

Fifty years and growing

INTERVIEW WITH ALFRED PISANI

CHAIRMAN OF IHI INVESTMENTS (CORINTHIA GROUP)



ALFRED PISANI has been the Chief Executive Officer of International Hotel Investments PLC since March 29, 2000 and serves as its Chairman. Mr. Pisani is the Founder of Corinthia Group of Companies and serves as its Chairman and Chief Executive Officer. He serves as the Chairman of Mediterranean Investments Holding PLC. Mr. Pisani serves as a Director of Corinthia Group of Companies.

You are one of the few Maltese businessmen with a truly global empire – please tell us about your initial experience of starting up on the island?

This is going back 50 years now, believe it or not. It was in 1962 that my family entered the hospitality business initially by opening a restaurant. And that came about more by accident because my father bought a beautiful palatial building with considerable grounds. He died four months later and we were left with a big mortgage and without the breadwinner. And so one had to decide ‘what are we going to do with this building?’ And ultimately three years later we opened the restaurant and began trading.

In 1964 Malta got its independence and the government was trying to reorganise the economy from one that had been focused on the navy (when everybody was employed by the British Government) to one which focused on industry, commerce and tourism. So in agreement with the British Government there were funds available to support entrepreneurs in developing hotels. After serving dinners (we didn’t open for lunch) for two years we saw the possibility of hotel development and we had spare ground next to our building, so we started talking with the authorities about its development. I proposed a plan to develop 156 rooms and that was the beginning. I physically built the hotel myself as I couldn’t get a contractor to do it. And I called on a mason who had built my house saying ‘I’m faced with this mammoth job, could you help me out.’ I managed to organise three or four other gangs, a team of about 16 people. I then also employed some 40-50 people to look after the concrete batching. We bought a very small petrol engine mixer and built the place over a period of two years. It was building the pyramids, though I’m sure they had far more tools than we had to build 156-room hotel! We opened in April 1968, and had the honour of the Duke of Edinburgh personally cutting the ribbon at the official opening. I operated the hotel for 12 years before we started to expand. So that was the beginning.

At what point did you have the vision for global expansion and why did you choose the cities that you did in which to open your hotels?

After about 5-6 years we built a second hotel. We then built a third one and then the fourth. Malta is too

small to accommodate many hotels, so we needed to look overseas. If you were doing the same thing in the United States you could build 400 hotels and I think there would still be space to build more. But when you’re hemmed in an island of 120 square miles with a population of 360,000 – today we have 400,000 – with limited financial resources, a limited home market, limited surface area, it’s tough. We had to go abroad in a very cautious way, into markets where there was a similarity and continuity to what we had been used to in Malta. Back then Malta was purely focused on tourism with 95 per cent being British tourists. We found ourselves repeating what we did with the first property in terms of designing, building and creating. It did not occur to me at the time – but I found out later that operators were a specialised group and developers were another specialised group and owners were somebody else; we were doing all three. When the Iron Curtain dropped and we had Russia, the Czech Republic and Hungary, there were tremendous opportunities. And those who were prepared to go in first got very attractive deals. And so we went into Russia and Eastern Europe. Ten years ago we took the painful decision of identifying hotels that didn’t fit our five star image and giving them another name, another brand. So we had to release 14 hotels out of the number we had. Today *Corinthia* has nine five star properties, whilst all the other properties have been placed into in a separate company to avoid confusion. And as we have done in London, we are aiming to replicate in Paris, New York and in Beijing. Over 50 years we have managed to crystallise who we are, what we want to do, and where we are going.

How important is this 50th anniversary to you? How has this growth of your business over these years affected your character as an individual?

There is obviously a sense of satisfaction, that you’ve created jobs and that there is a bigger family than we were when we first started. Today we employ over 5,000 people, so I feel that one’s hard work, one’s commitment, one’s perseverance and passion have produced something from nothing. I don’t view life as a destination, so the 30th year or the 40th year or 50th or whatever is not really that important. Life is a journey and it is the process of how you handle this journey that identifies ultimately who you are. And

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what we need to do in life is not only to have better houses and improve facilities around us, but likewise to improve ourselves internally. To be more generous, more compassionate, more giving. I think it's been part and parcel of my growth and so whilst we tend to measure balance sheets, I try to tell my top executives to spread the philosophy that there is another responsibility aside from the financial responsibility. There is a responsibility on each one of us to share our experiences with those around us, particularly the younger ones, so that they can learn from our textbook and not have to discover it. So the philosophy, that I have come to embrace over these many years, has been more than just about financial, economic and business planning, but also about intangible aspects which are just as important. If you can somehow share each other's positive energies then this is going to create a better quality of life. And if we can share with our colleagues this philosophy then I think we're going to get more loyalty, more satisfaction.

How has Maltese history shaped its people's attitude to business and commerce?

Malta has been occupied by every ruling authority in the region since the beginning of time, whether the Arabs, the Romans, the Carthaginians, the French, or

the English. We had 164 years of English rule which gave us the language, which gave us administration, infused into a diverse group of people who came from Italy, North Africa and France. You can see this by the surnames in the telephone directory. And there was the integration of the language – somehow we have maintained a language. Now this is very unusual but manageable because it's a very small population. Malta is highly integrated. Malta has no water; we try and get it from the ground but it's not enough so we convert it from sea water and to do this we need oil and we don't have oil. It's very demanding on the individual to survive or else you go backwards. Some of us have been fisherman mainly, because we are surrounded by sea, and some kind of vegetation. We were never born into a luxurious atmosphere where you found things ready and the likelihood is that you don't try hard enough. It was definitely necessary that in order for us to survive we had to be inventive and resilient, we had to really make an effort. And I think this combination of a multicultural population, the administrative style of the British with the language (which is very helpful in business) has produced who we are today. In 1964 with independence we said to ourselves 'we can fend for ourselves, you must appreciate your own destiny, your own dignity.' **F**



The Corinthia
Palace Hotel and Spa
in Attard, Malta