

Case Briefing

General Manager - Limited-Service Hotel



The Situation

The former General Manager of the Omni Inn resigned two weeks ago, citing extreme job stress. The Omni Inn is a limited-service hotel (no restaurant, no banquet capabilities). It has been struggling since a comparable hotel opened nearby a year ago. The owner feels that the hotel should still be able to make a profit as there are relatively few lodging options nearby.

Your Role

Being immune to stress, you've accepted the job offer to become the new GM of the Omni Inn. Your task is to find a way to make a profit given the competitive landscape. You control most of the major decisions for the property. Your metric is a Balanced Scorecard that will ensure short-term and long-term profits.

Learning Phase

In the Learning Phase, you will learn to run a "practice" hotel that has also recently lost its general manager. The customer and competitor situation is different from the Challenge Phase, but you'll learn how to take the actions needed to succeed in the Challenge Phase. Areas that you'll work in include revenue management, marketing, staffing for the front desk and housekeeping. Finally, you'll learn the components of the Balanced Scorecard used to assess your success in the Challenge Phase.

Challenge Phase

Your goal is to rescue the Omni and hit a specific metric for your Balanced Scorecard. Follow the steps and take similar actions to those you studied in the Learning Phase. The second page of this Case Briefing includes additional tips, hints, and explanations that will be useful in meeting your goals.

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

The Limited-Service Hotel in the Simulation

The simulation model contains a full working model of your limited-service hotel. This includes guests, front desk staff, housekeepers, industry marketing options, room pricing screens modeled after real revenue management tools, and realistic reports to assess your performance. The simulation is time-based, with guests constantly evaluating your hotel against other lodging options and choosing to stay at your hotel based on the rates you offer, your past service record, and, of course, availability. You can use the view options and zoom controls to see every guest and every employee in your hotel, at any time of the day.

Discussion Questions

What aspect of hotel management did you focus on most? Which seemed to be most important?

Explain the different feedback mechanisms used by hotels and what each is good for.

What parts of the simulation were most challenging for you? And why?

What elements of hotel operation were not included in the simulation?

Tips & Strategies for Success

1 EXTERNAL INFORMATION DRIVES PRIORITIES



2 MAJOR ACTION CHECKLIST



3 MONITOR RESULTS AND ADJUST AS NEEDED



- Check the Market Data Report to see traveler demographics (business vs. leisure), 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
- Look under Front Desk, on the Reservations tab calendar to see if any special events are upcoming
- Hover your mouse over the events to see the expected attendance

- Set prices based on your research about guests and competitors
- Set Junior Suites approx 30% higher than General Rooms
- Set a minimum stay for the day before events to the day the event ends
- Set prices higher around events. The bigger the event the higher the price you can command
- Marketing tips
 - Focus more of your marketing budget on your primary demographic (business or leisure)
 - Invest in Public Relations in order to generate goodwill and improve employee satisfaction
- Staff your front desk
 - You have four service stations so you can staff up to four at the front desk
 - Your front desk personnel can each handle about 20 check-ins per hour. About 60% of your guests will arrive between 4pm and 6pm, so you should plan for that peak.
- Staffing your housekeeping. Don't overwork housekeeping staff or quality will decline; it is generally good to staff one or two more per day than needed

- As your run forward, look at your highest occupancy days in your calendar and keep an eye on how many cancellations you are getting (compare the occupancy before and after)
- Set overbooking so that you still end up at full occupancy
- As in the real world, some marketing options work better than others
 - To determine the effectiveness of each marketing option, run 1-2 weeks and review Bookings Last 7 Days on the Daily Revenue Report. Do this with several marketing options without making changes elsewhere.
- For happy staff, schedule them 3 or more days in advance of their shift. Last minute scheduling decreases employee satisfaction.
- Review the STAR competitive Report. If you're doing well you should achieve RevPAR for the current month rising well over 100 as time goes by
- Hover your mouse over or click on Balanced Scorecard in the lower right of your screen for details on what makes up your score