

## The Chairman Puts Forth Lessons Learned

“PERSPECTIVE COMES FROM EXPERIENCE,” Barron Hilton says, “and the ability to step back and look at the larger picture. This seems an appropriate time to share my perspectives as a Hilton Foundation Director for nearly 60 years, including a brief term as president, and now as chairman.”

“In this regard,” the chairman continues, “I sometimes remind our Directors, especially the younger Hilton family members on the Board, that were it not for Conrad Hilton’s success in building Hilton Hotels, the Foundation would not even exist. I learned many important lessons, both from my father and as a result of my own experiences as CEO of Hilton Hotels Corporation for 30 years.”

“In 1966,” Barron observes, “the Board of Directors of Hilton Hotels asked me to join the company as president, thus allowing me to lead the company’s growth. It is now my wish to share some of these lessons, garnered over 50 years with the company, because they also apply to the conduct of the Foundation.” Here is the chairman’s list of Lessons Learned:

1. **GROWTH.** It is vitally important to invest the Foundation’s assets wisely to enable the endowment to grow. This will ensure that more people in need of assistance can receive help in the future.
2. **PARTNERSHIP.** In philanthropy, as in business, it is often helpful to seek partners who can join with you in supporting a worthy project. This provides additional leverage and spreads the risk for those initiatives that are more uncertain.
3. **SUSTAINABILITY.** In those instances in which the Hilton Foundation is the major contributor to a project, be mindful of the project’s longer-term sustainability beyond the term of Hilton Foundation support.
4. **BOLDNESS.** As my father set forth in his autobiography, *Be My Guest*, “Think Big. Act Big. Dream Big.” For example, in 1949 my father persuaded his corporate directors to expand Hilton Hotels overseas at a time when most Americans were cautious and content to operate their businesses within the confines of the

United States. Following my father’s lead, on several occasions during my tenure as president and CEO of Hilton Hotels, I made similar “big” decisions that expanded the company dramatically through franchising, innovative real estate partnerships, and time-share arrangements. We also became the first U.S. publicly traded hotel company to enter the casino industry, domestically and internationally. At one point, nearly 50 percent of Hilton Hotels’ entire profits came from our two casino properties in Las Vegas. Once again, the rewards proved well worth the risk. The lesson: In philanthropy as in business, there are times when one should take bold steps, always keeping in mind the risks of any new investment.

5. **EFFICIENCY.** It seems that many companies as well as foundations, add staff unnecessarily, thereby increasing operating costs. It is important to maintain a lean and highly competent staff at the Foundation, which results in a more efficient operation and maintains a lower overhead. The savings can then be directed toward charitable causes to help those most in need.

6. **ESPRIT DE CORPS.** My father not only excelled in making smart business deals and expanding globally, he also had the ability to create *esprit de corps* within Hilton Hotels. Throughout my tenure with Hilton, I made every effort to continue the same tradition. For example, corporate meetings were often held at my ranch to provide an ideal environment for key executives to know each other better and continuously exchange ideas. This philosophy has also been carried forward into the Hilton Foundation.

7. **INTEGRITY.** Of all the lessons I learned from my father, none was more important than his strong sense of integrity, and I have always strived to follow his example in my own life. Here, too, I believe there is a lesson for those associated with the Hilton Foundation. Be completely honest and morally transparent in all endeavors, for it is the right thing to do and provides a moral compass to guide decisions and daily activities.