



STORIES & INSIGHTS

Meet Larry Broughton

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JUNE 23, 2022

Alright – so today we’ve got the honor of introducing you to Larry Broughton. We think you’ll enjoy our conversation, we’ve shared it below.

Larry, thanks for taking the time to share your stories with us today Talk to us about building your team? What was it like? What were some of the key challenges and what was your process like?

During the launch phase of broughtonHOTELS, I did everything! We were both a hotel management company, as well as a hotel owner. I had built up

more than fifteen years of experience in the hotel and restaurant industry and maintained a minority partner position in my previous company. Capitalizing on my previous experience and strong reputation, I secured some investors to acquire, renovate, and rebrand a hotel in Palm Springs, CA, and at the same time was awarded a deal on a new construction luxury hotel project in Santa Barbara, CA.

While my first hotel was in escrow, I hired a very experienced, outsourced hotel accounting

professional. She had other clients, so while she provided very accurate financial statements, balance sheets, and cash flow statements, they weren't always delivered in a timely fashion. I attracted and hired our first General Manager by getting her to believe in the vision I had for our organization to grow into one of the country's leading independent hotel companies. I knew this would attract more experienced professionals who desired growth opportunities, rather than



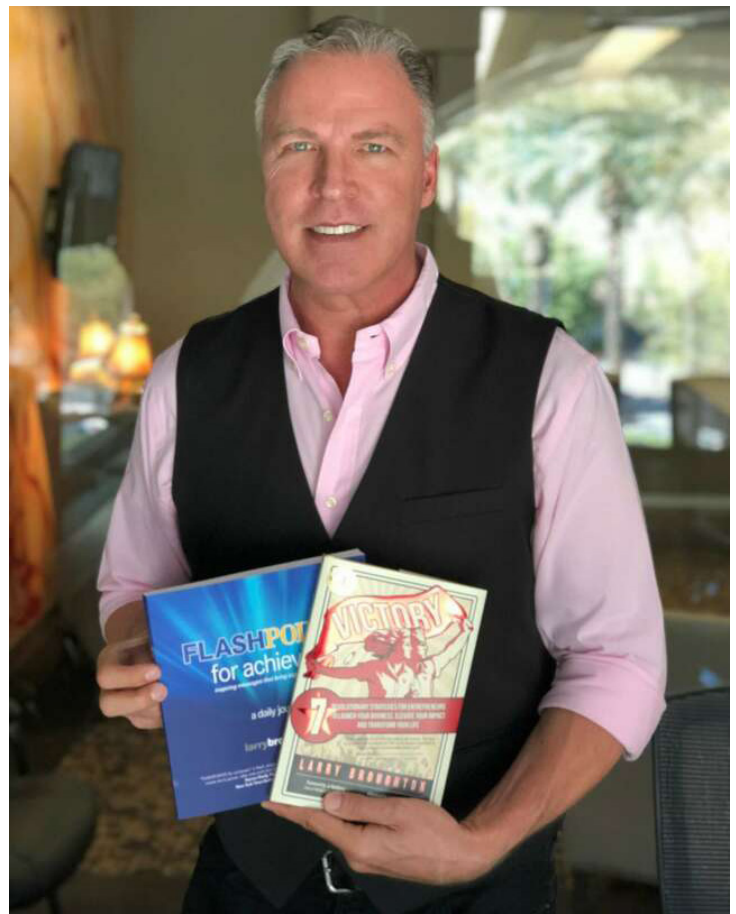
working for a single asset owner. This strategy also worked as we added hotels and hired a Director of Operations, Director of Sales, and other key executives on the corporate and home office level.

I learned a lot of lessons back then. For one, people are always watching you. Had I not built a strong reputation prior to launching out on my own, I would not have been able to secure investors for that first hotel in Palm Springs. Another lesson is that I should have brought my accounting services in-house sooner, rather than having them outsourced, so a detailed analysis could have been done in a more timely and cost-efficient manner.

When hiring new team members, we should be certain to share our Vision, Mission and Values with all our candidates as early as possible during the recruiting and interview process...we can ask questions of candidates to be sure there is alignment prior to them joining the team. We've made a habit of giving personality and strengths-based assessments to top candidates to ensure

they will be a good fit for the positions they are seeking and fit the roles we are trying to fill. This reduces turnover, increases productivity, and fuels positive morale in the organization.

Finally, when we are hiring or promoting candidates, before we consider past experience, we are certain we are hiring people based on these three things: Motivation, Integrity, and Capacity. We want people who look at life as an opportunity. These are people who say, "I GET to go to work today. I GET to make an impact today. I get to serve my team today." We shy away from people whose



attitude is more like, "I HAVE to go to work today." Next, we want people who are full of integrity. I think we know what integrity is, but the truth is that motivation without integrity is dangerous! There are a lot of highly motivated people in the scamming and fraud world who lack integrity. And finally, we want people who have the capacity to grow with us. We want to build our institutional DNA and prefer not to outgrow our team members.

Awesome – so before we get into the rest of our questions, can you briefly introduce yourself to our readers.

After serving several years in the US Army on Special Forces A-Teams (commonly called, “The Green Berets”), I decided I wanted to go to college and study Political Science and perhaps work for the State Department or run for political office. I moved to California with the intention of getting a job and working my way through college or university. My very first job out of the military was working at a run-down “no-tell motel” in the Tenderloin District of San Francisco. I went in at 11 pm and got off at 7 in the morning. I went to school during the day, worked out and slept in the afternoons, and went back to work at 11 pm.

After working there a few months an investment group purchased the hotel with the intention of converting it into what would become known as one of the country’s first boutique hotels. While most of the staff was let go, I was retained and made a manager at the property while attending



school. I had virtually no hotel experience, but I had lots of leadership, team building, and problem-solving experience. In order to gain experience and knowledge, I made a list of top industry professionals in San Francisco that would be willing to meet with me over coffee. I contacted them and simply admitted I was new to the industry, respected what they had accomplished, and wondered if they would take just a few minutes

with me over coffee. I kept the meetings short to honor their time, but I asked each of them three or four questions, including, “When you look back over your career, what did you do right? What did you do wrong? What would you do differently the next time to ensure success?” If the conversation went well, I would ask the fourth question, “Is there someone else I should be talking to who could help me shallow my learning curve?” I always followed up with a hand-written thank you note.

During a fourteen-year period, I became a partner in the company, and we acquired 14 hotels in the San Francisco Bay area. We received a lot of press and media coverage because of our upbeat and creative approach to business and the hotel industry. I was asked to speak at conferences, universities, and industry events. I was no longer interested in a career in the political arena as I realized, after working on a few political campaigns, that I simply do not have the stomach or flexible moral compass to thrive there. I began to get restless, recognizing that although I was making a great deal of money, my growth was being stifled at the company. And frankly, I was working way outside my strengths and not performing at my fullest potential. I had lost motivation, I was resentful, I was burned out, and my life lacked meaning. I had realized I was never going to be the CEO of the organization, and that I was a primary leader stuck in a secondary leadership role. I decided to step down from my day-to-day role and step out on my own.

I launched broughtonHOTELS a couple of years later, after wandering in the wilderness and healing from what felt like a break-up with a toxic lover. I bought a restaurant and a couple of coffee shops in Santa Barbara, CA, that I ran with my then-wife, who I had met in San Francisco. Because of my strong reputation, I was being hired as a hotel and business consultant, helping business owners turn around underperforming businesses, and helping them build high-performing teams. Our commitment to our clients and investors was always to increase the value of their assets or business. How we do this is unique to many people. Sure we increase revenue and decrease expenses...but we focus on putting our team members first. We make certain



team members are working to their strengths, which increases productivity and reduces expenses. We are dedicated to our client's and guests' experiences so they can easily refer us and increase the word-of-mouth factor, which lowers marketing costs. We join purchasing collectives to reduce operating costs and are obsessed with monitoring both leading and lagging Key Performance Indicators, including Market Penetration, Guest Satisfaction, Gross Operating Profit, and Team Member Turnover.

Based on our performance, we have been blessed with several key business awards, including Ernst & Young's Entrepreneur of the Year Award, Coastline Foundation's Visionary of the Year, and Passkey Foundation's National Business Leader of Integrity Award. That last award for integrity is really one of my most proud moments for our team in my professional life. When you are recognized by scores of peers and professionals across the country for your integrity, that's a high honor...and

it's a strong reminder that we must always choose the hard right over the easy wrong.

Over the past twenty-some years, I have been actively coaching and mentoring entrepreneurs, leaders, and high-achievers, helping them move closer to their fullest potential and living a life of meaning; I've made regular appearances on every major TV and cable news network discussing the virtues of entrepreneurship and leadership; I've authored and co-authored several best-selling books and I write regularly for a couple of magazines.

My absolute proudest achievement has been being the father to my 21-year-old daughter, and my 17-year-old son (who just passed away from a tragic car accident in January). I have learned more about courage, love, grace, tenacity, music, and friendship through my relationship with them, than any other of life's experiences.

Any stories or insights that might help us understand how you've built such a strong reputation?

The business arena often feels like a battlefield! The entrepreneurial journey towards creating a legacy for ourselves and our family is full of obstacles and roadblocks that are imposed by market conditions, competitors, and government bureaucrats outside our own control. Accepting that fact is one thing, but how we respond is quite a different thing. I've learned a lot of lessons over the years, and as I said earlier, people are always watching.

Too many people give up on their goals and dreams when the going gets tough, when their VP of Marketing leaves the organization and takes their book of business with them, when a competitor opens across the street, or when there is an economic downturn. These are times when the samurai's sword is put in the fire and then pounded by the hammer over and over again to harden and take shape. There are a lot of very talented people in the world who suffer gray lives of mediocrity because they don't understand the concept that tenacity eats talent for lunch!



We've been brainwashed at an early age that, "failure is not an option." That piece of nonsense, in concert with the fear of judgment and disapproval of others, has created a culture of perfectionism among too many. The truth is, that perfection is an unreal goal in anything, and without failure and change, there would be no new inventions or innovations. Rather than attempting to create a culture of perfect performance in my life and businesses, I've tried to allow team

members to make mistakes and have failures, but to learn and make course corrections along the way. Learning organizations take calculated risks. If we micromanage team members and punish every failure and mistake, they stop innovating, and productivity plummets. Rather than seeking perfection, we should be pursuing excellence in everything we do. How would your life and business be different if you had pursued excellence rather than accepted mediocrity?

These things are simple, but they're not easy...I understand that! In the Army, there is a saying, "Choose the hard right over the easy wrong." The easy wrong is avoiding the difficult conversations with our spouse or team member. It's sometimes easier to fudge the financial statement or take a shortcut on a project thinking the client will never know rather than speaking up about the shortfalls and poor outcomes. The hard right, however, is to have the tough conversations, admit we've made mistakes, learn from our failures, and listen to the disappointment of disgruntled clients and life partners. All this speaks to integrity. Most people would rather get brutal honesty rather than hear beautiful lies.

Finally, what has helped build my reputation is that I've stopped seeking success for the sole sake of success. When all we want is success and the trappings that come with success, we lose ourselves, we lose our sense of purpose and meaning. Rather, I have learned to seek a life of significance. I have found that when we play a significant role in the lives of our family members, our businesses, our communities, and in our places of worship we find our meaning. Success is the byproduct of living a life of significance.

These are the lessons I've learned that have fueled my reputation.

We'd love to hear about how you met your business partner.

I see a common mistake among business owners and entrepreneurs who meet someone new at a conference or convention. They seem to hit it off immediately with the person: they laugh together, they brainstorm during the breakout sessions,

they have a shared interest, and may even have complementary products. Before you know it, they have become business partners. Like marriage and divorce, many business partnerships end in failure. Another classic misstep is that long-time friends decide to start a business together. These can be costly and critical mistakes.

I've known, Dave, my business partner in my VICTORY Mastermind & Mentoring business (which includes our coaching business and our HireMyVA program) for 21 years. Prior to becoming partners eight years ago, we attended the same church, had been in a weekly men's group together for a



short period of time, and were friendly with each other. I needed help with my coaching, mentoring, and book writing projects, and simply lacked the talent, skillset, and strengths to develop systems and processes to run that growing business efficiently. Dave was a certified executive coach, and we discussed the possibility of joining forces. I knew Dave had an engineering background and possessed skills and strengths in systems building that I simply lacked. We got very deliberate about the process, and rather than jumping head first into a partnership, we took several personality assessments and strengths-based assessments to be certain we would complement and not duplicate each other.

We also talked at length about a variety of business challenges, many of them were worse case scenarios, to be sure we shared the same core values. Finally, we agreed that we would postpone forming the actual partnership until we had real-

world experience working with each other. We picked a couple of projects, including organizing, finalizing, and publishing my book FLASHPOINTS for Achievers. Once we were certain we enjoyed working with each other and recognized that our synergistic relationship caused an exponential growth in our productivity, rather than an arithmetic increase, we knew it was time to formalize the relationship into a partnership.

I recognize that business relationships among friends rarely work. The truth is, Dave and I were friendly before our partnership, but in the eight years since, we have become the best of friends. I encourage people to “date” their potential partner before jumping into the business bed to consummate the relationship.



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