



Delivering Strategy and High Impact in Hotel Property Improvement Plans

PIPs Are Essential To Maintaining Quality, Profitability, Competitiveness of a Hotel

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As the hospitality industry continues to evolve in both the competitive environment and the guest value proposition, it is ever more important for hotels to adapt and innovate their offerings.

When it comes to maintaining, or indeed improving, the quality of a hotel property, periodic inspections of the asset are essential.

Besides regular quality inspections, often mandated by branded operators and primarily aimed at maintaining the guest experience, a property improvement plan, more commonly referred to as a PIP, is a vital part of the industry. PIPs can help hotel owners and operators identify areas of improvement and guide the implementation of changes to enhance the guest experience.

In this column, we will examine the typical situations that result in the commissioning of a PIP, the methodology involved in conducting the inspection visits, along with helpful advice on how to do so successfully, the difficulties associated with putting them into practice, and finally the advantages of making a PIP investment.





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Reasons for a PIP

The most common scenarios for implementing a PIP for a hotel property are when it becomes the subject of rebranding, reflagging or renovation, which may occur when the hotel changes ownership, when an operator updates its standards or requirements, or when the property is in decline and losing market share. All these scenarios require a level of information that will inform the practicalities of a brand flip or repositioning, or the likely scope of a renovation. A PIP is a multi-tool that can deliver a high-impact assessment when it is conducted and used correctly.

The PIP methodology may vary from consultant to consultant and across operators, but the basic premise involves a detailed assessment of a hotel property's current state and the identification of areas that need improvement. This inspection and assessment are typically conducted by an operator or a professional consultant who specializes in PIPs and is well-versed in hotel design and technical services.

It's important to note that PIPs for international branded hotels can be more complex than those for independent properties as a branded operator must adhere to specific standards and requirements, which can vary depending on the brand. It is essential in these situations to collaborate closely with the operator to ensure that all necessary improvements are highlighted to meet their standards, and to define the scope and purpose of the survey work by identifying the drivers for the PIP.

Planning Stage

The planning stage may involve gathering details on the property to assess the quantum of work involved, including key count, room types and hotel facilities, but also increasingly guest satisfaction survey information, comments and feedback. This is often a reliable source of information for what works and what doesn't in a property, prior to a visit.

It may seem obvious, but identifying key stakeholders at the hotel in advance will ensure that relevant information is available for the inspection visit, such as current certificates, licenses and maintenance contracts. Prior notice also ensures that the hotel's management team has communicated internally and that relevant stakeholders are available for interview.

The PIP survey itself should cover a general assessment of the property as a whole, as well as the areas that need improvement. This will include external areas, public spaces and guestrooms, as well as the back of house and plant and equipment areas.

Another crucial factor is that the inspection team is limited in number and focused on the task at hand. The skill in carrying out a PIP is to plan the areas and elements for review and focus on these, without being distracted or guided, which could lead to incomplete reports. Checklists, building plans, brand guidelines and, where possible, pre-completed questionnaires, all contribute to a comprehensive survey.

The PIP inspection will review signs of wear and tear, damage or safety hazards.

Upon completion of the inspection, the consultant will produce a thorough plan detailing the improvements required, which could range from a soft refurbishment to a full renovation, as well as the schedule for execution and often the estimated costs involved. The plan can then be presented to the operator or owner for approval. If approved, the hotel management team will work with consultants and contractors to implement the plan.

Putting a PIP into Action

Implementing the recommendations from a PIP can be a challenging process for hotel owners and management teams, as the expense of carrying out the PIP recommendations is one of the biggest obstacles. For this reason, it is often advisable to consider the PIP as part of a renovation strategy, closely linked to the drivers and metrics to deliver a clear return on investment. Change for change's sake has no value to guests and owners alike.

Another challenge is managing the disruptions that come with implementing a PIP. The renovations may require the hotel to close certain areas, which can result in a loss of revenue and guest dissatisfaction. Again, a clear renovation strategy will minimize disruption and provide an element of revenue protection during the works.

In today's market, hotel PIPs are an essential part of maintaining the quality, sustainability, profitability and competitiveness of a property, and while there are challenges associated with implementation, there are also significant benefits.

With the right team, careful planning, preparation and execution, hotel owners and operators can successfully navigate the PIP process and emerge with improved guest satisfaction, improved brand affiliation and increased revenues, ensuring the long-term success and profitability of their properties.

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