



INTERNATIONAL  
LUXURY HOTEL  
ASSOCIATION

## How can a Resort maintain its bottom line while enhancing Guest Service in 2023?



Over the last two years, resort RevPAR grew over 30% and many bottom lines doubled. Yet, consumers had no rate sensitivity. They craved getting away; they booked suites and splurged on prix-fixe meals and expensive wine. An unintentional reduced workforce and the elimination or reduction of services contributed to the strong bottom line expansion, though some of that was at the expense of guest experience. Soon enough, guests started to demand service levels commensurate with rates charged. So, the question becomes, how can a resort maintain its bottom line in 2023 despite these challenges, and in addition to, escalating labor, food and utility inflation?

The following suggestions should be continuous and become a part of your culture.

## 1. Challenge the status quo

As occupancy continues to increase, we have observed many properties reverting back to the brand and operating standards that were in place before the pandemic. Guests, however, have voiced what they value – either to the front desk, other hotel associates or in guest reviews.

Ask each department to share their observations regarding the guest's use and value of a service or amenity. They are the eyes and ears on the front line. Review guest comments and suggestions. Request market research from your corporate office or invest in consumer research. For example, has your DND room percentage increased? Do guests value the full turndown service or do they really just want the water that accompanies turndown?

The key is to eliminate services that your guests don't value and reallocate labor to those they do.

## 2. Re-Train property leaders

Typically, property leaders align with how they are being led and measured by regional teams, asset managers and owners. If the oversight process along with the standard KPI's remain unchanged, the behaviors remain unchanged as well

Above property leaders should develop relevant KPI's that focus on tactical expectations. As an example, should department managers report labor daily or monthly?? Setting expectations for the property team to track and measure daily labor including a comprehensive weekly labor management meeting led by the GM to demonstrate efficiency daily, is key to developing a productive work culture.

## 3. Establish a sustainable hybrid workplace

The new employee value proposition has team members wanting to pick where and when they work. Despite this, it's still all about having the right person, at the right place, at the right time.

Ensuring productivity standards are reviewed frequently to provide just the right amount of labor, to both delight guests and maximize return, is an essential exercise. Especially with so many things happening in our economy impacting how we do work.

A good way to provide team members with shift-flexibility is to consider an on-demand third-party SaaS staffing platform that interfaces with your existing labor management system. You can set it up to prioritize your team members first before it looks to a third-party vendor database of employees.

This might seem basic, but many leaders have the perception that this box has been checked, and yet the data and above property analysis demonstrates otherwise. Verify and validate that your productivity standards, minimum staffing, staggered shift, flexing and bid schedules are at best-in-class levels.

A very good habit to get into is to benchmark operating and financial indices against industry respected databases. It's not enough for you to benchmark against comparative hotels if they are not operating at the top of the industry.

#### 4. Embrace new technology

Assess and introduce new technology tools that streamline operations, build revenue, and provide ways for guests to communicate and engage. with hotel staff!

Time-consuming tasks \can be automated through the use of technology tools . This results in happier team members no longer having to do arduous tasks, and labor savings that can be transitioned to guest service initiatives.

Do your research or find a consultant that can help. A few ideas to consider: complete a cost-benefit analysis that includes the guest implications of implementing technology to order room service online, paying a check with a QR code and chatting with a guest service agent who does not necessarily need to be on property.

Another labor-saving idea is to enable monitoring equipment for gages. With real-time technology that sends the information directly to a hand-held smart device, this is a smart and easy modification that hotels can make

The teams that can reinvent their operational model can preserve the bottom line while enhancing guest service and setting the stage for sustained operational and financial performance.

This is more than a labor reduction exercise or making changes to menus and prices to incrementally improve margin. This is about looking at the hotel business through a different lens. A lens that is innovative, collaborative and holistic. A lens that requires a different leadership, management and execution culture that invests in the time and data collection of behaviors to drive new brand standards, operational standards, processes and the resources to execute.

## About hotelAVE

hotelAVE is the industry's leading international hotel owner partner, advisor and asset management firm, with a legacy of unrivaled performance for owners and lenders of 1,000+ hotels with more than 200,000 rooms, representing over \$150 billion of hotel real estate value. The firm's operational effectiveness division leverages extensive data, its proprietary database of thousands of "time to complete" datapoints for various tasks, technology and its hotel operations experts to implement best of class operating structures with operators. For more information on hotelAVE, please visit [www.hotelAVE.com](http://www.hotelAVE.com).

## About Michael Escalante

The President Operational Effectiveness at [hotelAVE](http://hotelAVE.com), Michael brings 30 years experience delivering industry-leading returns and guest service to hospitality owner and manager stakeholders worldwide. At hotelAVE, Michael leads the Operational Effectiveness division, hAVE OE, and is a member of the Executive Committee focused on forward-looking opportunities to enhance our hotel portfolio.



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