

28 best practices for hotel operators

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Attendees of the AAHOA Annual Conference walked away with a flurry of helpful tips. Here are 28 of them

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LAS VEGAS—Good ideas are hard to come by. Twenty-eight good ideas? That's a whole different story.

But that's precisely what attendees found last week during an education seminar at the AAHOA Annual Convention in Las Vegas. In a 90-minute session, panellists seemingly brainstormed more best practices than there were winners at the neighbouring Palazzo casino.

They're presented here in the order in which they were raised:



Doug Collins, America's Best Franchising

(1) "Raise your rates whenever you can," said Doug Collins, president and CEO of America's Best Franchising. Don't wait for the market leader. If there's an opportunity, to push rates, do so. Just make sure it's done

(2) incrementally, he added. Travellers might balk at a US\$10 rate hike, whereas subtle bumps of US\$2 or US\$3 are less likely to quell demand.

(3) Identifying your property's value proposition is a crucial component of that rate game, said Mark Novak, VP and GM of Travel Media Group. Once you identify what your hotel does best or what amenities it offers that competitors don't, make that your primary selling point and differentiator.

Whatever you do, just

"(4) don't be a follower," Novak said.

(5) Develop your own strategy and stick with it, he said. "If you want to be more expensive and provide more value, you need to make sure that you stick to that strategy," he said. If your game plan is constantly changing, guests lose any sense of consistency and have a harder time figuring out what your property is and what it stands for.

(6) Developing comprehensive budgets is also critical, said Paul Breslin, managing partner of Panther Hospitality. Not only do they provide an accurate view of where you are at any given time, but they help set strategies for future success. This is especially crucial for marketing, he added. You should

(7) revisit your marketing plan as often as once a quarter and as infrequently as once a year to tweak your strategy or make sure you're on the right track.

While budgets are important, it's also critical to track performance metrics. "You must

(8) have aggregate, up-to-date records," Collins said. Revenue per available room, occupancy, average daily rate, gross operating profit per available room and more—they are all critical measures to gauge how your property is performing in the market.

As you collect those metrics, you should also

(9) communicate them to your team, Breslin said. You wouldn't watch a ballgame if there wasn't any score. Likewise, your staff and management team will have a hard time evolving if they don't know how your hotel is performing.

Cutting costs

The panellists spent much of their time discussing cost cutting. The process in general is “pretty easy,” said Novak. What’s more difficult, however, is

(10) cutting the right costs. Use your performance metrics and budget to evaluate important revenue streams. “Whatever is helping feed you, make sure you don’t cut that off,” he said.

Likewise, (11) never cut areas that affect guest satisfaction, Breslin said. Look to that low-hanging fruit that will show immediate returns, such as:

- (12) Reassess property tax;**
- (13) renegotiate insurance; and**
- (14) re-evaluate utility costs.**

Perhaps the lowest hanging fruit is labour, the panellists agreed. Not only can a reduction in force conserve considerable resources, but it might also strengthen the quality of your team.

“(15) Move out the weak person,” Breslin said. “They’re the worst thing you can have in your organization.”

Conversely, always remember to

(16) reward your top performers. Recognition doesn’t have to put an undue burden on your P&L. Breslin ascribes to the “dollar-plus” technique, in which quality employees receive an extra dollar per hour in pay.

While merit should always be a contributing factor behind any reduction in force, you should also consider new technology, Novak said. “There could be an opportunity to potentially

(17) replace a person or two people’s job ... with a technology solution.”

Employees themselves don’t always have to be the focus of cost containment. You also can enact savings through them. “Think of your associates,” Breslin said. “They know more about the way things are working and how efficient they are.”

(18) Ask them how they can work more efficiently.

Even better,

(19) develop an open-door culture that encourages associates to come to you with best practices.

Going green

Cost containment and sustainability go hand in hand.

(20) Seek out “green” solutions to increase savings and foster goodwill with your client base, Collins said. Some easy places to enact change:

(21) Rethink the way you dispose of waste. If you sort and recycle trash, you can save thousands in haul-away fees, Breslin said.

(22) Replace old light bulbs with energy-efficient CFLs. (Compact Fluorescent Down lights)

(23) Install in-room card slots that activate electrical lighting and electrical outlets. This technology is being used throughout the world, with the notable exception of the United States, America’s Best Franchising’s (<http://www.abestfranchise.com/>) Collins said.

(24) Replace old PTAC units. (Packaged terminal air conditioners) The systems only have a 5-to-7-year shelf life anyway, and new models are considerably more efficient, Breslin said.

Getting social

(25) Embrace social media, the panellists agreed. It’s the most inexpensive form of advertising and facilitates a direct connection to your guests.

Here, too, you must first

(26) develop a strategy. Don't enter the space without a roadmap. Collins says the space requires about an hour of attention everyday. Novak said it can be as little as five minutes.

For many travellers, social media is an instantaneous part of life. They can send pictures to Twitter, post comments to Facebook, and write a review on TripAdvisor in a matter of seconds. That's why it's so important that you

(27) manage your online reputation and respond when necessary, Novak said. And don't be afraid to give your hotel a positive social media boost. Always

(28) survey guests when they leave your hotel, and post positive comments to your Facebook page and other channels, Novak said.

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