



CORPORATE HOUSING
PROVIDERS ASSOCIATION

**NAVIGATING THE NOISE
PODCAST
EPISODE 10:
FUTURE OF MARKETS,
REGULATION AND BUSINESS**

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BDJ: Hello everyone, and welcome to Navigating the Noise, a podcast series brought to you by CHPA, the Corporate Housing Providers Association with support from ASAP, the Association of Serviced Apartment Providers. I'm Brian David Johnson, your futurist and host for the podcast.

Mary Ann: I'm Mary Ann Passi, the CEO of the Corporate Housing Providers Association.

BDJ: Welcome everybody to episode 10 of Navigating the Noise where we will be looking at the future of markets, regulation, and business. This is no small subject, and certainly in the spirit of Navigating the Noise, there's a lot of noise these days and a lot of concern simply by membership and other members of the industry around this, looking at issues around globalization versus nationalism, around regulation, really around where could all of these things be going. There's certainly a lot of fear and I think there's a lot of worry, but it's an important subject, something that we really wanted to dig into and we're bringing a lot of really interesting guests with really interesting perspectives to not only focus on what's going on today but to really get pragmatic and say, "What do you really need to be concerned with what's going on?"

Mary Ann: Thanks, Brian. This episode is going to focus on where globalization is heading and what that potential impact is on the industry. Also, where likely will the supply chain for different countries move, and where will that impact the economies of various countries?

BDJ: So as we do in all of our episodes, we will examine our subject from multiple angles, getting different perspectives and ideas about the subject in general, but also how it can apply specifically to the future of corporate housing and longer term rentals. The podcast is broken into three segments: first, we look at the road ahead where we explore futures research looking outside of the industry to get a bigger picture. To do this, we'll bring on a guest who's doing some interesting work who might be working in this area or who may have done some research in this area.

Mary Ann: So James Foice from ASAP and I have recruited Corporate Housing and Serviced Apartment Providers and their partners, global thought leaders in the industry, to bring you the realities of what's important to you in your companies.

BDJ: That's in our second section called "What Matters." Then finally, we'll discuss pragmatic actions that you can take today to prepare for the future in our third segment "Three Things to Do." With that, let's get started.

BDJ: Welcome to section one of the podcast, which we call "The Road Ahead." So on this episode, we're going to look at the future of markets, regulation, and business. Mary Ann and I are going to start off looking at the road ahead and kind of explore their impact. Now this is certainly a massive subject, and it's something that is important and something that many of our listeners and many people who both Mary Ann and I have talked to have really asked about this, that there's this shift that's going on around the world. There's a shift sometimes towards globalism and sometimes it's a shift towards nationalism, that there are changes in markets and there are changes in regulations and

business, and they have real impact, but sometimes they're so big and so broad and sometimes happening halfway around the globe that this can be really a tough one, and this can be a tough subject. Now, I don't believe we're going to be able to solve all of this; certainly we're not going to see the future of all markets and all regulation and all business, but I think we can start somewhere. We can actually start to put together a framework for understanding these broad topics, for understanding globalism versus nationalism and to understand what these market shifts and regulations might have on your business.

BDJ: To get us started, Mary Ann and I have brought a guest onto the podcast.

BDJ: Hey everybody. This is the segment on Navigating the Noise where we bring in an outside expert to talk about these different futures from a broader perspective. I was able to sit down with our favorite economist Paul Thomas and talk about the future of markets, regulation, and business.

BDJ: Welcome, Paul.

Paul T.: Thank you, Brian. Glad to be here.

BDJ: So, as you heard me say, Paul, we're thinking about the future of markets and regulation and business, and really kind of high-level as we're thinking about today and then moving to the future. For you as an economist, as you look at what's going on today when it comes to nationalism versus globalism or people wanting to keep jobs just local or being a part of the world economy, when you see that, how do you think about it?

Paul T.: Well, I think sometimes we put a label on our thoughts, on our philosophies that may not be how we got there. A lot of people may be very worried about what happens to their job in the US and be very weary about firing competition, and start to have an inclination towards closing things down a little bit to try to gain some more job security themselves and other forms of security. Only later do they get labeled as being nationalists or being anti-globalists, and they or may not actually fit that definition. When I got your email suggesting that we talk about this, I went right to the internet and I started looking up "globalism versus nationalism," and two of the funny things that happened right away were quizzes that you can take to find out whether you're a nationalist or a globalist. It was fun, and I should confess, I'm not a nationalist. I'm not a globalist. I'm an extreme uber-globalist by one of the tests that I took, so correspondingly, you can probably figure out some of my leanings from that confession.

Paul T.: To some extent, we try to make it about lifestyle, and I think that's backwards. I think just like talking about supporters of the president versus opponents of the president, we try to talk about it as lifestyle; if you know whether there's a Whole Foods in someone's precinct versus a Cracker Barrel, you supposedly can predict how their precinct went for president. We talk about "imagine a Whole Foods versus Cracker Barrel" as a summary of all the things that globalists would like Whole Foods and nationalists would like Cracker Barrel. Well my sister likes both. I'm not so sure that they're that predictive, but they do have to deal with, I think, some insecurity that people have, worries. If you work

for a company that's either owned by foreign interests, it's a US branch of a foreign company, or perhaps highly dependent on foreign companies and things are working well, then you might get reassured that an open economy works for you. It's good for you. On the other hand, if you saw your employer go under and that seems to be plausible, at least, in part due to foreign competition, you can imagine a person would get more protective.

Paul T.: Again, I don't think it's something that you're sort of "born" a globalist or a nationalist, or that it becomes sort of like a fundamental almost religious conversion. I think it might be much more based on what's happened recently and what your recent and own experiences have been. I'd like to mention one thing if we can take the time. There was an article in the academic press a long time ago by Mancur Olson and Richard Zeckhauser. This would've been a few decades ago. Zeckhauser I think was a public policy professor at Harvard, and Mancur Olson was a political science professor at the University of Maryland. They wrote a pretty well-known paper, well-known among political scientists, which has to do with internationalism and the question of "who bears the burden for the international order?" They built a little game theory model, and what they ended up deciding is the reason the United States pays for NATO, pays much, much more than anyone else for the United Nations, who often acts like the world's policemen, is we're so big and we have so much more interest around the world than many other countries do that they can sort of free ride on us.

Paul T.: It just makes no sense for them to contribute if we're going to pay for it, and we dare not experiment with not paying for it because again, we're everywhere around the world and we could be badly hurt if the international order falls apart. Now go forward several decades since that article was written, and we're not as big a part of the world anymore. After World War II, we were 40% of the world economy, and we watch ourselves being harshly eclipsed by other countries that keep growing faster than we do. At a certain point, I haven't heard anyone mention this but it's not an original thought, at a certain point, the right attitude for a declining power, and I'll sort of apologize; I don't mean that we couldn't win in a war. What I mean as a "declining power" is that relative to other countries, they have their fingers everywhere also, especially China, but also India and many other countries. It doesn't make sense for us to foot the bill entirely anymore as much as we used to. This is sort of is like in accounting, but then you go ahead and you say, "Well, it's changing attitudes." Soon, it becomes almost a psychological characteristic.

Paul T.: I think it may be happenstance, or remember, the US was such a big part of the world economy after World War II because large parts of the world had been destroyed in a terrible war. As China, now China but before then, Japan and Germany, as they recovered, we have other countries that will find it worthwhile a little bit not to be free riders, to make their own contributions, and we lose the strong argument that we should be footing the bill. We don't talk about it that way, of course; the president talks about it as "we've all been silly" and "we've been paying the bill and now we're not going to be silly anymore." The Mancur Olson and Richard Zeckhauser article would say it was in our interest to pay the bill for a while, and maybe it isn't in our interest now. The last thing I'll say is, the world probably becomes more dangerous if we don't step forward because it doesn't make sense for us to step forward as much anymore. We're

not that big a part of the world anymore. The world becomes more dangerous because it doesn't necessarily make sense for these other countries, you have a hundred countries that are all the same size. Almost no one contributes almost anything.

Paul T.: If you have a hundred countries and one of them is a giant, the giant pays the bill. The bill, it's going to be harder if this is right to get people to pay the bill in the future. People will act as if they're more nationalist, but again, it's almost an accounting phenomenon.

BDJ: Yeah, that's a really interesting way to think about it, that America's economic shift in the world and how that would reflect. Let me ask you this, Paul: so as a part of this podcast, it's for average business folks. Folks who certainly aren't economists or futurists; they're business people. So one of the things that you're really good at is actually putting these terms in ways so that business people can use them and think about them, or think about them in a different way, much like you just talked to us about globalism versus nationalism, and you've spent the majority of your career actually working with business people around economics. How can average people, average business people, prepare or think about the future? Is there a framework or a way of thinking that they could approach this state of what's going on and what's shifting? I said a lot of people do feel disempowered. Is there a way for them to think about what they might do or how they might take action?

Paul T.: Sure, yeah. I liked that question when you sent it to me. I immediately started thinking of all the great places we have where people can follow, to the extent they want to, what people are thinking about the economy and the political economy. I would say, and I would guess that most of your members are pretty well-informed about business, especially the business in the geographic areas where they have their business. I don't think it's that hard; I mean, it's keeping up with a business page, reading maybe some national or internationally renowned publications every now and then like The Wall Street Journal. If someone told me they were only going to read a couple of things, I would say read The New York Times and read The Wall Street Journal, and I know you're not practically going to have time to read the whole paper, but just scan them and find interesting articles. They're both great journals and great publications.

Paul T.: I really love the podcast Planet Money. It's very funny, and it has business people and politicians, journalists, and economists sort of arguing about funny things, talking about big bets they've had about how the economy was going to evolve. There was a great story not too far from where Intel's headquarters are in San Jose, California, Santa Clara. There was a great story that Planet Money picked up about raising minimum wage in San Jose, California but it wasn't raised yet in Santa Clara. The line dividing the two cities goes right through a mall. Some of the stores in the mall had to give people raises to meet the new minimum wage rules and others did not because they were on the Santa Clara side instead of the San Jose side. There were even the pretzel stands; one pretzel stand was in the San Jose side of the mall and the other was in Santa Clara, owned by the same woman who owned both pretzel stands and had to figure out how to pay her employees.

Paul T.: You had a really dramatic story, and it was picked up by Planet Money. Again, very entertaining and very insightful to think about what will happen as minimum wage price increases go on. The other thing I'll mention if you have more time, if you have a longer commute is you might want to listen to a podcast called The Econ Talk, which comes out of Stanford's Hoover Institute. Russ Roberts is the interviewer, and I think I've mentioned him to you before, Brian, because he's a fantastic interviewer. I really admire him for that, and he's very politically conservative but he's very fair in his interviewing. He'll have people talking about some of the big ideas and big controversies. Again, I suspect your members are doing a good job already staying informed, but these are forums they may not have thought about before.

BDJ: Yeah, they're very data-savvy and very savvy, but that's really, really great pragmatic advice. You heard it here, folks, from Paul Thomas. Paul, listen, you know I'm a super fan of you. I think you're now going to have more super fans after this podcast, but thank you so much for joining us on Navigating the Noise. We really appreciate it.

Paul T.: It's been my pleasure. Thank you.

BDJ: Welcome everyone to the "What Matters" section of the podcast where Mary Ann and I take the broad futures that we've just explored and figure out what matters to CHPA and ASAP members, as well as the broader corporate housing and longer term rental industry. Mary Ann, as we're looking to the future of markets, regulation, and business, what kind of guest did you get for us today? Who'd you find?

Mary Ann: We have Ervin Yeo, and Ervin is the Regional General Manager for the Ascott Limited covering the Singapore, Malaysia, and Indonesia markets. He's concurrently Vice President for Strategic Planning and also serves on the Board of Synergy Global Housing. Ascott operates currently in 30 countries and across 150 cities.

BDJ: So 30 countries. Ervin, welcome to the show. Thank you so much for coming.

Ervin Y.: Good morning. I'm happy to be here.

BDJ: Certainly as a guest, this is a huge conversation certainly as we look to the future of markets, regulation, and business, but I think as a guest, you're kind of perfectly situated to really help us navigate the noise. There's certainly a lot going on right now when it comes to this subject, and I think maybe a simple place to start off, Ervin, is to say, are you feeling currently any pain or are you experiencing any gains as you look at the current situation around globalism versus nationalism. Some of the things that are going on with markets around the globe. What are you experiencing?

Ervin Y.: Well, I think we definitely are gaining from globalism and nationalism at the same time. Ascott was a company that started in Singapore; it's a tiny country of five million people, and what made Singapore special, I suppose, was its openness to global trading. It's a tiny little city; it's about 400-some odd square miles, but it has always been at the center of global trade along the South China Sea, along the Straits of Malacca global trade routes. From the beginning when the country was founded in 1965, it was all

about being open to the world, to global trade. That's how Ascott started in 1984, and from then, we've started from one tiny city to basically 30 countries across 150 cities. How we benefited was basically from global travelers, from corporate travelers who are moving around the world, who are mobile, want to either move alone as a road warrior or moving with their spouses or children. We've really benefited from basically global trade, global movement of people and resources. Right now, there are some trade tensions between America and China, but I want to say that China is actually our single largest market. We started out with just one property in China; now I think we're pushing more than a hundred properties now across China.

Ervin Y.: One of the interesting things is that when we first started, more than 90% of our guests staying in our properties in China were foreign, but now increasingly, we are seeing a lot of local Chinese also staying in our properties. This is a trend that we are also learning a little bit about because China is a huge country, and there's a lot more intra-country travel to complement the global travel. This is something that you would know that is very mature in America where domestic travel, domestic transfers, multi-family corporate travel is such a huge thing. We're seeing this in China, and while yes, there may be some trade tensions and there's a sense of nationalism, I think ultimately what matters to corporate and companies is that they will go where the market is. If their market domestically is small, they will be going somewhere else to thrive. These create opportunities for extended stay corporate housing providers because they need to provide housing for these guys.

Ervin Y.: If you had to come to Singapore, you would be able to stay because everyone speaks English in extended stay properties, in the branded property, or somewhere else, but if you were going to go to, as part of your company's expansion into lessons on market Middle East, Africa, even China, you would be very much looking at a reputable extended stay provider that can give you the peace of mind to have a safe, comfortable place to stay while you spend your day doing your work. Definitely I think we are seeing more gains than pains.

BDJ: That's really interesting, Ervin. It kind of sounds like it really depends upon the market, it depends upon the size of the market. So as you say, you're experiencing gains from both, so if it's globalism, it means it's people traveling around the globe, as you said, being road warriors or moving around the globe. But, if the market is big enough, in a way you could profit from nationalism as well because you have more people if you have a closing down and sort of moving away from globalism. If the market's big enough, they can travel, like you said, intra-country travel.

Ervin Y.: Yeah.

BDJ: That's a really interesting perspective.

Mary Ann: And it's a little bit different than what I've been hearing from our smaller member companies. They've been used to the domestic travel within North America especially, and now that there's a global economy, they've got clients that they've been used to serving in that capacity now that need to be elsewhere in the world, and so they are expanding their networks and their partnerships across the globe to be able to service

them wherever they happen to travel, either individually or with their families. So kind of the reverse of what Ervin is seeing is the trend that some of our smaller member companies have been seeing here.

BDJ: Yeah. Ervin, would you agree with that? Do you think that the size of your organization allows you to get the gains from both globalism and nationalism where if you maybe have a smaller provider, it really has to focus on their specific market? Would you agree?

Ervin Y.: Yes, I think so. Well, that's one of the main reasons why Ascott decided to take a global presence. In its early days, we wanted to just stay around southeast Asia, and then later on, we realized that our corporate clients, our companies were telling us, "Hey, it's great that you have property in Singapore, but I need to be in Malaysia," "I need to be in China," "I need to be not just in Beijing, Shanghai; I need to be in this second-tier/third-tier city. Why don't you have a property there?" What we've done is expand according to basically the needs of our clients who have global needs. Some of them, sure, they just want to be in certain cities, but many of them want to go into other cities going for their field. Basically after you've, I don't want to say "exhausted," but if you've already tapped your opportunities in the main cities, you want to be looking at other places around the country, so you're going a little bit further afield, and we want to be there to provide a good housing solution for our clients and the peace of mind that comes with having the branded, good quality properties.

Ervin Y.: That's how we've also looked at our expansion. When we're in countries, we're not just in the capital cities; we are also going further afield to provide that option for our clients as well.

BDJ: So yeah, it really was your clients and your client needs pushing you to make that. Let's carry that on a little bit further, Ervin. As you start to look out to the future, how is your company preparing for the future, especially as we think about this future of markets and regulation and business, this kind of world of globalism versus nationalism? How are you preparing for the future?

Ervin Y.: Well, we're preparing for the future by, well first, we want to be in locations that our clients want to be in. I think we covered this a little bit earlier. We want to be a little bit ahead of the curve because in property development, there is a long gestation cycle; it takes a couple of years to get a building up, right? Some client comes to us and tells us, "Hey, I need to be in Ghana." We're not going to have property up tomorrow. What we're trying to do is get a sense of the corporate travel about the business, and this is where being an extended stay property, having guest service officers, hosts on property talking to clients. This gives us a good bellwether for where the movement is so that we can get ahead of the curve, get a property there, so that when the demand comes, we are in good position. Beyond that, beyond just physically being in the places where people want to go, we need to make sure we are the product that serves what people want.

Ervin Y.: While one of the reasons why the Ascott invested in the Synergy Global Housing, which is very familiar to all the listeners here who are part of CHPA is that we think that they

represent very much the travelers of the future. Where we started in 1984, we were serving corporate travelers and visa guys in business suits carrying briefcases, and they're going to capital cities; in fact, they're coming with their spouses, their children, and then they would be staying for years at a time. Now with the advent of, well first, the major trend was low-cost air travel. With low-cost air travel came the trend of people doing the Monday to Thursday in the city and then weekends back home. Their needs shifted a little bit from long-term housing to more a weekday/work day type housing. The other major trend that we're seeing is the change in tomorrow's business travelers. These are guys who's doing the major hiring, who's hiring out of colleges, who is expanding globally. These are a lot of the technology type companies, and their corporate travelers are not wearing suits. They're not carrying briefcases; they're in T-shirts, they're in jeans. They're carrying slingbacks.

Ervin Y.: Their demands for corporate housing are very much different. What we are looking at is to make sure while we have the location where we have the product, we're also making sure that we have the right product that appeals to these guys who now have work and play kind of smushed up a little bit, right? I'll give you just a quick couple of examples. One is that our corporate travelers used to go to work at a 9-5, and now they're working very flexible hours. They could be telecommuting, they could be going at 11:00, they could be going at 12:00. The property needs to be conducive for them to work on property, not just like home. The second trend that we're seeing is that while the office used to be just cubicles and it's very clearly when you walk into the office, you know it's an office? Today, you look at the offices that are coming up. The coworking spaces, the WeWork spaces. Even the traditional offices are being expanded to be both work and play in the same space. The demands that we're getting from our corporate travelers is that they want their apartment not just to look like home, but it also needs to be conducive for them to work, and we want to make sure that we provide the environment.

Ervin Y.: First, we want to make sure we're in the right geographies, and second, we want to make sure that we have the right product that can appeal to these guys who are tomorrow's corporate travelers, while at the same time serving today's corporate travelers.

BDJ: I think that's a really important balance. That is one of the things that we've even explored here on the podcast in other episodes where we really looked at that shift in customers and customer demands and desires, and that's really, really important. What I'm hearing you say, Ervin, is that especially when we look at these futures, these futures of different markets and regulations that it is just local. It is very local, and that's the part that is really important, is to understand what's going on locally and using that, as you said, as a bellwether.

Mary Ann: That's what members are looking at. I think we're seeing more member companies investing in properties than we have in the past and looking out building multipurpose communal spaces and purpose-built buildings, and really trying to create this space that is both attractive to be some place to a live and also attractive to be someplace to work at the same time because as you said, I think you used the very technical term

"smushed." I think that is spot-on. I mean, the lines are really blurred between working and the rest of your life, so as you said, BDJ, how can you make that balance happen?

BDJ: Right. Well, Ervin, I want to thank you so much for coming on the podcast today. This is a very big subject; when you start to tackle something around the future of markets, regulation, and business, but I think your perspective, especially your global perspective kind of over time watching markets change, watching the needs and the desires of clientele change was really helpful, and I think really, really helpful for our audience. Thank you so much for joining us today.

Ervin Y.: You're welcome. Thank you very much for having me on. It was a pleasure.

Mary Ann: Thank you, Ervin.

BDJ: So Mary Ann, as we look at the future of markets, regulation, and business, who's the next interview you've lined up for us?

Mary Ann: Well we have John Wagner with us. John Wagner is a citizen of the world in every respect, having lived and worked in America, Britain, Amsterdam, Paris, and Prague, and he brings that global perspective on all aspects of the Cycas Hospitality experience. So he founded the company and used his hotel marketing, operations, and development experience to create something really unique. He's opened brands in Europe, Africa, and the Middle East, including a hotel management company in the Czech Republic, and he was Marriott's first Sales and Marketing VP for Residence Inn, and he was over there first 125 hotels, so he's bringing all of that to bear on our podcast today.

BDJ: That's great. Wow. Well John, welcome to the show.

John W.: Thank you very much. I'm really not that old, but the bio makes it sound like I am.

BDJ: Well I think your bio and certainly your background really makes you a perfect guest. Mary Ann always does a great job finding us these great guests. As we look out at the future of markets, regulation, and business, this kind of globalism and nationalism, certainly there's a lot of change, and we know for a lot of our listeners, they're really interested in this. Some are kind of worried, some are kind of excited about it, that they see opportunity. On Navigating Noise, what we're always trying to do is just that: help people navigate the noise through all of what's going on.

BDJ: Let's just dive right in. So John, are you feeling any pain or are you experiencing any gains from the current situation, from globalism versus nationalism from regulation in business? What are you experiencing all around the globe?

John W.: Well, our business, the serviced apartment business in Europe, closely akin to the hotel business, I think is a major beneficiary for the way the economy and "globalization," as you call it, is emerging as a lifestyle. I think that's how I would characterize it: it's a lifestyle. The way people live and work is dramatically different today than it was even a few short years ago. For example, there's so many people that work not for a set job,

but rather in their own business or for their own consultancy company, and they travel and they move around the globe whereas a few years ago, it was unheard of. Today, people will take temporary jobs, temporary opportunities; on the move for a few months or a better part of a year, and then they'll move on to the next job and it might be somewhere else around the globe. The kind of business that we have, serviced apartments, apartment hotels, all-suite hotels, it's perfectly well-suited for that because we provide temporary living. The demand for what we do and where the people come from, where our customers come from, they seem very well-suited for each other.

John W.: Quite candidly, it's one of the reasons why we created this company here in Europe because we thought, and we still believe, that globalization, the way people do business is changing, and we wanted to have a product that was attractive to those kind of folks.

BDJ: So John, as I'm hearing it, especially with your operations in Europe, so for you, you're still seeing globalism in full effect. You're still seeing, as you said, "the rise coming." Are you seeing any pushback as you're seeing some countries or some different areas kind of start to re-trench a little bit? We've heard people use the words "intra-country travel" where they're seeing gains, but their gains are coming from people staying inside of the country and not actually doing that spirit of globalism. Are you seeing that, or is it more that globalism is still on the rise for you?

John W.: I see the people that want to stay home and the people that are less likely to travel far distances, frankly, are more the leisure guests. The stay-cations, the individual people. It's leisure stuff. The business experience that we have is exactly the opposite; as I said a minute ago, the number of "foreigners," meaning somebody that doesn't live in the country where our home hotel is, the number of foreigners is a growing percentage. 30%, 40%, 50%, in some cases 60% or 70% of our clients in different hotels, of course depending on the location, come from a country other than where they're staying at. We've gotten customers from, gee, literally all over the globe in our hotels. Of course we've got hotels in Amsterdam and in London, and several spots in the UK, and building in Paris, Brussels, and Germany. Those are destinations and those are economies that welcome and attract individuals from around the globe. The interchange of intelligence and skills back and forth, it's why we're building hotels there, why we're operating hotels, and those economies and those businesses, those industries, they want that skill base.

BDJ: Yeah, and that's one of the things that as we've been talking to people on the podcast, that's come up a lot, that people are making those decision and they really do enjoy that. With all that in mind, as you're seeing this gain, this benefit of globalism, one of the questions that Mary Ann and I want to ask also, so how are you then prepping for the future? Over the past few years, have you been seeing this rise as you look out to the future, what is your organization doing to prep for it?

John W.: Much of your question or much of my answer to that question has to do with the physical in the hotels themselves, the properties. Just as I said, that globalization means people move around more, their expectations for where they stay when they get there is also changing pretty dramatically pretty quickly, whereas many of us in times past, and partly because of cultural expectations, when you're in your hotel, when you're in

your strange city, you stay in your room. You're on your own. You're an island while you're there because as I said, it's not culturally expected that you mix with other people or it wasn't really the environment. Many people don't want to go sit in a restaurant on their own. Those times are changing, I think, and even old people like me, when you're in town for a while, you want to have some human interaction. You want to talk to somebody. You can't do it in an old-fashioned, or you can; some people still do, but most people are not comfortable going into an old-fashioned bar. There's just too much baggage that goes along with that.

John W.: So what we try and create in the new properties that we're building, and you see in lots of lifestyle hotels is these almost elaborate coffee areas, coffee shops. Places where you can mix between, you're eating, you're having a drink, you're having a cup of coffee. You're also working, and oh by the way, you can chat to the stranger that's at the next table over because they too are from out of town and they're doing the same thing as you are: having a cup of coffee or they're on their laptop. It's socially acceptable to start a conversation there. You're not in what some people might consider to be a threatening environment, a bar, and you're not sitting on your own in the corner of some restaurant, and of course, you're able to get out of your room, so you don't have to have room service. You're in this area where you can work and mix and be comfortable with people.

John W.: Frankly, every one of our hotels that we're building has got such a space that I just described, and it's not unique to serviced apartments or all-suite hotels; it's coming in regular hotels as well, but it's particularly important in the kind of hotels we do where people are living. They really demand and they notice if they don't have the ability to mix with other people, whereas I said a few minutes ago that oftentimes, these kind of customers come in groups, five, ten, twenty, even more at a time. They've got their own built-in social network when they travel; they travel in a group, but an awful lot of people travel ones and twos and they don't have that social network. I'm not going for the sympathy vote here, but I think most people can appreciate that if you're out of town for a week or two, or three, or four at a time, you're away from your family, you're away from your home, you're away from your own friends.

John W.: Again, I'm not trying for the sympathy vote, but it can get pretty lonely. It's a lonely existence. You need that interaction. You need to be able to talk, and some people will do it at the office or the factory or wherever they are, but for many of us, it's where you're living, and in this case, where you're living is a hotel, so you want the environment where you can have a chat. You can share a cup of coffee.

BDJ: Right. So John, let me ask you this: I think it's interesting that you put in that you've got people, like you said, traveling alone, you have people traveling in groups. So it sounds like what you're building and what your organization is doing is really facilitating areas, physical areas inside of the properties-

Mary Ann: Space, mm-hmm (affirmative).

BDJ: Yeah, to be able to have them have social interactions, whether it be social interactions with the group or social interactions with maybe strangers but getting out of their room

and doing that. Mary Ann, are you seeing that as well? Are you seeing other members doing that same approach?

Mary Ann: Yes, yes we are. So what I heard John say is that you're really building something that's allowing people to live elsewhere than their home the way they would live at home, so creating this space. Something else that you mentioned earlier, John, members are sharing that nationalism is a thing of the past. It is, if you're not thinking globally, you're not remaining competitive. You're not going to grow, your business isn't going to continue evolving. All of the things that you've outlined are what a lot of people are seeing everywhere in the world today.

BDJ: Oh yeah. So as a followup, John, I would put that to you: do you agree with that? This idea that nationalism, from a business standpoint, is really a thing of the past and that if you really aren't embracing globalism and this idea, as you said, of people traveling around to do business that you're kind of a dinosaur. Would you agree with that?

John W.: I couldn't agree more. I think as I've traveled around the world, both on business and pleasure, and I've done it for a few years, one thing that I really enjoyed despite all the politics and all the global issues and wars, and stress, and anxiety, and all that stuff, so rarely do the average people, the normal people in a country, they usually just don't pay any attention to that. The business and commerce in general really transcends any of that national pride, and whatever prejudice or bias you may have in what shows up on the newspaper is politics. When you talk to real people or real business people, so rarely does anybody think about that at all.

BDJ: That's great, that's great. Well John Wagner, thank you so much for joining us on Navigating the Noise. Your perspective and your global perspective, I think, is really helpful and being able to bring those in, and I think you've given us a little bit more of a perspective and a little deeper dive into this area, so thank you so much for joining us.

Mary Ann: Thanks, John.

BDJ: Hello everyone, and welcome to section three of the podcast. This is called "Three Things to Do." This is where Mary Ann and I look back over the episode and consider, "What are three things that you could do? What are three pragmatic things that you could do today to start getting ready for tomorrow?" On this episode of the podcast, we've looked at the future of markets, regulation, and business. No small subject by any means; certainly a very important subject. It's a subject that we've had lots of people writing in about. I know, Mary Ann, when you go to events and certainly when I give speeches and give talks, people always want to know about this, and I don't think we could tackle it all in a single podcast certainly, but I think this was a good start. We think we've come up with, I think, some really good three things to do here, and the first two are really more on the serious side and pretty hard-nosed. The first thing of your three things to do is to analyze. Analyze your market and understand what effects these shifts could happen. When it comes to shifts in markets, shifts in regulation and in business, whether that be globalism or nationalism, what could that happen?

- BDJ: Again, one of the things I think we've learned really specifically is that all markets are different. Globally, markets look differently and actually depending upon what markets you're in, it's going to be different. That's worth saying take a moment, take a step back if this is really weighing on you, and really do that analysis. Kind of think about what might happen if these shifts begin to move or change in your market and what that might mean. Then, the second of your three things to do would be review. This is really the flip side of the first thing, of the "analyze." The second thing would be review what affects these changes, the changes you've just thought about in your analysis. Review what effects these might have on your customers. I think this is something that definitely Paul brought up early on, saying understanding that these changes and these shifts may not only just affect you and your business, but they'll affect your customer's business as well. This could be something around visas, this could be something around trade, so that you are prepared if this does happen, that you know you might need to make a pivot and make a change.
- BDJ: Those are the first two, and I think the first two are pretty serious and something that I do believe, from a business standpoint, everybody really should do to be prepared for tomorrow, but the third one I know, Mary Ann, you really like. I really liked this idea and it came up time and time again. The third thing to do is consider. Consider globalization as a lifestyle.
- Mary Ann: I think John Wagner brought that phrase to this podcast, but I agree with that. Consider that as part of your business development plan. As John mentioned, he also said 30% to 70% of guests are coming from another country, at least that's what he's seen in the UK, and I know our members throughout the world are also seeing this. You need to think globally to stay competitive. You need to appeal to a more global audience.
- BDJ: I think the reality of the times that we're living in is they're complicated. They're not set, and they're going to continue to shift and be uncertain for a while. That's just the reality of the present that we live in. It's always you're preparing for that future. I think considering globalism as being, many people in the podcast consider globalism to be good for business-
- Mary Ann: Mm-hmm (affirmative), sure.
- BDJ: That yes, you might have small, intra-country travel, but really that there's always going to be this global nature. People have seen it and they're continuing to see it, and I think thinking of globalization as a lifestyle is also much more broadly when it comes just around business in general.
- Mary Ann: It is, but basically people are people, so keep that factor in mind.
- BDJ: Right, definitely. So those are your three things you can do. You, number one: analyze, number two: review, and number three: consider. Consider globalization as a lifestyle. Those are your three things, and that's the close of our podcast on the future of markets, regulation, and business. Mary Ann, you want to take us to the exit?

Mary Ann: Thank you everyone for listening to Navigating the Noise podcast, brought to you by CHPA and ASAP. Please reach out to us and let us know what else you'd like to hear, what else you'd like to ask BDJ, or just to help us stump the futurist, you can email me at map@chpaonline.org. Follow us on Twitter [@CHPAonline](https://twitter.com/CHPAonline) or visit our website, www.chpaonline.org.

BDJ: Thanks everyone for joining us here on Navigating the Noise, brought to you by CHPA and ASAP. We'll talk to you again soon.