

Steve Joyce

A Life of Full Swings

It was the bottom of the seventh, with two outs and the bases loaded. Eight-year-old Steve Joyce was the starting catcher of his Little League team that year, and they had made it to the championship game of their local World Series. Steve was batting, and he was two strikes in. It was the moment of truth.

Steve will never forget the way he felt when he let the third strike sail through without lifting the bat from his shoulder. It was a crushing defeat, and in his resolve to never let it happen again, it defined his approach to life forever afterward. "From that day forward, my life was about swinging," he remembers today. "I would never again let an opportunity pass me by without even trying. I embraced taking those chances and risks, because nothing good comes from not swinging."

By that time, Steve already knew he wanted to be a CEO when he grew up—a dream he had embraced at age five as a regular reader of the business section of the newspaper. In all his sports teams and activities, he was always selected as the leader, and whenever his parents couldn't find him, it was a sure bet that he could be found conversing with a neighbor about their career path and advice. Now the CEO of Choice Hotels International, among the largest and most successful lodging companies in the world, Steve's commitment to a life of swinging the bat has made his dream a reality—the homerun he never lost sight of. "Taking chances, following my passion, and my fear of failure are very positive and powerful motivators for me," he says. "They define me on a daily basis and have made me a calculated risk-taker over the years. They also compel me to be prepared, make smart decisions, know my odds, and know what I need to do to increase my chances at success."

Choice Hotels International's origins began in 1939 as a marketing coalition of seven

hotels. It came into its own in the 1960s thanks to Stewart Bainum, a plumber's assistant who learned the building trade and built a hotel. He wanted to join the coalition, then called Quality Courts United, and within seven years after convincing it to admit him, he had persuaded the coalition to become a for-profit entity which he then merged into his other businesses. With that, Choice Hotels International was born.

The company also developed one of the largest assisted living and nursing facility systems in the country, Manor Care. In 1996, Choice Hotels was spun off from Manor Care, marking a rebirth and relaunch for Choice that landed it on a path of aggressive growth. It was enormously successful, raising the profile of Choice brands like Comfort, Quality, EconoLodge, and Clarion. But Steve, who first took the helm as CEO in 2008, believed he could take the business to the next level by prioritizing customer experience and revolutionizing the way its brands were perceived in the marketplace. At the time, the company's growth stemmed from taking units at all cost and not investing in the brands. Steve saw a better way.

In the years that followed, Steve turned Choice around by shifting the focus of its business model to one focused on the growth and integrity of its brands, and by focusing on technology as a game-changing element. When Steve first took the helm, even the most basic IT functions, like email, were dated and faltering. Now, Choice is among the most technologically-advanced hotel companies on the planet, and was the only hotel company recently included on the Forbes 100 List of Most Innovative Companies worldwide. "We run a Silicon Valley software shop in Phoenix, and we've launched and acquired hotel technology companies that we're in the process of optimizing," Steve says. "Our use of technology has allowed us to become more global and more



upscale. We also recently started another model, 'Vacation Rentals by Choice,' working with vacation rental management companies to offer our customers the opportunity to stay at vacation homes in resort destinations."

Today, Choice has eleven brands, 6,500 hotels, and 530,000 rooms across 40 countries. On any given night, they have 470,000 guests around the world, with price points from budget to upper upscale that appeal to any traveler. And, while Steve accepted the challenge of taking over as CEO in the midst of the financial crisis in 2008, he has succeeded in evolving Choice into a leaner, nimbler, more aggressive, and ultimately, more successful company that has captured around 10 percent of the U.S. market. "Our primary goal is to make money for the shareholders," Steve says. "And the consistent thread running through all our hotels is the value we provide to travelers. With free breakfast, free Wi-Fi, free parking, and a good sense of humor as our staples, people view us as a great place to stay at all levels."

As a leader, Steve veers away from traditional hierarchical structures and instead encourages an environment where all members of the team are free to challenge each other, including Steve, at any point in time. "While there are different responsibilities associated with different jobs, it's important to establish an enterprise-wide approach with your associates that compels people to think in terms of the success as a whole," he explains. "Each employee has a stake in the outcome and is connected to the meaning of the mission. I believe in creating a family-based company culture that's performance-oriented, which is a lot like the environment I grew up in. In my family, you were nurtured and loved, but you also had to perform."

Steve grew up as one of five kids in a solid middle class family in New Carrollton, Maryland, which he remembers as a rough neighborhood. His father had joined the Army to escape the Pittsburgh steel mills where his family worked. His father showed an aptitude for languages and would learn either Korean or Russian, depending on the results of a coin toss at the military's Monterey language school. He won the toss and chose Russian, evading immediate deployment during the Korean War. "If my father hadn't won that coin toss, he wouldn't have worked the desk that became the most important in the country through the Cold War," Steve says. "He wouldn't

have been noticed by the admirals, and he wouldn't have become a founding member of the U.S. National Security Agency (NSA). It's crazy how something as simple as a coin flip changed his life forever."

Steve's father ultimately became the lead civilian at the NSA, but the stress and pressure of the job made him tense, irritable, and quick to get angry. "We walked around on eggshells because Dad needed his space," Steve says. "804 is the area code for Fort Meade, and he had what was called 804 Disease—the stress that comes from carrying the weight of the world on your shoulders, especially through the Cold War era." On the weekends, his father would build furniture in his basement workshop, keeping to himself. It was only years later, when he retired at 55, that he shrugged off the stress and became a happy-go-lucky, funny person that his children hardly recognized. "I knew I didn't want to do what he did," Steve says. "I think I was drawn to the hospitality business because, unlike my father's profession, it was completely oriented around making people happy."

While Steve did not admire his father's temperament, he appreciated his strong sense of ethics and integrity, and his sense of purpose and duty in saving the country from the Soviet Union. He also remembers his mother as the kindest, most tolerant, and most accepting person he has ever known. Both parents were devout Catholics, raising their children with a strong sense of gratitude for what they had been given and a strong sense of responsibility to give back. They gave to the church and to Little Sisters of the Poor, and Steve's mother later earned the nickname "Saint Annie" for her steadfast dedication and volunteerism. She spent 30 hours a week volunteering at an alternative pregnancy center, and she founded a Southern Maryland chapter of Steven's Ministers and trained hundreds of nondenominational, faith-based counselors. "My parents taught me that it's not enough to wait until the end of your career to give back," Steve says. "It's important to give back throughout the entire journey."

As a kid, Steve could sign up for whatever activity he liked, so long as he could get there on his bike. Through his coming of age, he played baseball, football, wrestling, basketball, and tennis, and while he wasn't especially athletically talented, he compensated through intelligence,

toughness, and keeping himself in great shape. He was also constantly working, aggressively selling magazine subscriptions and candy bars, and landing a paper route by age seven. By the time he was 11, he was working the more prestigious Washington Post route, and at age 12, he had a job washing dishes. Each successive year, he was promoted—first to cook, then to waiter, then to bartender. “My parents covered the basics, but if we wanted anything extra, we had to pay for it,” Steve explains. “Everyone was expected to work.”

Expectations were even higher when it came to academics. Steve’s father never got a B in his life, and graduated first in his class at George Washington Engineering School while raising three kids. “It was taken for granted that we had to perform at that same level,” Steve says. His sister got a perfect SAT score, speaks eleven languages, and pursued a career at the NSA like their father. His younger brother is now an award-winning rocket scientist. Steve, as well, never got a B in his life, and graduated valedictorian of his high school class. “My school was 77 percent African American, so I grew up knowing what it was like to be a minority in a crowd,” he says. “It was probably one of the best educations I could have had because it taught me empathy, survival skills, how to navigate difficult situations, and how to read people. It was truly a formative experience.”

Steve applied to five schools, ultimately settling on the University of Virginia over Harvard because the tuition was so much more affordable. “My dad told me I could go anywhere and be anything I wanted to be, but he wasn’t going to be helping me out in any significant financial way,” he says. He enrolled in the McIntire School of Commerce and pursued a double major in accounting and finance, all while working up to sixty hours a week managing various restaurants around town to pay for his education. One of the best of those experiences was managing Adam’s, the largest disco in Charlottesville. “It was 1979, the height of disco, and I was a 19-year-old kid with over 40 people working for me,” he recounts. “We had this special—buffet dinner and three drinks for the price of one. It was rough and chaotic and one of the best jobs I ever had, where I learned important lessons about what to do and what not to do if you want to be successful.”

Upon graduating, Steve declined a future managing restaurants to instead embark on a 27-year stint at Marriott. He joined as an international

consultant for the company, spending six months in Egypt and another six months in South Africa during apartheid. For the first 10 years of his career, he was promoted each year to become the youngest Executive VP in the company’s history, aside from John Marriott. After spending nine years in the accounting and finance track, he thought he loved the work—until he was transitioned over to clean up the franchising department. There, he took over an operating business and came face-to-face with T.A. Carter, the old-school, country-boy lawyer/architect who owned the Blacksburg and Roanoke Marriott hotels. He owed the company \$2 million, and when Steve rolled into town and demanded the money, he had a lesson to teach.

“You seem like a bright young boy, so let me explain how things work. When I owe you a little bit of money, you’ve got the leverage. But when I owe you a lot of money, I’ve got the leverage. If you want to see any of your money, you better talk to me a little nicer and give me a little more leeway in terms of a plan.” Surprised, Steve commented that the situation hadn’t played out how he expected it to, but he felt like he was learning an important lesson, to which T.A. replied, “It’s all free, son.”

Steve left with a plan for how the company would get paid back over the next 18 months, and a life-changing realization. “I had always heard people say, ‘do what you love and it will never feel like work.’ I always wrote it off, but after that experience, I saw for the first time that it was true,” he says. “I saw that this was what I was meant to do: working directly with other business executives to spar and work out deals, enjoying the ride and the characters you meet along the way. It took me a long time to learn that you’re supposed to really love what you do, but I’ve been preaching it ever since.”

Steve spent the next 17 years showing just how profitable and exciting the franchising model could be. He overcame J. Willard Marriott Jr.’s misgivings about franchising when his franchised hotels earned better guest scores and proved to be better run than the company-managed hotels. As the Executive VP of Global Development Franchise and Owner Relations, he dramatically expanded the number of franchise hotels from 40 to over 2,800, building a business that earned over \$900 million annually. “Marriott was great and nimble in the 80s and early 90s, but as it grew, so did its

bureaucracy,” he reflects. “There was a saying from franchisees and owners that there were 99 people at the company who could say no, but only one who could say yes and get things done. I took great pride in the fact that I could get things done, regardless of who tried to get in my way. But I wanted to be the CEO of a company with an altogether different culture—one with fewer roadblocks and higher speed limits.”

In 2007, as he considered a future beyond the Marriott horizon, Steve decided to open Fado, an Irish pub in Annapolis. On opening day, with a Guinness in hand and a local bagpipe group playing, his father turned to him and said he’d never been prouder of his son. “I reminded him that I ran a Fortune 1,000 company and had raised two daughters into amazing young women,” Steve laughs. “But what more does an Irishman want than for his son to own an Irish pub?”

It was a nice accomplishment, but the opportunity to truly live his dream came soon after, when Steve received a phone call from Choice. They were looking for a new CEO, and the founder’s son wanted to meet Steve. “I had grown up reading about the Bainums in the newspaper, so when he asked for a meeting, I wasn’t going to say no,” Steve says. “What was supposed to be an hour-long meeting turned into five hours, during which I explained that I don’t harvest brands. Instead, I was about growing brands, focusing on quality and the customer perspective. Instead of prioritizing the owner and the franchisee, my approach would prioritize the consumer and the brand. I spoke with every single board member to get buy-in for my approach, because it wasn’t going to be easy. But they were ready, so I accepted the job.”

For the man that gets bored with smooth sailing and loves to fix broken things, the board’s mandate was the adventure of a lifetime. He met with the leadership team for the first time in 2008, and when his plan was met with protest, he made it clear that he would carry the wounded but shoot the stragglers. “Each member of the team needed to look me in the eye and tell me they were ready to do this,” Steve recounts. “I fired three people within six months and turned over the team several times until we finally got it right.”

Outside of work, Steve is deeply involved with ServiceSource, a charity that helps people help themselves by allowing them to work when they wouldn’t otherwise have the opportunity,

thereby connecting them with a renewed purpose for living. Providing them a means to sustain themselves lends new feelings of self-worth. “It’s tangible and real, and it helps people not just temporarily, but for a lifetime,” Steve explains. He was recently named the ServiceSource Man of the Year, as well as the United Jewish Appeal Foundation Man of the Year, and is also heavily engaged with The Autism Learning Center and Shatterproof, a charity to address the opioid addiction crisis in the U.S. To raise funds for the organization, Steve has rappelled down both the Metro Center building in Bethesda and the JW Marriott building in Los Angeles.

In advising young people entering the working world today, Steve suggests finding a business that’s growing fast but not all that well-run. “A slow-growing, well-run company does not often have a lot of staff turnover and fluidity, so opportunities for advancement are limited,” he explains. “But especially in the first 15 years of your career, it’s important to switch jobs every couple years, either through promotion or lateral moves. You want to always be expanding your skillset, seeing what else you can do, and on the lookout for something you love. And it’s important to pay it forward, helping others along the way and expanding that help to the community.”

A testament to this approach, Steve was named Industry Leader of the Year for 2016 by the Michigan State University School of Hospitality Business. The award ceremony in New York City was a memorable event, but the true standout moment was the toast his two daughters, ages 25 and 20, gave at dinner later that evening. “As I listened, I remembered them growing up,” he recounts. “To see the women they’ve turned into is very cool. They said I raised them with principles they live by, and with a level of kindness and tolerance for all they don’t see in others. That means so much to me because what’s most important to me is changing people’s lives by giving them opportunities and helping to lead them in doing something special. It’s about giving the people around me a chance to swing and hit it out of the park for themselves.”

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— By Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®

About Gordon J. Bernhardt

President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout

the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and [Gordon's Blog](#).

