



Mr Non-Stop

The story of Gavin Faull – extraordinary businessman

Meeting Gavin Faull for the first time – in fact, any time - is energising.

Aside from the bonhomie and infectious vigour, he has the restless mind of the entrepreneur. His conversation is a succession of short sentences. There are endless ideas brimming here, and he has already leapt ahead to the next before you have time to absorb the last.

Of the five Faull brothers, he is most like his father - Wilf Faull, well-known proprietor of the Tikorangi Foodmarket for 55 years until 1990 - and probably most like what his father wanted to become. As one of Gavin's brothers once noted, Wilf was a big businessman with a small business - Gavin is a big businessman with a big business.

A very big business, in fact. His company, Swiss-Belhotel International, operates 140 hotels in 20 countries throughout Asia, Australasia and the Middle East, with expansion pending into Europe. Closer to home, he owns a hotel at Coronet Peak, leases and manages a new one in Auckland, and part-owns one in Brisbane. He is also principal owner of Taranaki's biggest single unit dairy farm, Faull Farms at Tikorangi.

He travels the world three weeks out of four every month, yet seems unaffected by the workload. Equally unaffected is his connection with Taranaki and Tikorangi, which he visits most months to check out the farm operation and meet the people at Venture Taranaki, as a member of its trust.

When we get together to talk about this story, he begins with a look over his travel diary for the coming three weeks. “On Friday, I’m in Melbourne looking at a yoghurt production factory to work with my Indonesian dairy partners, who are also owners of a hotel in Jakarta, which we manage for them. They’ve just all been in Taranaki with me, and they’re thinking of dairy opportunities down here, from buying cows to looking at processing plants.

“On Saturday, I go to the wedding of a very rich hotelier in Singapore. The next day I’m going to Kuala Lumpur to look at a big project there, and to meet a guy who’s got contacts into Iran. Then I’m off to Milan, where I’m looking at negotiating to manage the Michelangelo Hotel.

“Then I’m going to Dubai to meet a hotel owner who I’ve already finished negotiating with for a resort of four hotels in Aqabar (a Jordanian port on the Red Sea). And then I’m supposedly going to Shanghai for a meeting to expand into a hotel group in China. And then I’ll have to pop down to New Zealand to interview a sharemilker (to take over Faull Farms, since his current sharemilkers are retiring). Then I go to Bali with the family for Christmas.”

And that’s a typical month, during which he’ll average 90,000 kilometres of air travel. That’s more than a million a year. How does he survive it – especially since he always flies economy class? “He just likes flying,” says wife Carol, with a smile. Gavin: “My feet fly business class, because I always book the front row of economy class.”

Doesn’t he get upgraded? “Not that often. The airlines are very smart now. They only upgrade you when they have to upgrade you. But when I fly economy I don’t care about air fares, because every flight is at the most \$1000.

“If you go business class you start at three or four thousand dollars before you can even have breakfast. So therefore, I don’t. It’s a little bit of a pain in the whatever, especially some of the Asian airlines, because I think the seats are shrinking. People will say I’ve put on weight, but I think the seats are shrinking.”

Unsurprisingly, he has a routine. “What I do on lift-off, on all flights, even New Plymouth, I’m asleep at wheel lift-off. Then I hear the tinkle of the trolley and I wake up. I’m a cat-nap man. Then I have my gin and tonic, only one drink. More than that and I’d start writing the wrong email. I might fire more people.”

Email? After the nap and the G & T, it’s down to work on his laptop, naturally. “Emirates is fantastic because I’m on line all the time. Their internet is so stable I can talk. My staff get excited when I take off on a 15-hour flight, but then two hours later I’m back on line. I can talk to them, so it’s not down time for me.”

Again, the same question – how does he survive? Another answer: “Determination. My wife thinks she’s going to teach me yoga in Bali, but I can actually switch out very easily.”

The extraordinary nature of Gavin Faull’s peripatetic life is noted by journalists who interview him. If the clippings are anything to go by, a regular question is – what drives him, especially at an age, 69, when most people are thinking of retirement?

The usual reason is the strong work ethic instilled by his parents. Others relate to his experiences at Waitara High School, where he missed out getting into the so-called

professional stream, was initially passed over when prefects were appointed, and wasn't accredited with university entrance. Another factor may have been what happened when the family attended church in Tikorangi on Sundays. Faull was sensitive to the jibes of a cousin, who noted archly that his mother always wore the same coat. It all made him determined to show people just what his family could be.

Gavin is the middle brother of the five, born in 1947 while the family was still in Marton after World War II. Looking back to his childhood, he sees he was "the quiet one, with oldest brother Allan (40 years a teacher at Auckland Boys Grammar) the leading devil, and another, Bernard (later Archdeacon Emeritus in Wellington) the guy who always got caught being mischievous".

Second oldest brother Richard is an eminent Auckland medical scientist specialising in the brain, and youngest brother Nigel an acclaimed technology expert in Australia's aged care field. All spent their final year at school at New Plymouth Boys' High School.

The Faull family originated in Cornwall, their great, great-grandparents, Richard and Elizabeth Faull, migrating to New Plymouth on the first colonising ship, the William Bryan. His great grandfather, Henry, was only four when they came ashore in 1841, and the only male in the family of Richard, Elizabeth, two sons and three daughters not to have worked in the copper mines and contracted lung disease.

Henry Faull easily outlived them all, growing up to fight in the land wars, and being rewarded with 80 acres of land at Tikorangi in 1866. When his son, Lewis, married neighbour Blanche Rolfe in 1905, she brought with her another 16 acres - her share of her Ngāti Rāhiri whānau land – and a tribal connection of which Gavin Faull is immensely proud.

He says parents are the most important element in the life of any child: "They give a life-long moulding to the attitudes and behavioural principles of their children. Our parents were no exception." He reckons lawn mowing was part of it, a big ritual in the boys' Tikorangi lives that had significant impacts. It got them fit, and gave Faull some ideas about what he wanted to achieve in his life.

"We were all actually quite good runners, and they believed it was because we all trained behind a lawn mower. I remember mowing the lawns at the Alexander's place. They were the rich people, and I used to say to myself 'one day we will own this'." Today, it is leased as part of the Faull Farms dairy operation.

Faull's father told his sons that the farm - named Trewithen after the village in Cornwall where the family originated - was their heritage, but in the end Gavin knew that no one in the family would end up working on the property. "We were all educated off the farm."

The shop had a bigger influence, and he thinks it probably encouraged him to develop a business brain from a young age. "I used to work a lot with Dad in the shop, and I always tried to come up with ideas how to expand the business. I was always fascinated about the possibility of the harder you worked the more you could make.

"I would attend Four Square grocery conventions in Wellington with Dad, something that had a huge impact on me. I was very young and met so many important people, who had great business ideas. I can remember meeting Walter Nash in Lower Hutt at a Four Square convention – what an impression.

"Dad used to take me down to Parliament to listen to the House and see these famous people. That put politics in my blood, and years later when I studied at Victoria University I used to go to Parliament once a month."

He did the book-keeping course at Waitara High School, a wise choice as it turned out, but not one he was pleased with at the time. "I was always top of my class in Tikorangi, then this guy came out to our place, and Mum later said I was going to be a Four Square grocer. So, I was immediately relegated to doing book-keeping.

"In fact, it may have been a blessing, because perhaps this became the single most driving force in my motivation to become a successful entrepreneur, and it still drives me today." It became part of a realisation that secondary schools in those days could be "quite devastating places. I had two brothers [Allan and Richard] who were very smart, mathematicians, so being number three was a hard act to follow.

"It was interesting that I also wasn't made a prefect. I have no idea why. There were two of us out of the whole class. We were made prefects after the first term, but not initially. What happened was I became more determined. So, when two months later I was made a prefect, I took over the organisation of the prefects. I used to run all the dances, all the fund-raising.

"I wasn't accredited UE. That annoyed me even more. I had to sit and I missed by 20 marks. That's when my determination started. This is what still drives me now. Everyone tells you that you can't achieve something, so I said 'OK, you guys, let's have a go'."

Like his brothers, Faull went to New Plymouth Boys High for his last year, 1966. "I had to take history, which I thought was a boring. I said: 'You're in life to make history, not read it.' Wit Alexander – brother of Allan Alexander, whose lawns the Faull boys mowed – was headmaster. Faull recalls with merriment their first meeting. Looking for a toilet to use during his first day at the school, he wandered into the staff facilities by accident...and bumped into Mr Alexander.

He took accounting as one of his subjects, but becoming a businessman was by no means his sole ambition - he also enjoyed music. "I was in the same class at school as Wayne Darling and Doug Thomas (later well-known New Plymouth musicians). I did music with (music teacher) Ralph Nalder, and I ended up in the New Zealand secondary schools' orchestra in Auckland, playing the trumpet, Uncle Max's trumpet."

Later, back in Taranaki for his university holidays, he played in a dance band called The Peasants, which comprised drums, piano, saxophone and trumpet. Members included Nigel Purdie, Greg Fraser and Max Gray. "One night, I went to Bell Block Hall and this guy came up and asked me to drive him back to New Plymouth. His girlfriend was the lady I was keen on, so I said: 'If you think I'm going to drive you back to New Plymouth, you've got another think coming.' And the girl was Carol."

Carol Ann Managh and Gavin Faull were married in August, 1971, at St John's in Waitara. They'd first met at the Urenui Hall in 1967, when he went with younger brother Bernard to help set up a school dance.

By this time, he was studying for a Bachelor of Commerce degree at Victoria University. "I used to work at Borthwicks in Waitara during the holidays for three months every summer. I used to tell people I was a freezing worker. When I was in Wellington, I was a carpark attendant."

He got involved in politics at university and joined the National Party, becoming an organiser for MP Bill Young in Miramar leading up to the 1972 general election. "That was the year National got slaughtered. The Miramar and New Plymouth electorates were the two marginal ones in every campaign. We lost in New Plymouth, but we increased our vote in Miramar and won there - the opposition Labour politician was Brian Edwards, and we beat him.

“Those were interesting times, when I used to go to National Party conferences. Murray McCully (currently a government minister) and all those guys were just coming through the system. I got to know a lot of the politicians, and that was a career I probably would have been interested in at that stage. But everything else got me going faster, so I got on to the corporate treadmill.”

After getting his degree in 1971, he worked for Ernst Young in Wellington as an accountant for just over a year, during which he passed his accountancy exams. Other young accountants he knew were departing for Europe and Britain, and one day Faull spotted a newspaper advertisement seeking accountants for KPMG in Hong Kong, with airfares paid. He was interviewed in Wellington, and by March, 1973, he and Carol were off to the British colony.

He worked for KPMG for two years. “Adjusting to Hong Kong was unbelievable. I'd already gone from Tikorangi to Wellington, and that was a big jump, and now it was this unbelievable...it was just mind-blowing.”

In 1975, he got an opportunity to join one of the accountancy firm's clients, a hotel group called Hong Kong and Shanghai Hotels, which was owned by The Peninsula Group. “It was a two-year contract...and I stayed seven or eight years. That was how I got into the hotel business.”

He stayed in close touch with home. “I had lots of New Zealand friends and contacts and I was always networking. I heard of these investors in Singapore who bought Vacation Hotels in New Zealand. I rang one of my mentors, John Rose, the head of a company called Marac, and asked if I could come and talk to him. He said: ‘Ironically, I'm meeting those investors this afternoon’. Later he called back and said they wanted to meet me.”

At the age of 34, he was hired as chief executive of Kingsgate International, which owned the former the Big I hotel in Auckland (it became the Hyatt Kingsgate). He was there from 1983 to 1990.

“The company had 20 or 30 hotels in New Zealand and Australia – the Hyatts in Sydney, Auckland, Rotorua and Queenstown, Logan Park in Auckland, others in Christchurch, Fox Glacier, Te Anau. A shopping centre in Sydney. In the middle of all that I was building the Hyatt in Rotorua. I tell you, it was a ‘brain explosion’.”

There was no internet to speak of in those heady days. Today, it's one of the key reasons Faull is able to operate a global business. “I couldn't have started my company if it wasn't for the internet.

“When hotel companies began they'd have a booking office in every city in the world and a telex machine. But now, we're wherever we need to be. I had ‘go to’ meetings today – there was a guy from Bangkok, three from Sydney, Matthew from Jakarta – and I was sitting in my cowshed, talking to them all, although they didn't know that.”

He's a one-touch responder to emails. “I get so many emails – on busy days probably 250 a day - so it's the only way to deal with them, there and then. The big problem with emailing is people are dumping responsibility. They're dumping it out and expect someone else to pick it up. They don't worry.”

He has other reservations about the internet. “I love the internet, but when I got 2000 ‘happy birthdays’ last week it wore a bit thin. I went through and said thank you to everybody, individually – there's no system where you can reply to everybody that looks personal. One

guy wrote back to me and said he'd never had an acknowledgement of a greeting he'd sent to anyone in his life. I do feel the internet is making us have plastic relationships."

He thinks decision-making is deteriorating because people don't give you enough information. "When I find something wrong, I drive people crazy because I'll keep going all the way back to find out why it's wrong. Because I know that I'm on to something. You have to go down to the detail. Why did that happen? And so you go back and back and back. It's really attention to detail, and following up."

His brain rarely stops. "I've always thought 24 hours a day. That means you're always thinking of something. Whenever I go and look at something, I always say: 'How can I do that?' or 'How can I own that?' or 'Do I want to own that?'"

"How many times do you get up at 5am and start work because you've got something in your head. And if you can't sleep, you get up and start unloading it. And it's amazing what you can actually produce. In two hours, I wrote a whole marketing checklist plan for my company. Someone's saying why are you doing that at 4am – because it suddenly hit me."

In the end, it all comes down to time management, he says. "People spend more time talking about an issue when they could have done it in a quarter of the time. The pleasure of Donald Trump is he actually makes decisions. Whether they're right or wrong...when you listen to him you know at the end..."

Hard businessman though he appears to be, he also comes across as someone who avoids confrontations. "I'm in the hotel business, and you have to be able to make people happy. When you meet really confrontational people, that's really difficult to handle. Now and again I blow my stack, and people get so shocked, and I say: 'Well, it's my right to be able to blow my stack'."

He believes people are better to admit it when they've messed up. "You can say: 'Look, I've made a mistake and I can fix it, give me five minutes'. A lot of people try and prove you're wrong – a lot of people think they're right these days, which is a big mistake."

Looking back on his career, he knows one time he was right was when he decided to leave the Kingsgate job in 1990. "We had different styles. I went to Singapore for the annual meeting in January that year, and I could feel the music had finished. So, I said: 'Screw it, I'll fly to Hong Kong for the weekend'." He went and saw his old boss from The Peninsula Group, Peter Gautschi, who had started a company called Swiss-Belhotel International.

"He said he needed a finance guy. I said I could manage that in three weeks each month. I didn't want to live in Hong Kong, I wanted to live in New Zealand, so we agreed I would work three weeks a month as vice president of finance in Hong Kong, then fly home for the last week."

He also said he would work the first three months without pay. He'd given Kingsgate six months' notice, the owner had put his brother into Faull's job there, and so he could do what he liked for that half year. "It's an amazing situation, because nobody can say 'no'. And you've focused on the job, instead of the money."

When he joined, the company had been going three years and making slow progress, with three hotels - one in China, one in Singapore and one in Taiwan. "We grew a little bit - we got into Malaysia, we got into Indonesia in 1991."

Faull made the most of his spare weeks in New Zealand, deciding it was time to do something with the Tikorangi farm. "We had 100 acres, and we bought another 30 acres. I started pumping in all my personal savings, buying more land, making improvements." His plan was

aggressive - he put in another cash injection of \$300,000, and sold off a surplus house and a block of two hectares, and boosted milk production by nearly 20 percent.

He predicted the milk price would lift from a low of \$3.60 a kilogram of milk solids to \$4, given the New Zealand dollar was continuing to depreciate. That could generate as much as \$25,000 and help push the operation into a modest profit. He grew the farm even more from 62 hectares to 102ha and initially increased the herd from 320 to 350.

These days, it runs 1250, not counting heifers and calves. It's super-shed milking building with visitor viewing gallery was opened by prime minister-in-waiting John Key in 2007, and is a tourist attraction. In 2015, it scored the ultimate visitor, Prince Charles, when he and Camilla called on the province during a royal tour of the country.

Faull Farms Limited/Trewhithen Partnership is 85 percent owned by Gavin, with the rest held by his four brothers. None works on the land, as their forebears did down to their father, Wilf Faull, in the 1930s. Until recently, the farm has been operated by sharemilkers Tony and Loie Penwarden, who announced their retirement in late 2016.

In 1990, Faull also became a partner in a small property company, and got involved as a director and minor investor in the Taranaki Country Lodge at Bell Block. That led him indirectly into starting up hotel training schools.

"I got into it quite by accident. I was in Kuala Lumpur at a trade function, and I was in the men's bathroom, standing beside this guy and he turned out to be a senior executive at Taranaki Polytechnic. I told him my great grandfather, Henry, laid the foundation stone of that polytech. I said I would go and see him on my next trip to New Plymouth.

"I'd met a Swiss hotel school owner in Switzerland a few months beforehand, so I came down here and said to the polytech executive we should do a hotel school. They had a cooking school that wasn't really working." About that time, he ran into a old friend, a director of Lion Breweries, who said they had an asset they couldn't sell - the Westown Hotel.

"The polytech bought it, I brought in the Swiss hotel school guy and these two investors from Australia, who eventually became my partners. We brought out the Swiss systems, and the business boomed. But in 12 months it started to feel the strain because of the fast growth. The hotel school was disciplined, so it didn't actually fit the more casual education approach of polytechs.

"I got a call from the Australian investors saying they needed help to expand. I said I had an idea, but this time I wanted to be part of the business. To that stage, I'd done it all for nothing. I said go and have a look at my hotel, the Taranaki Country Lodge at Bell Block. And that's where the school went.

"The hotel school business was good to me. We ended up with five - the one at Bell Block (today the Pacific International Hotel Management School), the best one in the South Pacific in the Blue Mountains in Sydney, and in Canberra, Tianjin outside Beijing, and Zuchon outside Shanghai. We sold four of them to a big American education company." He also sold his share of the Bell Block school.

Meantime, there was the none-too-minor matter of running a hotel management company, where the attempt to merge European and Asian business practices had run into difficulties. "We had Swissotel and Swiss-Belhotel, two brands working together. But it's very hard to merge different philosophies. You think it looks totally similar, but it isn't. The Europeans don't understand Asia.

“Then 1996 came, and the handover of Hong Kong. We’d get two or three hotels, we’d lose two or three hotels, and we’re going in circles. Then the Asian crisis came - 1997, 1998 - and the whole world fell apart. It was devastating.

“In 1999, we were still getting nowhere, and Swissotel came to us and said the partnership was not working. I went to a meeting with our chairman and founder, Peter Gautschi, to close everything down - and I came out of the meeting owning the company with my Hong Kong partner. I brought in my Chinese partner, James Tam, and I said: ‘OK, let’s move into a two-man office, with a secretary, and make this work’. We began with three hotels.”

Today, Swiss-Belhotel International operates 12 categories of hotel, from five-star to economy, with the emphasis on what Faull calls "affordable luxury". There are plans to open two dozen more in the near future - five on Bali, and new ones in Iraq, Oman and Saudi Arabia. Its biggest arena is Indonesia, where it has 70 hotels, and is promoting a new chain of budget properties.

Faull is chairman and president of Swiss-Belhotel International, and has been joined in the enterprise by all three sons, who were recently made executive directors. Matthew is senior vice president – information technology and e-commerce, Edward is group director – technical services, and Oliver is group business development director and assistant group financial controller.

In the past, the company has sold a service to hotels, but now it’s leasing and even owning the bricks and mortar. As Oliver Faull explains: “We have different business models for different deals, including the ownership of management rights and also leases of hotels. For example, we’re the owner of Swiss-Belresort Coronet Peak in Queenstown.”

They recently leased a hotel in Brisbane, and Swiss-Belsuites at Victoria Park in Auckland, which opened on Labour weekend in 2016. This latest move completes a circle – back to the city where Gavin Faull began in the hotel business more than three decades ago. Why return now?

“It’s closer to home. I know the system. And I’m sick of making money for other people, because with just a few percent on revenue, you enjoy no capital growth. So, this is the opportunity I see. You’ve got to be very careful, because it means I have a commitment. For example, the hotel in Auckland cannot afford to be less than 90 percent full.”

The establishment at Victoria Park is a little different from your standard hotel. It’s several storeys of high-end apartments, with a small entrance and office and no bars or restaurants (which abound in the area).

Eventually, they will add breakfast on a tray for those who want to cook it themselves. “I’ve talked to people and they love it. And you order it before you come, and we just put it there. It’s just a simple thing.”

Gavin Faull has no illusions about the challenges. “The hotel business is a tough business. Every day you have to think of a different way of doing something. Things can get too big for you. I’m at an age now where I can’t afford to fall over, because you can’t get up again. In your 30s...no problem.”

Although he thinks his brothers would probably disagree, he doesn’t consider he is as hard in business as he should be. “New Zealanders are not that tough at times, because of our background life. We’re too trusting”

But he has always known the value of application. “I worked with Chinese owners for eight years. I worked seven days a week, 15 to 18 hours a day, and I'd work all day, all night.”

Much of his work has been in Asia, and he has learned the value of adapting to other cultures. “By sheer numbers, they're going to take over the world. The next century is going to be the century of the Asians. They have huge work ethics, and that's why I think I've got on well with them. You can never fully understand them, but you can never fully understand anybody, so what's the difference?”

Will he ever retire to Taranaki, which he still considers home? “Well, what is retirement? I retired many years ago. I'm in the holiday business. I spend all my weekends in hotels...I mean, it's everybody's dream. If retirement is holidays, I'm in the holiday business and I retired 40 years ago.”

He's amazed at the optimism here: “New Plymouth is feeling very positive. The traffic is unbelievable. There's lots of interesting things going on. I see that St Mary's has got some ideas, but you have to think bigger. All they're talking about is a car park on the vicarage site. That's sacrilege. They should put a car park where the hall is across the road and put a tunnel under the road – but get somebody else to do it, get a parking company to do it, put something on the top.

“You can't go out – you've got to be in the city. The whole thing is - which New Plymouth has to be very careful about – you're all coming back to the centre, because that's where the activity is. This business of having a quarter acre section, that's history.

“Also, you can't make money unless something can be used 24 hours a day. So, you mix up commercial and residential. Everybody needs a coffee all day, all night, and then you've got people coming in and coming out. But everything must be mixed use. You can't be a stand-alone. It's got to have commercial, residential, hotel.”

What should Taranaki do to grow its tourism business? “Well, they've already done it well being ranked number two in the world by Lonely Planet. What we need is two or three more big hotels. And I'd love to put in a pod hotel, one of those really small hotels.”

And off he goes...thinking, planning, enthusing.