

Trades Resort Profile



What color is success? Think Bluegreen!

by Sharon B. Drechsler

John M. Maloney, Jr., President and Chief Executive Officer of Bluegreen Corporation, is dreaming in technicolor these days. "We're very pleased with our 2007 results," he says. "We experienced double digit top and bottom line growth despite challenging market conditions. We opened new sales outlets, increased same store business, went deeper into current markets, established new marketing relationships and extended our Bass Pro® relationship for another seven years."

In 2006, Bluegreen Resorts delivered nearly 300,000 unique vacation experiences to more than 185,000 owners. Add to that, the double digit top and bottom line growth in 2007, and it's easy to see why Maloney's excited these days.

This kind of success doesn't just come 'out of the blue.' Bluegreen's strategy is focused on building on an already strong foundation of customers, products and people.

Maloney, who directed Bluegreen Resorts beginning in 2001 and took over the reigns of the corporation in 2007, is doing just that. He leads a powerhouse of talent whose skills are well-recognized within the vacation ownership industry. One who has been highly visible on the scene for the last 27 years is David L. Pontius, Senior Vice President and President, Bluegreen Resorts. Pontius displayed an innate and multi-faceted acuity

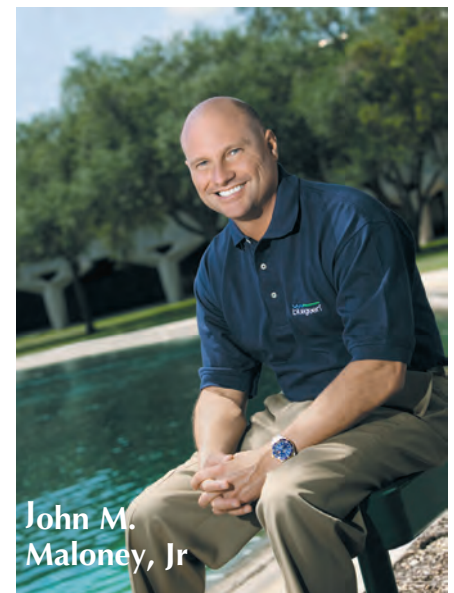
for customer service, sales, marketing, product development and finance while working most recently for Wyndham Vacation Ownership, Inc. and its sister company RCI Global Vacation Network (RCI), prior to joining Bluegreen Resorts last year. Since coming onboard, he has been the driving force behind the team's focus on greater employee and customer engagement and satisfaction.

Another highly visible member of the team is David A. Bidgood, Senior Vice President and Executive Vice President of Sales and Marketing, Bluegreen Resorts. Based in Indianapolis and managing over 4,000 sales and marketing professionals, 29 sales operations and 15 marketing regions, Bidgood puts his 30 years of vacation ownership experience to good use. Maloney says of him, "David has managed virtually every aspect of our vacation ownership sales and

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John M. Maloney, Jr.

marketing operations, and under his leadership, Bluegreen Resorts has enjoyed consistent growth.”

The organization’s pool of talent is rich, indeed, with well-qualified and highly credentialed professionals who labor behind the scenes. Among the officers of the company are Senior Vice President and Chief Financial Officer and Treasurer Anthony M. Puleo, who came from Ernst & Young, LLP in 1997, and Raymond S. Lopez, Vice President and Chief Accounting Officer who joined the company in 2004 from Office Depot, Inc. Also joining Bluegreen in 2004 was Sheila B. Donahoe, Senior Vice President and Chief Information Officer, whose background included senior IT positions at Martha Stewart Living Omnimedia, Inc., the North American Rental Group of AutoNation, Inc. and Blockbuster Entertainment. Senior Vice President, Mortgage Operations and Assistant Treasurer Allan J. Herz has played a material role completing numerous receivable financings and term securitization transactions since joining the company in 1992 and oversees a team which services almost \$800 million in notes receivable. Other officers include Senior Vice President, Owner Relations, Lani M. Liber, who was a Director at Sunterra Corporation prior to joining the company in 2000; James R. Martin, Senior Vice President, General Counsel and Clerk, who was at one time the Assistant Attorney General for the State of Colorado and Senior Vice President, Chief Human Resources Officer Susan J. Saturday, who came to Bluegreen from General Electric and just celebrated her 20-year anniversary with the company.

The company, originally called Patten Corporation, was founded as a land sales company in 1966 by Harry Patten. George F. Donovan joined the team in 1991 and served as its President and Chief Executive Officer from 1993 to 2006. In 1994, Donovan repositioned Bluegreen for long-term growth by streamlining the company’s land development business and expanding into the vacation ownership and golf industries. The company officially changed its name to Bluegreen, NYSE ticker symbol: BXG, in 1996.

Headquartered in Boca Raton, Florida, the formidable Bluegreen ResortsSM team, along with the corporation’s

Bluegreen Communities® division, is comprised of approximately 6,000 associates. Bluegreen Resorts sales account for over 70 percent of the company’s revenue. The community development division, Bluegreen Communities, develops, markets and sells home sites in planned residential and golf communities predominately in the southeastern and southwestern United States.

Bluegreen Resorts’ product is a flexible, real estate-based vacation ownership plan with access to over 40 resorts and an exchange network of over 3,700 resorts and other leisure products such as cruises and hotel stays.

Expanding alliances and improving efficiencies

In 2005 Bluegreen® ranked No. 57 on Forbes’ list of the “200 Best Small Companies” and No. 48 on *Fortune’s* list of “America’s 100 Fastest Growing Companies.” At the 2006 American Business “Stevie” Awards, Bluegreen was named Best Overall Company and won the Selling Power Sales Excellence Award for “Best Timeshare Sales Organization” in 2007. The company also received the prestigious 2007 Circle of Excellence Philanthropic Award from ARDA. Locally, Bluegreen has been named a Best Places to Work finalist for the past four years by the *South Florida Business Journal*.

So, how does the company continue to rack up this recognition and achieve such phenomenal growth? Leadership came up with some answers:

- We have become better and more efficient over time with our Bass Pro® alliance. We truly respect their brand. Our mini-vacation packages are turning into tours. We are developing talent to sell the right product to the right person to satisfy their specific needs. We’re proactive. We apply the



information we get from the point of purchase sale to activation.

- We have a big presence in Myrtle Beach, Orlando, Branson and Tennessee. We have expanded our presence in these locations and focused on off-season bookings.
- We’ve increased our sales to current customers. Through Q3 2007, the percentage of Resorts sales to existing owners as a percentage of total sales was approximately 40 percent.
- We’re operating at near record lows for defaults.
- We’re providing service and good vacation experiences onsite and delivering the dream.
- We’re getting the right people with which to grow our business. We’re developing them through our Bluegreen Institute grouping of colleges in a university environment. We have established extensive formal sales training, technical training and leadership training.

This is an organization not lacking in enthusiasm! When asked what is distinctive about working at Bluegreen, words like “communications, ethics, creativity and people” frequently surface.

A focus on the customer

Unquestionably, this is a company with a heart; an interest in and dedication to people is at the base of its every direction. Bluegreen’s stated mission is to provide individuals and families with an opportunity to improve their lives with our superior leisure and lifestyle products and services. Perhaps this focus on creating lasting memories and winning customer loyalty in perpetuity, more than any other, accounts for their success.



Dave Pontius is impassioned when it comes to the company's focus on customer service. "The customer is critical and a major reason I joined Bluegreen," says Pontius. "They care about the customer like no other company out there. They get it."

This caring attitude extends to the wider community. Bluegreen advocates volunteerism at all levels. Executives, senior management and associates throughout the United States and in Aruba actively belong to various industry organizations and give back to the communities in which they serve. Many organizations have been among the beneficiaries of Bluegreen's currency and sweat-equity commitment to make the world a better place.

It's not surprising to see that Bluegreen is one industry family that espouses a philosophy William Clay Ford Jr., chairman of Ford Motor Company and great-grandson of founder Henry Ford, has articulated best: "A good company delivers excellent products and services. A great company does all that and strives to make the world a better place."

In addition, the company's loyalty to the human element extends to the development and nurturing of its associates within a framework of fiscal conservatism and an ethical culture appear to inspire greater performance

from every level. The management team meets frequently and each member brings something different to the table – each one feeding off of one another's strengths – while striving for the same common goal. They have developed a synergy whereby they challenge one another to greater creativity and to reach for consistent and constant success. Meanwhile, it's evident that they're all having a blast.

And they're intent on sharing their vision and excitement with customers, alliance partners and associates alike. The evidence is clear in the many ways in which they greet, meet with and survey their owners/members and associates. An example is seen in the expenditure of focus, time and resources to accelerate and develop talent through Bluegreen Institute, a virtual university.

There is an emphasis placed upon developing and promoting talent from within the organization, which is amplified by a series of rewards and recognition programs. For example, resorts management associates regularly go through an extensive service training program – called Quality Express - that asks them to commit to certain principles relating to guest requests, urgency, empowerment, etiquette, relationship building, first impressions, hospitality, courtesy, teamwork and observation. But it isn't a stodgy

corporate mandate. Bluegreen's internal motto is: "Have fun delivering fun."

New directions, building alliances

The company's expansion plans include a purpose-built, seven-story, 240-unit resort on the Strip in Las Vegas, Bluegreen Club 36™. Bluegreen intends to enhance its presence in the west with a direct trading relationship with Shell Vacations Club. Through a number of acquired properties, as well as purpose-built facilities, Bluegreen is in the process of expanding its footprint with several new projects. The company is also offering experiential vacations, such as camping out – glamour-style – in yurts, 'roughing it' in high-end RV parks or stretching the boundaries on a Preferred Adventure Trip. And through all this, in keeping with its commitment to caring for people, Bluegreen is putting its resorts in Florida through a Green Lodging Certification program to encourage environmentally sound practices. Other resorts are expected to undergo similar certification programs.

One of Bluegreen's winning strategies is the establishment of strategic alliances. The company established one of the timeshare industry's first national retail alliances in 2000 by entering into an exclusive marketing agreement with Bass Pro Shops®, Inc., a privately held retailer of fishing, marine, hunting, camping and sports gear.

This agreement allows the company to market Bluegreen vacation products at each Bass Pro national retail location, in Bass Pro catalogs and on the Bass Pro web site. Bluegreen also entered into a joint venture agreement with Big Cedar, LLC to develop, market and sell the Bluegreen Wilderness Club™ at Big Cedar®.

In 2002 Bluegreen forged agreements with Boyne USA Resorts, the largest privately owned four-season resort company in North America. Bluegreen obtained the right to market its vacation products at two of their resorts, as well as acquiring land on which to build, as well as certain vacation ownership interests, that enabled the company to develop its Mountain Run at Boyne™ resort.

Also in 2002, Bluegreen acquired the assets of TakeMeOnVacation®, LLC, a company that generates qualified industry leads using permission-based marketing. The company and its software systems were integrated into Great Vacation Destinations™, Inc., Bluegreen's wholly owned subsidiary that focuses on permission-based lead generation and direct marketing of vacation products under both their own name and under the TakeMeOnVacation brand.

Bluegreen Corporation created several additional marketing alliances in 2006

to improve lead generation and enhance its permission-based marketing efforts. The company formed alliances with Paramount Parks, recently acquired by Cedar Fair Entertainment Company, and Six Flags®, Inc. to further increase permission marketing endeavors through the use of kiosks and off-premises contact centers in theme parks. Other alliance initiatives are being pursued as well.

A bright future

So, what's next for this dynamic company? Having built such a thriving, successful enterprise, their reply is predictable: Continue to show growth; improve efficiencies; focus on "same-store" growth; look for new markets and increase the distribution points for customer expansion and satisfaction. There is a prevailing, creative and vibrant enthusiasm throughout Bluegreen's ranks; an attitude of "expect the unexpected." They recognize that the absence of a brand liberates them so they can "deliver to customer expectations, rather than the other way around."

While they are cautious about current market and credit conditions, Bluegreen is, overall, enthusiastic about its future: "We do expect to see continued demand for vacation ownership," they say. "We believe vacations are becoming viewed more as a wellness initiative, and when they are paid for in

advance as is the case with vacation ownership, they are more likely to be used and enjoyed."

Contributing Editor for Resort Trades
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**Reprint
from
March '08
Resort
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