

It's a Good Time to go Back to the Basics

Dear Mr. Renard,

I would like to elucidate what I meant by "It's a good time to go back to the basics" in my previous email. The basics refer to the fundamentals of the hospitality industry which are services and the business process.

One of the challenges hotel operators face today is to deliver the service expectations of a more demanding generation of travellers. These high expectations have rattled the hotels and made them paranoid about getting bad reviews which can affect their reputation on social media. Alas, many hotels have resorted to pandering to these disgruntled guests with complimentary gifts or room rebates/upgrades as a quick fix. Therefore, the resulting business costs are often bouncing through the finance department for processing.

This, in turn, will incur another larger hidden cost-- the staff productivity. How does it happen? For each case of service recovery, the personnel involved are: (1) the operations team (the service staff and the supervisor / manager) and (2) the finance team (accountant, receivable / payable officers). Moreover, to respond to any slight bad reviews the executive office may also get involved and put extra pressure on the staff which could be counterproductive on staff morale.

Physical storage is another area that usually gets the least attention, as the managers seldom set their foot into it. When business is good, anything that can't be found immediately in the disorganized store room will be put on order straightaway. This results in extra items to be either disposed of at a later time or to never be accounted for.

These are just some areas where businesses tended to overlook or deemed not worth their time to look into during the boom years. The managers may sometimes just try to kick the can down the road, or perhaps, they have never put thought into.

Without a doubt, Covid-19 has pretty much thrown the whole industry into the red. Nonetheless, this "lull" period of time can be seen as a silver lining for hotels to take a fresh look at how they can maintain consistent service standards while running a cost efficient business process.

Please take care and thank you.

Warmest regards,

Poh Hong