



## Reprint from Lodging Hospitality

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### Don't Build; Make Better

**In this second of a three-part series, hotel consultant Drew Dimond shows how to create the right environment for the successful turnaround of an existing property.**

As I observed in my last column (May 1, page 40), upticks are being reported in key economic indicators, and it appears as if the dormant business travel sector may come out of hibernation in 2004. Leisure travel, we're told, will continue to flourish as Americans opt for more frequent, albeit shorter vacations and holidays. And the slide of the dollar will transform the U.S into a travel bargain—if people can easily get here, that is.

Perhaps it's time to put new development on hold and concentrate on "samestore" sales.

#### **OPERATING MORE PROFITABLY**

A turnaround program simply cannot be packaged at the "home office" and then forced upon others to implement. Those responsible for executing the plan must be involved from its inception. Moreover, the stakeholders at the property level must also have a deep-seated sense of "ownership" in the program. With a personal role in the process comes a personal stake in the outcome: INVOLVEMENT = COMMITMENT.

#### **WHO'S INVOLVED?**

Until all the players responsible for a turnaround are involved, improvements in service and product quality will not happen. Improvements in operations, service, physical plant and marketing absolutely depend upon having first-hand knowledge of the selection criteria of potential hotel guests.

Department heads and supervisors of the Rooms, Food and Beverage, Sales and Marketing, Housekeeping and Maintenance departments—and in larger hotels, Transportation, Spa, Golf and Tennis—must all be involved. And the crucial time for enlisting their involvement is at the very beginning.

#### **THE OPENING SESSION**

The first time the turnaround team meets, it must be made clear that everyone is now embarking upon a serious and long-term program. It's not a quickfix. The enterprise will culminate with an on-going, often changing strategic business plan that features a number of components: a marketing plan, a financial plan, a capital improvement plan, a set of measurable goals and objectives for every team member and a defined procedure for routinely monitoring the

turnaround's progress and milestones. Much like an NFL playbook, it will change as competition and conditions change.

## HOW TO GET STARTED

A serious turnaround program cannot be devised like an annual budget, marketing plan or staff report. It has to be dynamic and exciting, then launched with an invigorating sense of urgency. One technique involves setting aside a "war room," which is reserved exclusively for planning and executing turnaround activities for the extent of the campaign. I've found that a guestroom stripped of its furnishings works as well as a defined conference room.

If the hotel can afford it, an outside facilitator should be engaged to begin the process. This helps all team members define their roles and goals in the most constructive, least intimidating and best organized fashion. Eventually, though, leadership must fall to the hands of the general manager.

## DON'T EXPECT IMMEDIATE BUY-IN

Those in attendance will have to play key roles in putting together such a turnaround plan or playbook; and they, along with their individual department employees, will have responsibility for implementing it. This doesn't necessarily mean, however, that everyone will buy into the project to the same initial degree.

When certain staff members don't appear to have caught the enthusiasm or seriousness of the program, it's tempting to proceed alone and give top-down direction in a dictatorial manner. After all, everyone with any stripes in this industry has been through plenty of previous attempts to initiate improvements. This skepticism must be challenged and new ways discovered to get rid of that "here we go again" attitude.

## EXAMINING ROLES

A hotel's facilities, operational departments, marketing efforts and service staff aren't the only facets of a turnaround program that need to be critiqued in a realistic and hard-nosed fashion. Almost everyone will perceive that they are working hard and doing the best they can under the circumstances. Just the same, every staff member must be required to examine his or her role and job description. Imagine the shock when staff members are asked why they are on the payroll and whether their positions should be funded for another year. But that's what it takes. A review should begin with each staff member, including the GM, reducing to writing his or her answers to tough questions like these:

- "I should be doing more of \_\_\_\_\_.
- "I should be doing less of \_\_\_\_\_.
- "My job would make more sense if \_\_\_\_\_.
- "A synopsis of my job description (in 25 words or less) is: \_\_\_\_\_.

In the privacy of homes or offices, staff members should write out what they worry most about. What keeps them awake at night? What could go wrong in their individual departments when they are absent or on vacation?

When these insights are discussed in a subsequent open forum, many similar issues and concerns—voiced by disparate people—will surface. They can be captured, discussed and perhaps resolved through similar, if not identical solutions.

It's fascinating the way many so-called insurmountable difficulties can be overcome quickly by creating constructive opportunities for one department to become aware of another department's problem.

A serious turnaround program must be staged correctly. It must not be perceived as another "here we go again" meeting. The tone with which the program is launched; designating a space (war room) devoted exclusively to this effort; an emphasis upon new, long-term ways of doing business rather than on quick-fix band-aids—all of these elements must be handled correctly and convincingly from the very start if a turnaround is to gain any traction.

My concluding article will detail how such a program is conducted, and in what sequential order.

**Drew Dimond** is chairman of the International Society of Hospitality Consultants and CEO of The Dimond Companies, a hospitality consulting firm that provides advisory services nationwide. Ken Blanchard, co-author of the One Minute Manager has dubbed him the "one minute hotel turnaround manager". For more information, go to [www.dimondconsultinggroup.com](http://www.dimondconsultinggroup.com)