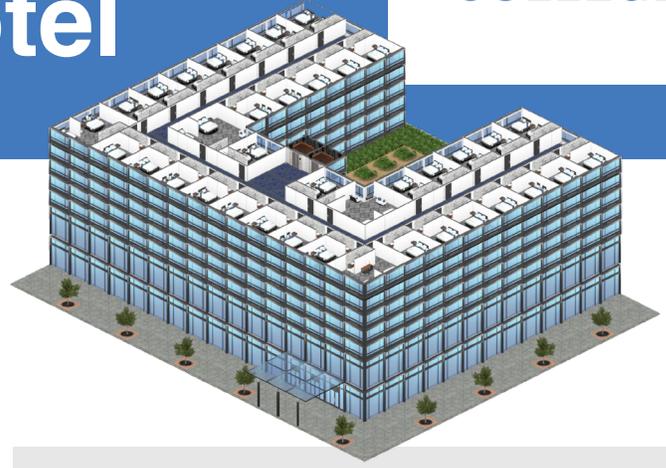


Case Briefing

General Manager - Full-Service Hotel



The Situation

Grossman's Hotel, which once served vacationers in a country setting, has been increasingly encroached on by high-tech office buildings seeking more space than is available in downtown locations. The ownership group has decided that the hotel needs rebranding and a rethought strategy. The physical building is in good shape and boasts ample meeting and banquet space, a full restaurant and a large banquet kitchen. However, with the declining fortunes of Grossman's, some maintenance has been allowed to lapse.

Your Role

You have been placed in charge of the rebranding and refocusing effort. Your task is to align operations and strategy with a new focus for the hotel. In preparation for your efforts, the hotel has been renamed Hotel 3000. You have a seasoned restaurant manager, so you do not need to manage the restaurant, but you do need to sell and manage banquets.

Learning Phase

Step-by-step instructions will guide you through managing a practice hotel that is very similar to the Hotel 3000. You won't solve all the hotel's problems, but you will experience many of the analyses and actions necessary to do so. A written guide to additional actions that will help you is included on page two of this briefing, as your Rebranding Guide.

Challenge Phase

The old Grossman's is now Hotel 3000. Your challenge is to establish a new strategy and target market, fill the hotel with guests at profitable prices, leverage the outstanding banquet facilities, and keep operations running smoothly to ensure high customer and employee satisfaction. Your overall goal is to raise the hotel's Balanced Scorecard score to a target set by the ownership group. Your Balanced Scorecard combines profitability, customer satisfaction, and employee satisfaction.

At the option of your Professor, you may be able to retry the Challenge Phase multiple times. Only your best grade will count.

The Full-Service Hotel in the Simulation

The simulation model contains a full-working model of your full service hotel. This includes guests, front desk staff, housekeepers, industry marketing options, maintenance issues and staffing, room pricing screens modeled after real revenue management tools, group sales opportunities, banquet kitchens, banquet facilities, a restaurant, and realistic reports to assess your performance. The simulation is time-based, with guests and groups constantly evaluating your hotel against other options based on rack rates, custom quotes for groups, service levels, room types, etc. You can use the view options and zoom controls to see every guest, every employee, every piece of equipment, and every function in your hotel, at any time of the day.

Discussion Questions

What was your biggest challenge in managing the hotel?

Explain your strategy for making decisions, analyzing results, and revising decisions?

Discuss how all the functions of a full service hotel must work together in order for the hotel to succeed?

Name some brands of hotels that provide the full service experience that your hotel did.

Tips & Strategies for Success

1 GETTING CUSTOMERS



2 SATISFYING CUSTOMERS



3 MEASURING PERFORMANCE



GROUP SALES

- Evaluate incoming opportunities to bid regularly (every 1 to 2 days)
- Pricing tips
 - All groups expect some discount to the general room rate
 - Banquet meals should be priced at 3 to 4 times food cost, which is about \$10/person
 - Meetings are often offered free to groups; they should be under \$10/person at most
- Bid on the most lucrative opportunities first. The Sales Team Client Notes link in the left-side text can guide you.
 - Check that there are enough rooms available by reviewing Revenue Mgt, Pricing Workbench
 - Check Banquets & Meetings to see that there is a room available for your meeting or banquet (only 2 events can happen simultaneously)
- For less lucrative groups (those without a lot of banquet/meeting needs), only bid on these if the rooms would not otherwise be booked by transients

MARKETING

- Focus more of your marketing budget on your primary demographic (business vs. leisure)
 - Invest in Public Relations in order to generate goodwill and ESS benefits
- Since groups can be quite profitable, you may want to target both leisure and business groups
- Not all marketing options are equal, adjust options over time to optimize your investment

REVENUE MANAGEMENT

- Check the Market Data Report to see traveler demographics, the days they tend to reserve, and the prices they're willing to pay
- Look at your competitor hotel's pricing under Revenue Mgt, on the Pricing Workbench tab
- Over time raise prices if rooms are selling out and lower them if there are vacant rooms left
- Set rates for Junior Suites approx 30% higher than General Rooms

FRONT DESK

- You have five service stations so you can staff up to five at the front desk
- Your front desk personnel can each handle about 20 check-ins per hour. Check-ins tend to happen between 2pm and 10pm with about 60% of your guests arriving between 4pm and 6pm, so you should plan for that peak.
- Set policies that compensate customers for any hardships but avoid compromising the price they're willing to pay
- Set up and deliver banquets and meetings per the upcoming events list in Banquets & Meetings window

MEETINGS

- For a meeting, four people can sit at one table and each server can set up a meeting table in about 5.5 minutes
- Allow a similar amount of time to take down tables

BANQUETS

- Eight people can sit at one banquet table and each server can set up a banquet table in about 14 minutes
- Guests get very unhappy if they wait too long for a meal (over 20 minutes) and each server can serve 3 tables in that 20-minute time period
- Schedule the servers to stay a minimum of 2 hours after the end of the banquet to takedown the tables and clean all the dishes
- Three cooks can prepare enough food for any single banquet in 3 hours. If you have simultaneous banquets, consider adding two lines of 3 cooks each.
- Meal quality suffers if it sits in the hotbox for longer than 3 hours before being served

REPAIRS

- Setting a conservative engineering preventative maintenance schedule is better than having to make repairs
 - Staff aggressively until all repairs are complete and maintenance is on schedule
 - Calculate the amount of hours needed to keep the preventative maintenance up to date and schedule accordingly

STAFFING

- When staffing housekeeping, don't overwork the staff or quality will decline; it is generally good to staff one or two more per day than needed
- For happy staff, schedule them 3 or more days in advance of their shift. Last minute scheduling decreases employee satisfaction.

SOCIAL MEDIA

- Review Tweeter for negative messages
 - Add staffing to engineering, housekeeping, or front desk as indicated by complaints

FINANCIAL STATEMENTS

- Review your Daily Revenue Report, Sales tab to compare a given day's sales to the same day sales one week earlier (ex: compare this Monday's sales to last Monday)
- Review your Daily Revenue Report Bookings Tab, Bookings Past 7 Days to review impacts of changes made in marketing options
 - Note: for learning purposes, marketing impacts happen faster than they would in the real world.*
- Review your Monthly Profit Report for revenue, expenses, and profit. To increase profit, focus on driving revenue and trying to reduce expenses, but not to the point that customer satisfaction drops.

BALANCED SCORECARD

- Hover your mouse over or click on Balanced Scorecard in the lower right of your screen for details on what makes up your score