

Coming of Age



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[] By Betsy Sheldon

With more than 40 years of history under its belt, the shared ownership industry has not only come of age, it has reached full-fledged maturity. A generation of timeshare pioneers, many who've been in the business since its infancy, raised families as they grew their companies, and today witness as their offspring take on leadership positions in resort development and exchange companies. And those “youngsters” are discovering an industry as exciting and fulfilling as the one they grew up with — but with new challenges and new rules that their forebears couldn't imagine. Five second-generation professionals reflect on how growing up with timesharing influenced them.

What was your first “timeshare” job and how old were you?

BRYAN TEN BROEK, senior vice president of resort sales and business development, Interval International (Father: Allen Ten Broek, president and CEO, Mariner Advisory Group, Inc.): I taught windsurfing in high school at South Seas Plantation on Captiva Island, Florida, and a lot of the guests were timeshare owners. But my first “real” timeshare job was joining Interval International in 1995 shortly after graduating college.

LARRY ROBERTS, CEO of QM Resorts (Stepfather: Foster Mullen, founder of QM Corp.): My first timeshare job was at age 10, shoveling snow off the decks at a resort in Lake Tahoe.

CAROLYN OLIVER, executive director, Spinnaker Resorts (Parents: Ken and Joan Taylor, founders of Spinnaker Resorts): My first exposure to timeshare was during my mid 20s in 1989 in Beaver Creek, Colorado, when my father developed and mother decorated St. James Place, located in the heart of Beaver Creek ski village.

JON FREDRICKS, president, Welk Resorts, Escondido, California (Grandfather: Lawrence Welk, founder of Welk Resorts; Uncle: Larry Welk, introduced timesharing to Welk Resorts): I was 24 years old when I started working on a new video product launch at our corporate office in Santa Monica.

CHRIS ERICKSON, project director, Cabo Villas Group, Los Cabos, Mexico (Father: Chuck Erickson, founder of Cabo Villas Group): Watching the sales staff make lots of money at Breezy Shores Resort in Minnesota. This was the early 80s. My first sales job was at Quadna Mountain Resort in Minnesota in 1986. I was 21 years old.

As a kid, did you always want to go into the timeshare biz? If not, what were your original career ambitions?

TEN BROEK: I really wanted to be a professional windsurfer, but that didn't work out as planned. So timeshare seemed like a natural fit.

FREDRICKS: I wanted to be a police officer (loved watching *Adam-12!*). I didn't envision myself in the resort biz until I realized how cool it is to do work that improves people's vacations, makes memories, and deepens family connections.

ERICKSON: I had no idea what I wanted to do with my life. I just learned to love the resort business and made a career out of this. I was in college as a business major for real estate. I always envisioned following in my father's footsteps.

ROBERTS: As a kid, I wanted to either be a fighter pilot or the CEO of my own company. I was not sure what industry I would be in, but I knew that timesharing could be a career path for me.

OLIVER: All that I really was aware of was that my father was a land developer, in an exciting part of the vacation industry.

What are your memories and impressions of this thing called timesharing?

ROBERTS: My mother was a timeshare salesperson, and she would come home and tell me about the antics of the sales room. I remember asking her, “Did you triple again?” Her reply was most often yes. She is a very talented individual and her drive and enthusiasm has influenced me to push harder in the pursuit for excellence.

OLIVER: Spinnaker employees have shared their stories and experiences with me, which include mini-vac tours lined out the door, having nowhere to house the guests, sales extravagance, and marketing cost excesses. These are valuable stories, which we as the second generation of the timeshare business strive not to repeat.

ERICKSON: I remember thinking that buying vacations “one week at a time” was the most innovative idea ever, and being totally sold on the concept. I remember my first sales were family, friends, and anyone I could find to pitch and being amazed that they would pay me 10-percent commission to do that!

TEN BROEK: We always vacationed in condos, so that, to me, was the norm. And now my kids are doing the same things, as I own a fixed week on Captiva Island, and we go every year, week 30. Timeshare in its simplest and purest form, and I love it.

What do you consider the most important/influential experiences that prepared you for your career in timesharing?

ERICKSON: Being hired on an 80-person sales line as a commission-only salesperson. I remember fighting my way to the top and having to sell in order to buy food and pay rent. It was the most scary, but the most exciting times ever in my life. This made me what I am today.

ROBERTS: Watching my stepfather, Foster Mullen, and the way he conducted business as the former CEO of QM Resorts. He was a workaholic and was always learning new things that helped him reach his goals. I learned at a young age that I must make a commitment to lifelong learning if I wanted to be worthy of the CEO title.

TEN BROEK: I went to work for the right company at the right time. That was more than 18 years ago and I'm still at Interval, and for good reason. I built relationships with some of the best developers throughout the industry. And during this time, Interval's management team has remained constant.

OLIVER: Working for major corporations prior to my involvement is the single most important factor that prepared me for entry into the family timeshare business. [Otherwise,] I would not have had the foundation, discipline, structure, and reengineering skills that have been needed in our family's business.

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— Larry Roberts, CEO, QM Resorts

FREDRICKS: This early history provided me with the context to propose more expansion projects to our board in subsequent years. My time in resort ops and sales and marketing, combined with my work in commercial real estate lending for Union Bank of California, gave me a grounding in finance, real estate development, law, and resort operations and marketing, all of which have served me well.

In the early days, many in the industry battled negative press and public perception of the product. Is this something you recall?

ERICKSON: I remember hearing about all of that, but using it to my benefit. It is always easier to sell when you have an objection to overcome. It was easy to find reasons why the negative press had nothing to do with what I was selling.

ROBERTS: I can recall the way people would react when I told them what my parents did for a living.

OLIVER: While there may have been some negative perceptions about the product, we stick to the Ken and Joan Taylor philosophy, which is to develop “exceptional resorts of the best quality for the enjoyment of all vacationing Spinnaker owners while ensuring that owner fees are not exorbitant, thus making vacations available to all families.”

FREDRICKS: I worked in the industry in '87. There was a different level of credibility. The Welk name overcame much of this noise due to our brand image of honesty, integrity, and fulfilling owner promises.

TEN BROEK: I was not really aware of it until getting into the business, partly because Mariner really did it right. To this day, the resorts they developed in southwest Florida continue to be maintained at a high level, the value of the weeks they sold has appreciated, and there remains in place a vibrant resale market.

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— Bryan Ten Broek, senior vice president resort sales and business development, Interval International

How do you think things have changed?

ERICKSON: I do not think things have changed much regarding the issues of negative press. It is just *different* negative press. We still have to isolate the problems, set ourselves apart, and overcome.

Such as?

FREDRICKS: In most states, consumer protections are a major part of timeshare legislation, and, as an example, providing a Public Offering Statement approved by the Department of Real Estate, and financial assurances for completion of promised resort improvements is the norm. Now, though, we are experiencing some relief types of companies that are preying on owners who may not have found success yet on the secondary market. Overall, many elements of the industry have improved, and a few need more attention.

OLIVER: As for the negative press related to LLCs — who have no intention of paying association fees when intervals are transferred to them — and resale scammers who are bottom feeders and defraud owners of money, I feel this press needs to be elevated. They have invested nothing into the timeshare business from a resort development or association management standpoint, and they need to be stopped before they are detrimental to the timeshare industry as a whole.

What are the most important things that were passed down to you about the business?

ERICKSON: Relationship selling. Training. Being brilliant on the basics and having the entire team work together. My father taught me that there is always a sale on each table, and always a way to sell each project. No matter what. My dad always said, “Attitude is everything.” I have never forgotten this.

TEN BROEK: My dad always preached the mixed-use timeshare model, which has clearly stood the test of time and is something I now coach new entrants on. And Interval has taught me to simply do the right thing and success will follow.

ROBERTS: To always act with the utmost integrity and look for ways to improve our guests’ experiences at our properties. The guest always comes first, and we must give them the vacation experiences they deserve.

OLIVER: Equally as important as business knowledge, I believe, are the values and personality traits that were instilled in us (my sister, Christine Taylor, leads corporate marketing). We had family vacations and the memories that go along with them. This is a key reason Spinnaker strives to provide excellent family vacations.

FREDRICKS: My uncle, Larry Welk, who got us into the timeshare business, shared a number of beliefs with his dad and my grandfather, the late Lawrence Welk. One is that whatever we do, we must do so in a quality way — that there is a certain expectation of quality and innovation that comes with the brand, and we must “wow” our owners.

What are some of the sacred cows that no longer hold your reverence?

ERICKSON: Having to find “experienced” sales staff — it’s better to create great sales people from scratch.

FREDRICKS: Over time, it is natural that we develop limiting beliefs. Whatever the limiting beliefs that we have heard, we have proven almost every one of them wrong. So, I actually look forward to hearing the next one, just so our team can determine the best way to overcome it! We are much more resilient, strong, and powerful than many of us realize.

TEN BROEK: The 90-minute sales presentation that forces a same-day decision. I understand why it exists, but I’m not at all convinced the next generation (my peers) will buy this way. The process needs to evolve.

How does your timeshare world differ from that of your predecessors? What are some of the “generation gap” issues? Please provide examples.

ERICKSON: It’s a smaller world, in which social media forces higher and higher service and quality. The work these days actually begins after the sale, with seamless customer service and customer satisfaction. In the old days, we sold the clients and forgot about them. Now, that is when the work begins.

ROBERTS: I feel the solutions to the high cost of marketing do not lie in the typical OPC/telemarketing/mini-vac promotions. The next generation will look online to reach their vacation goals and for researching the integrity of the companies they choose to do business with. The sales tactics of old must morph into a new customer-centric approach with an emphasis upon online brand management. We must look for solutions to a struggling secondary market and discover ways to add value to developer-sold weeks.

How do you conduct business differently than the previous wave of leadership? Different sales styles? Different product? Different demographic?

ERICKSON: We have been forced into making a living almost exclusively from our own members and referrals. Mini-vacs are taking over off-site tours. With a much more knowledgeable client, and much higher expectations than the client from the past, it is imperative to actually deliver more than what was originally promised.

OLIVER: Today, Spinnaker's business leaders are leading by example and are in the trenches with the business managers to ensure that the business priorities are followed. We are working toward a more collaborative style, which we hope promotes creativity and ownership.

FREDRICKS: Our core beliefs and values have remained the same. With different market needs and competitive offerings, our resorts and vacation ownership structure have changed dramatically. Our commitment to training, experiential vacations, and innovation has grown. We are also offering our team members much more comprehensive benefits, performance-based incentive compensation plans, and an Employee Stock Ownership Plan, allowing all eligible Welk Associates the ability to own our future.

What do you see as the new challenges for the next generation of industry leadership?

ROBERTS: How do we take an industry that has reached maturity and craft it back into the growth phase? The business model has to continually improve and the old ways must be pushed aside to improve the efficiencies of sales and marketing as well as the management strategy for aging resorts.

FREDRICKS: The first challenge is to reduce some of the recent noise and negative consumer reviews in the industry, related to relief and transfer companies. We strive to identify and promote a more viable and sustainable secondary market with financing, identify ways to profitably grow first-generation sales so we are less reliant on owner upgrades, and source sufficient industry financing from stable, long-term lenders who understand the value of the industry and know how to underwrite for success.

ERICKSON: Much more competition in destination areas. Higher sales and marketing costs. The resale market that destroys value. A tough world economy for both development as well as sales and marketing. It will be necessary to "break the mold" of the past. What worked in years past simply does not work as well now. Being innovative and creative will be key.

TEN BROEK: Improving the value proposition of ownership, and creating distribution channels for recycled inventory. Both ideas can complement one another; it's our job to figure out how.

What do you — as a child of the industry — have to give that the previous generation did not have? And why is that important?

ROBERTS: The previous generation literally created a new industry from scratch and brought it to where we are today. The next generation has the ability to refine ideas from the past and come up with new plans for the future.

TEN BROEK: I have been around long enough to know and appreciate how it's always been done, and to learn from some of the best. But I have a lot of years

left to help evolve this business for the next generation, and to help coach and mentor its future leaders in much the same ways that I've personally benefited from.

OLIVER: We receive more immediate feedback about our guests' vacation experiences, which makes us better equipped to provide the best customer service possible. We understand that like any business, we must focus on customer value in order to keep a viable business and that means continue to innovate in areas that translate into better guest experiences.

FREDRICKS: The current generation of industry leaders has many more tools, tremendously more data and operating knowledge, and much more of an ability to innovate than has ever been the case. As a result, we will continue to live in a constant and never-ending improvement cycle in this industry. This is a very exciting time to be in the industry, and I am passionately and enthusiastically ready to embrace and shape the next 10 to 15 years. [1]



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