 week to 3 months. Our leadership, strategy, operations, marketing and new product development in our properties and this office has needed to evolve quickly to stay relevant to the customer's changing habits.

**BERKELEY:** Thank you for taking the time to meet.

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