

## Is Your Hotel A Mess?

July 10, 2010 / By Kirby D. Payne



Over the years, our company has assumed management or conducted operational reviews of hundreds of hotels. Obviously, many—but not all—of them had big problems, so we've had the opportunity to have an intimate look at the workings of all types of hotels, both good and bad, and we've noticed some commonalities we think are symptomatic—and, therefore, instructive.

In virtually all the hotels we've served—the good and the bad—these commonalities are almost corporate-culture issues. If we find two or three of the good (or bad) aspects, we usually will find more—again, good or bad. Don't get confused: There are profitable hotels that have a few shortcomings, but they may be the ones to keep your eye on when things get tough. Conversely, some of the most beautifully groomed hotels that feature all the amenities and perfect guest service are, quite simply, losers—and that's because no one in management is aggressively focused on the bottom line.

What are some of the positive commonalities—the good signs—that a hotel offers? To begin with, well-groomed, uniformed, name-tagged employees who greet guests with a smile make an excellent first impression, both on guests and new management companies. Sharp curb appeal and public-space cleanliness are usually signs of good things to come. Once you get more "into" a hotel's behind-the-scenes areas, things become clearer: Orderly offices, storage spaces and housekeeping areas are examples of the good signs that usually follow good first impressions.

On the other hand, we always seem to find a messy front desk—not necessarily on the working surface but in drawers, cabinets and storage closets—when we take over a troubled hotel. Clutter, disorganization and years of dust and trash appear in virtually every problem property. We inevitably find old furniture, out-of-date supplies and never-to-be-used "spare maintenance parts" left in storerooms and maintenance shops. This usually happens in hotels where management claims to lack sufficient storage space—another sign of rampant disorganization.

Now, I'm not saying these shortcomings are the cause of mediocre profitability—but I am saying they're signs of management's poor organizational skills and lack of focus on orderliness and cleanliness. And here's another thing: Management's lackadaisical attitude toward keeping things organized and clean most certainly influences employees' attitudes about their own work habits. Unkempt employee restrooms, for example, not only are a sign of management's lack of concern for staff, but set a poor standard for what management expects of those same employees in keeping guest areas clean.

Some time ago, our company assumed management of—and subsequently closed (yes, closed)—a 160-room hotel. In the process of cleaning up the property, we filled 10 dumpsters, each of which held eight cubic yards of trash. This trash didn't include old, unused furniture, guestroom trash or kitchen garbage—it was just stuff that had cluttered offices, housekeeping areas, the front office, storerooms and the maintenance shop. Imagine 80 cubic yards of "stuff"—talk about disorganization (maybe chaos is a better description). More recently upon assuming management of a 140-room hotel in the Florida Panhandle we had 23 construction dumpsters of clutter removed.

Here's another sign of a poorly run hotel: low linen pars. They're not the result of poor profitability—they're a cause. If we see housekeepers stripping rooms to get linen back to the laundry, washed and used again immediately, that's a sure sign that there are more things wrong than insufficient linen supplies. (Undoubtedly, the stripping process includes placing the linen on the floor, which is an unsanitary and unsightly bad habit which adds to linen wear.) For example, it means there are undoubtedly days where not all the rooms get made up

### Summary

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—and therefore occupancy may suffer due to unavailability of rooms. As absurd as it may sound, linen wears out more than twice as fast if it is washed and used daily rather than every other day or so. Circulating linen daily by stripping beds and running it back and forth also takes more labor. In the end, minimal linen supplies turns out to be pennywise and pound foolish—keeping an adequate supply of linen, about 2.15 to 2.5 par, saves money.

Likewise, if printed and other collateral materials are poor in quality, it's a sign that the hotel is too. In full-service hotels, menus are threadbare—good hotels get new ones, poor hotels don't. Raggedy in-room telephone books are another example of things poorly run hotels pay no attention to—and phone books cost nothing to replace. Are phone books in guest rooms even necessary in the age of the internet?

Finally (and perhaps most important), a hotel's accounting methods also are reliable indicators of what's really going on—after all, if you can't keep score, you can't win the game. There are really three issues involved in good accounting: gathering all data on a timely basis from all areas of the hotel (payroll, revenues, statistics and accounts payable); compiling it quickly and accurately in the form of financial statements; and interpreting and acting on the information once it's gathered. If this isn't being done, it's another symptom of poor organization and lack of attention to detail. Without this information, management cannot effect changes for the better in a timely manner. Of course, management must know what the data means and what they can do to make the numbers improve—sadly, this business basic is too often missing in hotel management.

In well over half the problem hotels we've been retained to manage, financial statements do not conform to the Uniform System of Accounts for the Lodging Industry. This makes it difficult, if not impossible, to compare a hotel's operating results to similar hotels. Most of the owners and managers of these properties were aware of the Uniform System but didn't consider it worthwhile to change their accounting system—in other words, they thought had a better way of looking at their accounting data than more 80 percent of the other hoteliers in the world. Now that's arrogance—it reminds me of the soldier who was marching to a different cadence, then had the gall to tell his sergeant, "Everybody's out of step but me."

If you don't make sure every last detail of your hotel is well attended to, you're out of step and marching rapidly toward big trouble. Make lists of what needs to be done to make your property as immaculate as can be—not only in terms of cleanliness and orderliness, but operationally as well. Maybe a good place to start is organizing and cleaning the front-desk area and working your way through the back-of-the-house areas that your guests don't see.

Look your hotel over carefully and critically. If negative symptoms like those I've described exist, you need to ask yourself where your priorities really lie.

### About Kirby D. Payne



Kirby D. Payne, CHA, President of HVS Hotel Management and HVS Asset Management - Newport, has over 40 years of hotel operations, consulting, and development experience. He was the 2002 Chair of the American Hotel & Lodging Association (AH&LA) and a former Director of the National Restaurant Association. He is a frequent speaker and author. His hotel experience began as a four-year-old living in a hotel on the Amazon River in Brazil, which was managed by his father for InterContinental Hotels. He never lived in a house until he was 13. Payne previously served on the Certification Commission of the AH&LA's Educational Institute. HVS Hotel Management has operated hotels throughout the United States and has served a multiplicity of clients, including lenders, airports and other government entities, and individual investors. HVS Asset Management - Newport oversees upscale and luxury hotels on behalf of clients who use branded management and major independent management companies. Both companies undertake various consulting assignments including, but not limited to, development consulting, brand and management company selections and contract negotiations, Hotel Performance Analysis and litigation support (expert witness). Mr. Payne is frequently appointed as a Receiver for hotels and resorts. Contact Kirby at +1 (401) 625-5016 or [\[email protected\]](#).