



People-in-Travel

Tracking Travel's Leaders

Good work; goodbye

Paris-based Accor's CEO, Jean-Marc Espalioux, 53, has been rewarded for his recognised good work by being asked to leave – like Richard North, from InterContinental in 2004.

Or, as announced officially, JME will not ask that his term, to January 2006, be renewed. Surprisingly, he says he is participating in finding his own replacement. Then last month he added – as if we doubted it – “what I say counts, and my experience matters”. Even odder, he said such departures are “natural and normal” – even, in his case, “good news”.

Earlier, he told us his priorities at Accor were:

- to increase awareness of the brands
- grow 5%-per-year, and
- create a balanced portfolio – in terms of geography, type (luxury, budget, and managed, owned, leased).

JME was perfect with first-half results – revenue on a like-for-like basis increased 5.0%.

So why was he asked to leave?

The strongest point against him seemed to be that he was not a ‘star’; no charisma. He just did his job – well, according to most observers.

He is seen as an administrator (in the sense that this alone was not good enough). But that should be no surprise. He came to Accor in 1997 from a water company that is private but well supported by the French state. He is also an ‘enarque’, the term for those graduating from the Paris college ENA that provides many of the country's government ministers and heads of the state-owned companies.

He also didn't like travel or dinners in town – definite disadvantages for a company that operates worldwide.

But maybe he had other weaknesses. This May, for instance, we listed a series of operational shortcomings at Accor hotels, terminating the report by saying “that Accor may be neglecting operational matters in its hotels”.

Local observers list the following favourites to replace JME (in alpha-

betical order):

- Benjamin Cohen, 66, and number two after JME. If he stands a chance, probably only on an interim basis because of his age.

- Henri Giscard d'Estaing, 48, who since 2002 has been running Club Med, of which Accor has just bought 29%. However, he has not proved himself there.

- Gilles Pelisson, 48, running Bouygues, one of France's top three phone companies, and cousin of Gerard Pelisson, one of Accor's founders (the other is Paul Dubrule). Ironically, the family link is said to be the major point against him.

We would cast the net wider geographically, not just because US private finance company Colony Capital bought into Accor earlier this year.

For instance, changes at the top of InterContinental and Starwood, at least, inevitably passed over some competent top executives. Robert Cotter, for instance, at Starwood. Robert Riley, at Meridien and before at Mandarin Oriental, whose work is finished now Meridien's sale to Starwood has been agreed.

And Colony has no shortage of experience with senior hotel management, having also been involved with companies such as Swissotel (which has just been sold, with Raffles, to another investment company) and Marriott.

But back to Dubrule and Pelisson. Dubrule is more the visionary, Pelisson the hard money man. Dubrule would take a man on his merits. And so would Pelisson – but a French connection would help, speaking French at least, and French nationality best of all. Oh, and the job requires travel.

Thai; in knots

In July 2002 we said government interference had “damaged one-time great airline Thai Airways, and that interference is certain to continue for the foreseeable future”. In November 2004 we said Thai Airways was

weakening. So it was no surprise that in August, Kanok Abhiradee was replaced as head of Thai by Somchainuk Engtrakul, named interim president.

The airline's board sanctioned Kanok because he could not solve the problem that most airline CEOs cannot solve – how to make money with rising costs and falling product rates (tickets).

But worse, government interference continues. At the time of these changes, the country's prime minister, no less, told Thai to postpone delivery of two A340 aircraft due this year.

Meanwhile, one of the prime minister's family group companies, Thai Air Asia continues to add aircraft without ministerial interference.

New Cook, new menu?

Thomas Holtrop, 50, appointed chairman and CEO of Frankfurt-based Thomas Cook, is due to take over the 50%-Lufthansa-owned travel agency group next month, after joining the board in September.

Holtrop replaces a 4-man executive board that has been running the group since it fired Stefan Pichler in 2003.

Holtrop's appointment is seen as an indicator of TC's business direction in the future. Over 2001-04, Holtrop worked at Deutsche Telekom as chairman of T-Online, a leading online portal. Earlier, he was at Club Med and American Express, and with Gruner & Jahr, the big Germany-based international publishing company.

His short (three years) spell at Deutsche Telekom, and creation of an online portal, is believed to be the key element in his appointment at TC. But obviously those travel jobs also improved his CV.

Plane men

- Gustav Humbert becomes president and CEO of Airbus. But he is expected to be overshadowed by the man he replaces, Noel Forgeard, who has become like a chairman.

- James McNerney becomes chairman, president, and CEO of Boeing; he is from 3M, but already a Boeing director. He replaces Harry Stonecipher – disgraced for having an affair with a Boeing employee.

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