



IF I KNEW THEN...

In this ongoing series, we ask executives, entrepreneurs and business leaders about mistakes that have shaped their business philosophy.

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Background:

[Palm Holdings](#), which owns the Inn at Calypso Cay in Kissimmee, specializes in property acquisition, hotel construction and management, and business services.

The Mistake:

Our biggest mistake was taking expansion for granted. As a company, we've expanded in many areas. We expanded into a retirement home platform at one point. We expanded from North America and the U.K. into India.

Expanding without doing our research – into India in particular, into third-world markets and ... into our quick-service business of restaurants – was a very poor decision. We didn't do our due diligence.

We were just winning with everything we touched so we decided to touch more things. We were overly confident. We just believed that whatever we do we can make it work. And this is over a period of two generations.

We got into [what] we thought was diversification, but that ended up being more of a distraction. What was wrong was our approach: that we could turn it around when we truly had absolutely no clue what we were doing.

Like the old saying, we ended up spending 90 percent of our time working for the bottom 10 percent of our business. And those smaller businesses ended up taking more time because they were distractions. And that was the fatal mistake because we could have used that capital and that time to grow our hotel portfolio.



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**The Lesson:**

Only in the last four years have we begun to truly focus. Today we specialize in hotels from a



service management or expanding into a different country. We said, "If we're going to accept distractions, let's make them distractions that can benefit our bottom line."

We were always renovating hotels. So let's take that [the construction division] and improve that and make that a division that can own that business. What makes us excited is going into what I would call depressed or tired hotels, gutting them, and then improving them and branding them – bringing our culture and feel to these hotels.

These days, we're vertically integrated with three divisions. One is hotel management, which operates the hotels. One is hotel equity, which owns them. And we've got a construction division. So now when we look at opportunities, we want to utilize all three divisions.

And that stops you from going into all these other, different businesses. We can actually see a better organization as a whole.

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Pictured: Anil Taneja. / Photo courtesy of Anil Taneja.

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