

Leadership Insight

Leading through a Crisis

by Pat McCann



Pat McCann,
CEO, Dalata Hotel
Group plc

Please provide a brief history of your career.

I was born in a small rural community in south Sligo. The townland was called Rinnarogue (Ri na Ruai) – meeting place of the Knights. It was a caring and sharing community that was almost self-sufficient as we grew all our own food. We had no electricity until I was eight years old. I attended Bunninadden National School and then went to Colaiste Mhuire Secondary School, Ballymote where I did my Leaving Certificate. That ended my formal education. After my Leaving Cert I joined Ryan Hotels plc as a trainee manager; I worked in many of their hotels and spent almost ten years in London with them. During my time in London, I attended the Polytechnic of North London where I did a higher-level diploma in business studies. The primary reason for doing this was to keep me out of the pub. I rose to the position of General Manager and managed several of their hotels.

After twenty years with Ryan Hotels plc, I was head hunted by Peter Malone of Jurys Hotel Group plc to become General Manager of Jurys Ballsbridge. I joined the Board of Jurys Hotel Group plc and became Group Operations Director or GOD as some of my colleagues called me. I was appointed CEO of the company in the late nineties and continued the rapid growth of the company. We built hotels in Ireland, the UK and the US. The main driver of the growth came from Jurys Inns. I was involved in this project from a very early stage and it proved enormously successful. Jurys, during my time, had grown rapidly from three hotels to just under forty hotels. The company went private in 2005 and I stayed with the new owners for the next year. After leaving Jurys, I set up my own

consultancy business which took me to many corners of the world. It was a fantastic business, but I was not creating anything so in 2007, I setup Dalata Hotels. My intention was to grow Dalata into a Pan European Hotel company. But of course, 2008 got in the way. I had great support from TVC plc and Davy Private Clients. We took full advantage of the 2008 crisis and by 2010 Dalata was the largest Hotel Operator on the island of Ireland. In 2013 we decided to float the company and raise significant capital to purchase and build hotels. We have been extremely successful, and we were on course for another record-breaking year in 2020. Unfortunately, the Covid-19 outbreak put a stop to our gallop. However, we are well positioned to survive and to rise again to continue our plan to be a Pan European Hotel player.

Dalata has currently forty-four hotels in operation with over 9,000 rooms, employing over 4,500 people. We currently have eleven hotels in either planning or construction. This will add over 3,000 rooms to the company with more to come. Despite the current crisis we are still a very ambitious company.

I have also served on the Boards of a number of other listed and private companies.

You have extensive experience in the hotel and hospitality industry. How has this experience prepared you for your role as CEO of Dalata Hotel Group?

On June 29th 2020, I completed fifty-one years working and never unemployed during those years. In truth my CEO skills were well developed long before I formed Dalata. Right or wrong I have very

clear views on how a business should be run. People are central to every business. Lots of companies say it but do they deliver on it? Our decentralised model of operation and growing our own people makes us very different to most other hotel companies. Dalata empowers its General Managers to be profit responsible for both the medium and long term. It also grows its own people (sounds like a vegetable plot) to be the future leaders of the business. The Dalata Academy provides development and training at all levels. We do not go outside for senior hires. When we open our eleven new hotels, they will be



managed by internal teams that grew up in Dalata. This process significantly de-risks the business and ensures our culture is maintained and developed. This is exactly the same model I developed during my time in Jurys.

As new people join the company I always advise if they are looking for a quiet life, Dalata is not the place for them.

In recent years, new hotels have been built due to a shortage in hotel rooms, particularly in Dublin. With a vastly changed tourism sector in 2020 what in your opinion is the outlook for the future of the tourism industry?

Ireland is unique in many ways in that there was little or no development of hotels between 2008 and 2018. All that began to change in the past few years with new hotels opening and a significant number of new hotels in the pipeline. The Covid-19 pandemic will change everything. Funders will be very nervous and rightly so.

Unless a project has started or is well on its way, we are unlikely to see it completed.

Projects will either get delayed or abandoned altogether. There is no way the proposed pipeline of hotels for Dublin will see the light of day.

Despite all of the negative things happening worldwide today, I still believe that tourism will flourish again. People love to travel and explore the world around them. As treatments and vaccines are developed, people's confidence will build, and travel will return. Safe havens will be a key factor in people's travel plans and Ireland will be seen as one of these safe havens.

You were appointed President of Ibec in September 2019. This is currently a crucial time for businesses and the economy, with the increasing uncertainty around Covid-19 and its affects. How will Ibec continue to drive Ireland's prosperity during these uncertain times?

One of the greatest privileges of my life was to be elected President of Ibec. Coming from my background this was a great honour for me. Ibec is a fantastic organisation led by Danny McCoy and his team. We have seen the true worth of Ibec during the crisis. Leading from the front, providing support and assistance to all its members but also providing help and guidance to the Government during this very difficult time.

The Reboot Reimagine document launched by Ibec a number of months ago is the platform on which Ireland can be rebuilt. I am delighted to see many of the recommendations in the document being adopted by our new Government. There is a long way to go. We have many advantages in Ireland with our thriving FDI economy and our domestic economy.

We are in many ways the envy of Europe and we must nurture both sides of our economy in equal measure. We will recover from the pandemic, but we must remain focused and patient.

The global pandemic of Covid-19 has been a huge shock to the worldwide economy and how businesses operate. As a leader, how have you navigated your employees through the past number of months and the changes it has brought?

In my long career I have had many crises to deal with. If I put all those crises together, they would not match the negative effects of Covid-19.

It's the first time ever I have had to close hotels. We closed 29 of our 44 hotels and kept 15 in operation for front line workers and some other vulnerable people. The 15 hotels were not open to the general public. As the pandemic took hold, I set myself three tasks:

1. Look after my people
2. Look after my business
3. Look after my cash



We are blessed in Dalata that we have some wonderful technologies, and this allows us instant communication with our people. We unfortunately had to lay off 3,500 of our wonderful people. To keep those that were laid off occupied and enhance their skills, we setup a whole series of development programmes on our training portal, Dalata Online.

We also provided fitness programmes at home, cooking lessons, mental well-being and a list of other useful and supporting programmes.

In April 2020, 4,700 courses were completed, in May that increased to 5,600 and by June the number had surpassed 10,000. Each member of staff has an app on their phone supplied by Alkimii. This allows us instant communication with our people and allows us to give them instant updates on what is happening in the company. As we started to reopen, we had to retrain our people with many new skills on how to operate in a Covid world and all the challenges that throws up.

The response from our people has been fantastic and I am delighted by the way our teams have responded to the crisis.

- **What is the most important lesson that you have learned in your career to date?**

- **What advice would you give to aspiring leaders today?**

In business as in anything else, you are always learning, and each day brings something new. Most people think that change is a recent thing. In truth, change has always been a feature of business. What has changed is the pace of that change. One of the most critical things I have learned is that you must keep relevant in this changing world. You don't have to understand everything, but you have to understand the consequence of change.

The other area that is important for a leader is to be consistent in your approach and message. Do not be tempted to jump on every log in the river. Another key area is building the trust of your people. They have to believe in you and believe in your vision, if they do, they will follow you to the end of the earth. Trust is an amazing thing, it is like water; it's built up in drops but lost in bucketsful. One question that I always ask is what do your people say about you and your business when they are out meeting friends. Are they proud to be on the journey with you? Do they speak well of you and the business? Remember people like to be on a winning team with a good strong leader. Sometimes leaders try to style themselves on someone they admire. This will end in failure. Build your own style and be confident and consistent.

Have you been able to step away from challenges the last few months have brought and unwind?

In my world, my work life balance is and always has been in poor shape. I have work but the life part I am not sure about. Work and business is also my hobby and I find it impossible to build other interests. I am not recommending this. I found a job I love so really; I haven't worked a day in my life.

