

# Making room(s) to grow

Larry Blumberg's homegrown hotel corporation takes his family's legacy to new heights

Story by Amanda Arnold | Dothan Magazine

The journey leading to the success of Larry Blumberg & Associates, a multi-million dollar real estate development and hotel management company located in Dothan, began back in 1970. Raised in his family's retail business, Larry Blumberg began to see a different future for himself. He was not inclined to one day join a committee of family owners managing downtown Dothan's iconic Blumberg's Department Store as it floundered during changing times. The department store closed six years later, but by then Larry Blumberg had already opened his first hotel – The Sheraton Inn (as it was known back then, before becoming the Holiday Inn South and now the Clarion Inn & Suites).

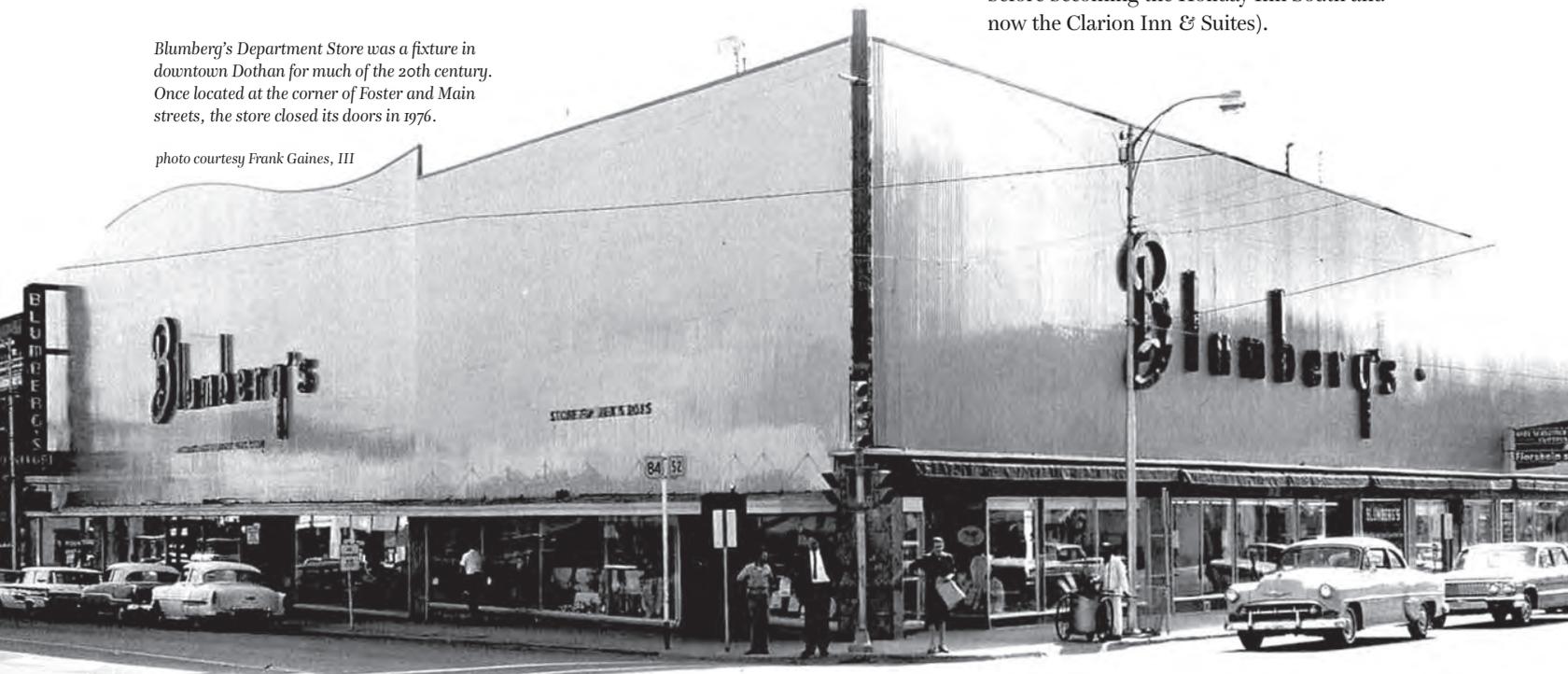


photo by Nick Stokelum

Barry Kraselsky, Larry Blumberg and Beau Benton of Larry Blumberg & Associates, a Dothan corporation which owns 65 hotels across the Southeast.

Blumberg's Department Store was a fixture in downtown Dothan for much of the 20th century. Once located at the corner of Foster and Main streets, the store closed its doors in 1976.

photo courtesy Frank Gaines, III



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Lithuanian immigrant Hyman Blumberg founded the family store in 1892, and in its final years Larry's family labored to keep its proud past alive. His vision and determination, however, motivated his struggle to launch a future in the hospitality industry despite having no hotel experience. "I do



believe in divine intervention," Blumberg says now.

Forty years ago, he awoke one day with the sudden idea that he reach out to Aaron Aronov. Aronov was a dynamic, highly-successful shopping center developer in Montgomery. Larry knew him as the father of a fellow University of Alabama graduate. When the elder Aronov agreed to be his business partner, "it was a tremendous coup," says Blumberg, "creating greater credibility for a young inexperienced person." Despite a recession, price controls, and severely reduced travel due to OPEC's record-high oil prices,

Dothan's Sheraton Inn survived its first year.

"For ten years, I was very hands-on in the operation of the hotel," Blumberg recalls, "especially at first. I did a little bit of everything, learning by trial and error on the fly." Back then, no franchise templates existed for training managers and their employees.

In 1983, Blumberg opened his second hotel—a Holiday Inn in Crestview, Florida. The same year, he asked lifelong Dothan friend Barry Kraselsky to join his company to develop additional business opportunities. It was perfect timing for Kraselsky, eager for greater professional fulfillment after years of self-described "frustration" managing his family's downtown shoe store. Kraselsky was mentored in his new career by the Crestview hotel's general manager, Ken Parker. "[He was] a very special guy, the most unconventional manager you've ever seen, but who could get anything done."

Several more hotel ventures emerged through Aronov, whom Kraselsky describes as an "astute businessman, remarkable person, and tough taskmaster." But LBA's major turning point came with its foray into franchising with Marriott. After a grueling qualifying



process and "going to school" to learn the Marriott way, Dothan's Fairfield Inn opened in 1993 on a parcel of Blumberg family land. The Courtyard by Marriott soon followed.

Company president Kraselsky recalls that on a plane ride returning from an early Marriott meeting, Blumberg "saw us as a company of 50 hotels someday. I thought it would be overwhelming if we got to 5 or 10."

LBA now manages 65 hotels throughout the Southeast, with more on the drawing board. Currently, these employ approximately 1,800 associates with a total payroll in excess of \$26 million. \$2.8 million of that flows through LBA's six Dothan properties (see box on opposite page).

Yet the wealth that LBA brings to the Wiregrass isn't just financial.

From day one, Chairman and CEO Larry Blumberg brought his family culture of "tikkun olam" (a Hebrew phrase that means "repairing the world") into the business. In 2005, he launched a program called LBA C.A.R.E.S. (Caring Associates Ready & Empowered to Serve) to expand the company's social and community contributions. As

part of the initiative, LBA makes a considerable donation to the local Habitat for Humanity in every city where they build a hotel. Now included among the many Dothan beneficiaries of LBA's corporate citizenship are the Wiregrass Area United Way Food Bank, the Child Advocacy Center, The Downtown Group, the Cultural Arts Center, the Wiregrass Museum of Art, Landmark Park, and the Dothan Area Chamber of Commerce. Outside our region, recipients have included the American Red Cross and its Haiti Earthquake Fund.

LBA is the proud recipient of Marriott's Spirit to Serve Award for Community Service. Kraselsky says, "Of all the awards we've received, this one means the most."

Blumberg says, "The bedrock of our success is our associates, as well as a unique humanistic corporate culture of caring and concern for all. Having been in the retail business, both Barry and I came from trying to please the customer, which we sought to export to the hospitality industry. The key now as we continue to expand is to keep that flame alive. We know that if our associates are treated well, then our guests will be treated well."

LBA's chief operating officer Beau Benton credits the company's success to "Larry's extraordinary vision—challenging us to look forward to the big picture, Barry's great operating mind—challenging us to make sure we're doing our best each day, and the culture of ethics here that even when it may not be the most economical way, we're asking and finding what is the right way to do the right thing." 

## LBA C.A.R.E.S.

*Caring Associates Ready & Empowered to Serve*

*In 2005, Larry Blumberg began the LBA C.A.R.E.S. program, an initiative which makes a sizable donation to Habitat for Humanity in every community in which LBA Properties owns a hotel.*

