

Carlson puts hotel growth in newcomer's hands

- Article by: [DAVID PHELPS](#) , Star Tribune
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David Berg's charge includes freshening some of the company's hotel concepts while expanding others.



David Berg, third from right, held a monthly meeting with randomly selected Carlson employees to answer questions about the company's business. Berg, a Stillwater native, is spearheading Carlson's effort to refresh, improve and expand the company's hotel group.

It's a frigid Thursday morning, and David Berg, the chief operating officer of Carlson, is in a cramped Country Inns & Suites guest room with a production crew. He's in day two of an acting gig for a lighthearted video for the 1,000 or so attendees at the company's annual hotel conference next month in the Bahamas

The video's message is "Connect to win," and the goal in a demanding, competitive industry is to get the franchisee hotel investor-owners on the same page as the Carlson Tower executives in [Minnetonka](#) when it comes to guest satisfaction.

"Wake up, sunshine," Berg says to a sleep-feigning, pajama-wearing Javier Rosenberg, the chief operating officer of the Carlson Rezidor Hotel Group Americas. "I love this hotel. Now we have to understand how our hotel connects with the guests."

For Berg, a [Stillwater](#) native, that has been chore No. 1 since joining Carlson 13 months ago from Z Wireless, a Verizon retailer. The Carlson Rezidor Hotel Group brands under Berg's auspices includes three versions of Radisson, Country Inns & Suites and the smaller, mainly European Park Plaza and Park Inn concepts.

Berg's challenges range from restoration of the faded image of the original flagship Radisson chain to U.S. expansion of the upscale Radisson Blu, worldwide rollout of the millennial-driven Radisson Red and tripling the number of midrange Country Inns & Suites.

Berg, who has seen business failure as well as success in an eclectic career that includes stints at [Best Buy](#) and NordicTrack, is as much a head coach as he is a corporate executive, relying on a team approach to deliver consistent and personable service to hotel customers.

"Let's play to win," Berg told new Country Inn franchisees last week at the beginning of a their five-day orientation session.

Later, in an interview, Berg said, "The job of the coach is to help define the playbook, but you still rely on your offensive coordinators to run the game."

Berg, 53, arrived at Carlson at the end of 2013, hired by CEO [Trudy Rautio](#) after the two got to know each other while serving on the board of Oakdale-based Imation Corp.

"I observed David in a setting where he showed a great ability to get a handle on problem-solving," Rautio said in an interview last week. "He learns a business and zeros in on what needs to be addressed."

Recovering from recession

As chief operating officer, Berg was given responsibility for running the company's \$7.5 billion global hotel business, which had suffered through the Great Recession and lost some of its luster.

But things appear to be on the mend. Hotel revenue in 2014, which won't be reported until later next month, was recently described by Berg as "a phenomenal year-over-year performance."

"We've put time and effort into improving the product," Rautio said. "Maintaining that is going to be an ongoing challenge."

Radisson, which ranked dead last among its peer group of upscale hotels, is now ninth out of 12 brands when it comes to customer satisfaction as measured by the market research group J.D. Power and Associates. Country Inns & Suites is fifth among 16 players in its midscale segment.

"Radisson and Country Inns have done a lot to improve food and beverage offerings and the quality of service," said Rick Garlick, head of the travel and hospitality sector at J.D. Power. "You don't see that kind of improvement by accident. That said, there is still a lot of opportunity to move up the ranks."

That fits nicely with Berg's competitive juices.

A varsity soccer player for the Stillwater High School Ponies and captain of the school's ski team, Berg brings a confident, room-filling presence in meetings with staff and franchisees. People warm to him quickly.

"David's got a lot of talent. He's very personable and very competent," said friend-since-boyhood Chris Ogren. "He might be a bit demanding, but you know where you stand with him."

Fostering teamwork

At a December morning gathering with a small, randomly selected group of employees, an event called "Donuts with David," Berg opened the meeting asking each person to name their favorite Christmas food to break the ice.

After about the third reference to the Norwegian holiday favorite lefse, Berg joked, "I sense a Scandinavian theme here. Imagine that at Carlson."

But Berg also spoke to the employees as equals.

"Innovation is not an officer's job. We have to act in a way that allows collaboration. That starts with trust," he said. "It's the folks closest to the customer that have to help us. We get further and further from our customers as we go up the [headquarters] elevator."

Offered a scholarship, Berg chose Georgia's Emory University for his undergraduate work and got a degree in economics. He went to law school at the University of Florida.

Berg's first jobs after getting a law degree were in the office of general counsel, where he learned how business deals are done.

Eventually, Berg became a dealmaker himself, and today he calls himself "a recovering lawyer."

He helped negotiate [Best Buy](#)'s venture into China nearly a decade ago, a presence that has since come unraveled after Best Buy decided to sell its China interest as part of its corporate restructuring.

Before that, Berg had a stint with Chaska-based NordicTrack, maker of the once highly popular cross-country ski machine that went out of business in 1998, a year after Berg left as general counsel.

Berg also had stops at Southern Bell right out of law school and Danka Business Systems before heading the international division of Outback Steakhouse.

David Dino, chief financial officer of Bloomin' Brands, the parent of Outback Steakhouse, said Berg is "very global."

"He's just as comfortable in Shanghai as he is in [Minneapolis](#)," Dino said, noting that Outback's expansion targets — Asia and South America — are similar to Carlson's. "He should do extremely well in those markets."

Upbeat about hotel brands

Berg likes the prospects for the Carlson hotel brands.

He said Country Inns & Suites is "no longer dowdy but still homey" as the chain goes through another makeover.

Berg acknowledged that the original Radisson group, known internally as Radisson Green because of its marketing palette, was tired. "We needed to do an upgrade, and we did," Berg told his "Donuts With David" group. "We want to make darn sure we don't move backwards."

Carlson has high hopes for the Radisson Red concept, the first of which is being built in China. Aimed at millennial travelers, the Red brand falls into the upscale select category of hotels and falls a step short of a full-service hotel. It has high-tech amenities but slightly offbeat offerings like a deli instead of a restaurant. It also has a more urban feel to it.

"The industry is abuzz about the upscale select segment," Berg said, raising the possibility that the Red brand will soon locate in the Twin Cities.

Radisson Blu, which has a limited but growing U.S. presence and than 280 properties across Europe and Asia, fits into the "upper upscale" segment. "It's got great legs," Berg said. "It's a strong segment."

At the [Plymouth](#) Country Inns & Suites, where part of the "Connect to Win" video was shot earlier this month, Berg endured take after take of scenes that will eventually be spliced into a 10-minute production.

Asked whether acting was part of his job description, Berg laughed.

"If you're not having fun, it's not good. I don't hate Mondays anymore," he replied.