

# The PM Newsletter

## The Hyatt Blueprint: Building a 100-Year Business Empire

What separates a 5yo business to a business planned to reign for 100+ years?

As a business owner, you likely have a 5-year plan to guide your company's growth. But here's the real question: what separates the businesses that just survive for five years from those that endure for decades—50 years, 100 years, or more? The key lies in how you expand, not just how you grow.

Vertical growth—expanding within the same niche—may seem like the easiest path, but it's often a short-term solution until you hit the cap. To truly sustain and thrive over the long haul, businesses plan to scale horizontally, diversifying and innovating in ways that open up new markets and opportunities.

Let's dive into the story of Hyatt, a brand that has mastered this very strategy, and how you, as a startup owner or business leader, can apply similar principles to your own expansion journey to ensure that your business doesn't just last, but thrives—for the long term.

### Hyatt's Growth Story: Going Beyond Vertical

Hyatt started with a clear focus on hospitality, but it didn't stop there. Over the years, Hyatt expanded horizontally, adding different collections to cater to diverse customer needs. They introduced brands under the Timeless Collection, such as Park Hyatt and Hyatt Place, targeting both luxury and more accessible markets. They also expanded into new segments with the Boundless Collection, which includes brands like Andaz and Dream Hotels.

By 2024, Hyatt continues to thrive by diversifying its offerings, with an expansive pipeline of 127,000 rooms in development, covering a variety of markets.

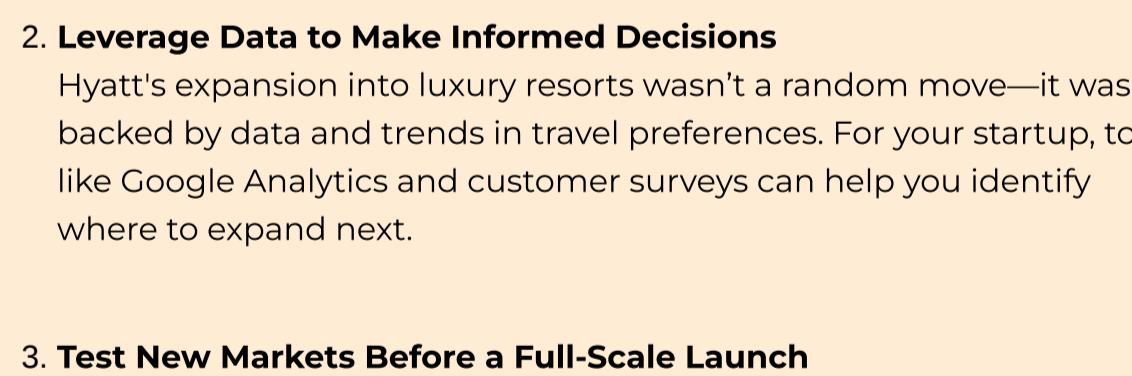
In fact, Hyatt has doubled its luxury offerings and tripled its resort properties since 2017. This is a direct reflection of the brand's understanding that growth isn't just about owning more hotels but about strategically diversifying into various categories to serve different customer needs and preferences.



### Why Horizontal Growth Works

It's often said that brands reach a ceiling in their original category. Once you've tapped out a market or niche, you saturate your growth by doing more of the same. By branching out, brands like Hyatt offer customers more choices while opening up new revenue streams. The same applies to startups—often, the initial success in one niche doesn't automatically guarantee continuous growth unless the brand expands its offerings. According to data from **McKinsey & Company**, companies that diversify successfully see higher long-term profitability than those that don't. Horizontal diversification provides multiple benefits, including:

- **Reduced risk:** Spreading your presence across industries helps weather downturns in any single market.
- **Increased brand loyalty:** A broader portfolio increases the chances of retaining customers through varied touchpoints.
- **Stronger market positioning:** Offering a range of products or services elevates your presence in competitive markets.



### 5 Tips for Businesses to Expand Horizontally

#### 1. Understand Customer Needs Beyond Your Niche

Before expanding, make sure you truly understand your existing customers' pain points. Hyatt, for example, grew by introducing extended-stay options like Hyatt Studios, which filled a gap in the market for longer stays.

#### 2. Leverage Data to Make Informed Decisions

Hyatt's expansion into luxury resorts wasn't a random move—it was backed by data and trends in travel preferences. For your startup, tools like Google Analytics and customer surveys can help you identify where to expand next.

#### 3. Test New Markets Before a Full-Scale Launch

Just as Hyatt expanded into secondary and suburban markets with Hyatt Studios, test new ideas or products in a limited scope before fully committing. This helps mitigate risks and allows for feedback-based improvements.

#### 4. Stay Agile and Adapt to Market Shifts

The market is always evolving, and being able to pivot quickly is critical. Hyatt's diversification is a great example of how the brand adjusts to shifting customer needs and market conditions.

#### 5. Focus on Building Strong Partnerships

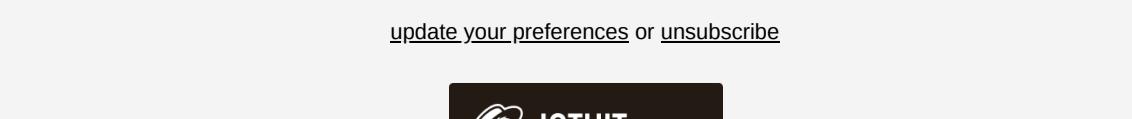
Hyatt's rapid growth in new markets wouldn't have been possible without partnerships with developers. Startups can scale faster by identifying the right partners for their business expansion—whether in logistics, marketing, or product development.

As Hyatt's story shows, growth isn't just about doing more of what you already do well. It's about anticipating where your customers want to go next, focussing on complimentary services and strategically positioning your brand to serve them across various categories.

As Peter Drucker once said, "**The business that doesn't innovate, dies.**" Whenever you're ready to make the next move inside your business, we're here to help. [Let's talk!](#)

Until next time,

[Pramod Maloo](#)  
Founder, Kreative Machinez



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Kreative Machinez - Stesalt Tower - Sector V, Sector 5 - Bidhan Nagar, West Bengal 700091 - India

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