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Russell Yip / The Chronicle

Chip Conley started Joie de Vivre Hotels with one Tenderloin motel.

## ☪ SUNDAY PROFILE *Chip Conley*

### Hotelier joyfully dares to be himself at work, play

By Julian Guthrie  
CHRONICLE STAFF WRITER

The pictures posted on Facebook were hardly those of a typical CEO: In one, Chip Conley was shirtless in a sarong. In another, he wore only a white tutu.

The images, taken last year at Burning Man, the bacchanal in the Nevada desert, caused a stir at his company, and soul-searching by Conley. In the end, Conley said the pictures — called “a cause for concern” by his human resources director — would stay up.

“The photos show me celebrating life, without drugs, and not in any

sort of perverted way,” said Conley, founder and chief executive of Joie de Vivre Hotels. “I thought, I’m the guy who wrote a book called ‘The Rebel Rules: Daring to Be Yourself in Business,’ and I have a company about the joy of life. I concluded I would rather be a role model as myself than as someone I’m not. I’m not a starch-suit kind of guy.”

Conley is not one to compartmentalize his life. He is a vocal supporter of gay rights and gay entrepreneurs. A believer in meditation. A romantic still seeking his soul mate. An author of three business-psychology books. And the guy who started with one

*Conley continues on A10*

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## FROM THE COVER

# Rewired for good life

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pay-by-the-hour motel in the Tenderloin and built a company that is now the largest boutique hotelier in California, with 33 hotels, 19 restaurants, five spas, 3,500 employees and projected revenue this year of \$240 million.

At 49, Conley is focused on his legacy — and not content with what he’s accomplished.

“I have a classic nightmare,” Conley said. “I’m naked. I’m unprepared for death.”

He added, “I’ve lived through two once-in-a-lifetime economic downturns. Failure has nipped at my heels for a lot of my life. I’ve gone from being looked at as a genius to an idiot. I know that the legacy I want to leave is deeper than creating an interesting company and interesting hotels. I want to provoke a rethinking of how we do business and how we rewire our brains and hearts to have a good life.”

In just over two decades, Conley has created a company known for hotels that are a mix of quirky and original and a culture that is employee-centered. JDV, which owns 14 of the 33 hotels it manages, boasts an array of properties, from the Ventana Inn in Big Sur to Hotel Vitale on the Embarcadero and Hotel Tomo in Japantown.

He has overseen every detail, from the selection of books for guest rooms to negotiating complex multimillion-dollar deals. He knows his hotel maids by first name, and they wave and greet him as “Mr. Chip.” When he’s visiting one of his hotels, he can’t help but stop to rearrange a slightly crooked rug, or pick a tiny piece of paper off the floor.

Virgin Group founder and Chairman Richard Branson, who wrote the forward to “Rebel Rules,” lauds Conley for connecting with the heart of his employees, and making them entrepreneurs themselves. “I

love the Joie de Vivre heart icon that Chip uses (with the company logo) to illustrate how a passionate corporate culture breeds happy employees, which leads to satisfied customers, which results in a profitable and sustainable business.”

Conley is at a point in his life where he wants to simplify: to retreat to the writer’s cottage he is building behind his San Francisco home, to transform himself into a professional “thought leader.”

“No one is going to say I’ve been lazy or had a slacker life,” said Conley, who was one of two CEOs (Bill Gates was the other) invited to speak at this year’s TED conference, the annual gathering of the world’s intellectual elite in technology, entertainment and design. “But I don’t want to accelerate the treadmill. I’ve been doing that for a long time. I’d like to have JDV less connected to my nervous system.”

#### Pritzker invests in firm

Conley took a big step in that direction last month, when it was announced that Pritzker family scion John Pritzker had bought a majority stake in his company and had committed \$150 million to expand JDV hotels nationally.

“We heard that Chip might want to find a partner, and knew he was talking to a lot of people, so we jumped in,” said Pritzker, who lives in San Francisco and is the son of Hyatt founder Jay Pritzker. “God help me if it doesn’t prove to be a marriage made in heaven. Chip wants to do what he’s good at, which is about creativity and relationships. We were looking for a platform that would allow us to take our concepts out nationally.”

Pritzker added, “It’s an iconic brand with an iconic leader, and we couldn’t be more thrilled. We want to take JDV to New York, Miami and Wash-

ington and some of the places they aren’t in now. We’d like to double the size of the company in three years.”

Pritzker will serve as JDV’s chairman and Conley will for now remain CEO.

“The deal is a combination of what’s best for JDV and what’s best for Chip,” Conley said. “John is a role model and a wonderful man. And this allows me to spend more time on the writing and speaking part of my life.”

Sitting in the living room of his home in San Francisco’s Potrero Hill neighborhood, Conley talked of his path from introverted little kid who surrounded himself with imaginary friends to being the “big man on campus” — student body president, valedictorian, captain of the water polo team — at his “ghetto high school” in Long Beach (which graduated Snoop Dogg and Cameron Diaz), to graduating from Stanford only to have a faulty start in business.

“Out of Stanford, I was a hotshot ambitious guy,” Conley chuckled. “I went to work in San Francisco doing commercial real estate and didn’t love it. I started writing a screenplay. Then I took off to Esalen to become a massage therapist.”

But at age 26, he found his calling. A seedy “no-tell hotel,” where the best clients were “Guido and his girls,” was for sale, and Conley had a vision.

“The vision was parties,” Conley laughed. “I had been rush chairman of my fraternity (Phi Delta Theta) at Stanford. I walked into the courtyard at the Caravan Lodge and thought this is a great place to throw a party. I had no idea how to run a hotel, but I did know how to throw a party.”

His concept was to turn the lodge into a rock ‘n’ roll destination.

“It opened in 1987, and immediately started to get some of the band business, but the day



Russell Yip / The Chronicle

Chip Conley, founder and CEO of Joie de Vivre Hotels, is an author who encourages a rethinking of how business is done.

we made it was about a year after it opened,” Conley said. “Linda Ronstadt rented the whole place for a week. From then on, we started getting a lot of celebrities in music and film.” It is also the site of JDV’s annual “Celebrity Pool Toss,” which has raised more than \$4 million for kids in the Tenderloin.

#### Father and son

One of his early backers was his father, Steve Conley.

“I said yes to investing in that first hotel because I believed in Chip,” said Steve Conley. “He and I had our disagreements, major ones. I wanted the hotel to be named Magnolia Court. I wondered why he’d name it the Phoenix. But, I’ve come to see that Chip is as creative as anyone I’ve ever met. He’s a visionary who sees things others don’t.”

Steve Conley says his son and namesake — Chip is a nick-

name, Stephen Townsend Conley Jr. his real name — always had an entrepreneurial spirit.

“I would say there was always a little bit of the Phoenix thing in him. As a kid he would draw up these detailed architectural plans. He would go to Disneyland or one of these places, and he’d come back and say, ‘This could’ve been better had it been done that way.’”

The one thing that wasn’t consistent with the son Conley knew was that he was gay. Chip Conley came out to his family when he was 22.

“I had been a captain in the Marines, and this world was something I didn’t know, and didn’t respect,” Steve Conley said. “Frankly, it took me three years to get over it. Now I’d say we have a relationship that goes way beyond father and son and is very close to best friends. I’m more of an open thinker today. Chip has made me a better

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man.”

As for where his son's career goes from here, Conley said, “At one time I thought he might get involved in politics. He had some people talking to him about the mayor's office in San Francisco. But he's cooled on that. I think whatever he does, it will be leading-edge kind of thinking. It will create a paradigm that doesn't exist now.”

For nearly a decade, as JDV weathered major upturns and dramatic downturns, Conley has actively studied meditation. He works with an 82-year-old

woman named Salliji (she goes by first name only), who has taught meditation for 40 years in 25 countries.

### **Self-actualizing man**

“Chip has the will to self-actualization,” said Salliji, who lives in San Francisco. “He has built a foundation that allows him to cope with all kinds of stress. He is a hardworking man and passionate in everything he does. He also fits into how I define success: that if you fall, you bounce back higher. That is success. That is Chip.”

Conley is now hard at work on his fourth book, to be called

“Emotional Equations,” due out in late 2011. His other books are “Peak: How Great Companies Get Their Mojo From Maslow” and “Marketing That Matters: 10 Practices to Profit Your Business and Change the World.”

The new book is a departure, in that it is less geared for the business community.

“When we were kids, we were taught to finger-paint,” Conley said. “We were taught there were primary colors and secondary colors, and if you mix red and blue, you get purple. So my book looks at primary and secondary emotions and

how you can mix your emotions in a way that is healthy and makes you happier.”

As Conley evaluates his own life, he knows happiness came in the breaks in his schedule.

### **Returning to Burning Man**

“The happiest times have been the three hours I have while traveling to stroll through a town or hang out in a cafe. Or, going into a weekend with nothing planned. I love that. Inspiration comes to me in the crevices.”

For his 50th birthday, Conley plans to return to Burning Man. For the celebration, he

will build a pyramid city, to be named “Maslow's pyramid,” after his intellectual mentor, 20th century psychologist Abraham Maslow, who created a hierarchy of needs pyramid.

“We'll be creating our own little city and offering massage therapists and yoga teachers and art teachers and workshops,” Conley said.

Asked whether the sarong or white tutu will be resurrected, he flashed a mischievous look and said, “No way. I'm wearing my birthday suit!”

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