

Intercontinental hotel group



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Introduction:

The first significant international move into the hotel industry came in 1988, with the purchase of Holiday Inns International. Holiday Inn was already the leading midscale hotel brand in the world, having first been founded by Kemmons Wilson in Memphis Tennessee. Holiday Inn Express was launched, adding a complementary brand in the limited service segment in 1994 to move the group into the upscale market. The Holiday Inn Express is an established and well known brand name of IHG (Intercontinental Hotel Group)

Holiday Inn Express is the newest and fastest growing hotel network in the UK which offers more than 100 hotels across the UK and Ireland and all hotels are located in towns and city centre, as well as close to major motorways and airports. Holiday Inn Express offer great value for money with all the basic and important facilities which a guest needs from a hotel. Holiday Inn Express London Wandsworth-Battersea Hotel, one of the ideal locations for the business and leisure travelers who are visiting to London and especially for those who are mad for the watching Football. It is located very close to Chelsea and Fulham Football Stadiums and Queens Tennis Club. It's a seven story hotel which has 148 contemporary bedrooms. Each room offers direct dial telephone, tea/coffee making facilities, pay movies, high speed Internet access, centralized air-conditioning and heating bedrooms and on-site meeting facilities. All room rates are included complimentary continental breakfast for up to two adults and two children and children stay free when sharing parent's room. The closest train station

is Wandsworth Town on 2 minutes walk and Waterloo and Central London is just 12 minutes drive.

The long term goal of Holiday Inn Express, Wandsworth, become the best choice in London for temporary lodging and boarding with our shining restaurant, variety of drinks in bar and attractive with safe and huge car park creating a differentiated experience on personal service, the new building of Holiday Inn Express with modern facilities in the guest room, and its unique and ideal location in the heart of Battersea. We plan to be more than a great lodging, restaurant, bar and safe park. We planed to create friendly environment and pampered guest with our unique selling services.

Expanding our exposure via the Internet and introducing our Holiday Inn Express on the websites to maintain our standard and to control over the market.

Key to Success

In order to succeed, the management of Holiday Inn Express Battersea, will strive to achieve the following goals:

- To position Holiday Inn Battersea as the best B&B in the area of Battersea of London among the numerous tourists.
- Build strong market position among the local residents.
- Maintain healthy and sound financial management of the venture.

Business Description

Vision

We are committed to dynamic growth and service excellence built upon our heritage of traditional hospitality. An ethic, respected and evolving organization – a leader in excellence. We strive to consistently meet and surpass guests, employees and other stakeholders, expectations.

Mission

The mission of Holiday Inn Express Battersea is to become the best choice in Battersea, London for temporary lodging by expanding our exposure via the Internet (with multiple networks & links). We plan to be more than a great bed and breakfast. The Holiday Inn Express's guest will have every need met to ensure his/her comfort. For special occasions, catered meals, chilled wines etc. can be provided for an additional stipend. To provide excellent quality and service to all our customers by valuing and rewarding our team.

Amenities that go beyond the typical B&B will include:

- A complimentary news paper on daily basis
- A complimentary music CD for each room.
- An extensive video & audio library for guest use.
- Starbucks coffee.
- A variety of herbal teas.
- Daily fresh-baked muffins & fresh fruit.
- Priority Club points offer

Our Core Values

Communication

- Listen actively to others

- Embrace diversity and value differences
- Regularly update information and keep others updated
- Open to feedback and communicate positively
- Collaborate to exceed the organizational goals as well as our own

Work Ethic

- Meet commitments, set personal standards
- Timely in our duties and punctual
- Understand our duties and responsibilities and keep our knowledge updated
- Adapt to change, handle pressure and are open to new ideas
- We do what it takes to get the work done

Customer Services

- We strive to build customer confidence and are committed to exceeding customer expectation
- Actively seek feedback for continuous improvement
- Our aim to act quickly on resolving issues
- Handling service issues politely, positively and efficiently whilst following procedure

Recognition and growth

- Achievement orientation
- Performance-based evaluation
- Appreciation
- Incentives
- Setting ever-rising standards of performance

Innovation

- Listening and two-way interaction
- Participation
- Encouragement
- Motivation
- Initiative

Trust

- Cooperation
- Support
- Teamwork
- Sense of ownership
- Dignity
- Respect

Performance

Sales & Marketing is playing a very important role. In the following lines we would like to measure the performance of sales in a hotel operation and also we would like to accurately measure our sales department and the result they produced in Holiday Inn Express. Measuring sales performance is not a simple task. The following guidelines will help us while we measuring the sales performance:

- Research
- Judgements
- Establishments of goals
- Monitoring sales activities
- Measurement

Research:

The original purpose of a hotel sales position is to augment business not duplicate. Mostly, Sales, itself concern with the securing of hotel business when the hotel needs business and sales next target is to continue to develop and to hold onto! – those profitable bases the property already enjoys. To get the good outcome from sales team, Holiday Inn Express has a Marketing Plan, Market Analysis, Competitive Analysis, Product Analysis. These are things are very necessary when we expect our sales department to perform its job satisfactory. Sales team in Holiday Inn Express; they get the facts and figures and then make a plan to achieve their goals and targets.

The main concern of the sales team in Holiday Inn Express is “ Room occupancy and Average room rate”.

Judgements:

Setting unrealistic goals is one of the biggest problems in hotel industry. Management’s high expectation will come out while the setting the budgeted forecast for the next year along with the increase of daily average room rate. They also set the forecast which is weekly, monthly and yearly which is based on the last year figures. But in Holiday Inn Express, the Management get involve the sales people and encourage maximum contributions and participation by all concerned. Management go through with all the figures and facts together and decide on what sales team really think. After thoroughly studying the data collected, they make strategies to achieve their goals and targets step by steps.

Establishment of Goals:

Establishment of goals is one of the hard tasks. Hotel industry markets such as “ series” bookings with tour wholesalers and bus tour operators can take 18 months to 2 years to develop successfully. On the other hand, some markets are looking very attractive but may not be right for your property. For example, we don’t have proper restaurant and we have selected drinks in our bar. So, while the management setting the goals for the particular market they keep these things in their mind.

Set goals on market that makes sense for the hotel market. A good market analysis can tell you what demand there is from each of the various markets for rooms in your town or area. It will help the management and the sales team to make realistic goals, especially while doing the budgeting forecast. Here sales team take a decision and do a commitment that those markets that offer the best potential for immediate, short range and long range business.

Monitoring Sales Activity:

This is where the marketing plan can be so helpful. It clearly identifies the markets to be developed, the tools required to do the job, name or names of staff responsible for executing each task and when the following activities will take place:

- Sales calls
- Sales trips
- Prospect visitations

- Promotions
- Hotel show around

Holiday Inn Express's Management understand and they interpret the marketing plan very clearly and they also accept the fact that marketing is an everyday activity, not an activity to be "experienced" quarterly or annually. The Management of Holiday Inn Express monitor the performance of sales, to make necessary changes, to stimulate discussion between sales and management and also set a constantly challenge for the sales department.

Measurements:

Measuring the result and performance of sales begin with a study of annual room revenue, average room rate and occupancy. But that's just the beginning there are some other key areas to examine as well:

- Cost of sales
- Market segmentation factor (the percentages of the "mix" of business, actual years projected, i. e. 30% commercial, 30% tours, 20% groups, 15% government, 5% contracts)
- Effectiveness in selling previously identified "depressed periods"
- Percentage of "booked" business that did not materialize (due to some washout factors)

Now we can see that great deal of measuring (marketing) results only will come out when we are doing something right if the revenue, average rate and occupancy figures are right. That's why Holiday Inn Express has qualified a hotel marketing consultant, who is providing guidance and support to the

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sales and marketing team. This is main reason that Holiday Inn Express always giving the positive results and achieving forecast and revenue.

There are some criteria to measure the performance of sales:

- Overall efficiency of the sales department
- New accounts developed
- Mini-markets developed
- Length of time required to turn a lead into a definite piece of business
- Local industry and civic contribution
- Ability to speak intelligently and spontaneously on where hotel's business comes from; mix of business; mix of business at competitors; industry trends.
- Developing strong internal respect for sales and developing sales and marketing team amongst rest of hotel staff.

Performance Measurement and business service

Performance management is the use of information, data and evidence to determine the progress of an organization toward specific defined objectives. It includes both quantitative and qualitative evidence. For example a retail store has to measure the number of customer, number of goods sold and the customers' behaviour and level of satisfaction. Operation performance management is related to the delivery and operation of different activities and their effect on the overall productivity of organization. The fundamentals of operation management include;

- Set goals and objectives
- Detect and correct problems

- Manage, describe and improve processes
- Document accomplishments

Business services are to be conducted with proper use of performance management on the basis of statistical information. In case of Holiday Inn, we can see that performance measurement is playing a vital role toward overall productivity. To measure performance, holiday inn has implemented different strategies which are given in the following lines;

- Training employees to lower employees' turnover
- Multi-skilled workforce
- Process planning and measuring through technology to ensure higher productivity
- Measuring through hours of operation, public messages, reservation and complaint procedures etc
- Employee appraisal based on both supervisor appraisal and self appraisal reviews
- Direct performance reviews based on key performance indicators
- Use of KPI for all grades of employees

Financial and non-financial performance

Financial performance is to measure how well a firm uses its assets to generate revenue. From non-financial performance of a company, we mean how social, environmental and geopolitical factors materially impact its performance. Holiday Inn is a world-wide chain of more than 1500 hotels and resorts, many of them are run on franchise. Due to the world financial crisis, it is believed that the share value of holiday inn will continue to drop to a very low level.

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Total Quality Management

TQM is a description of culture that requires quality in all aspects of company's operation, with processes being done right the first time and defects and wastes eradicated from operations. This is the philosophy that seeks to integrate all organizational functions (marketing, finance, design, engineering, production and customer services etc) to focus on customers' needs and company's objectives.

TQM is the foundation of activities that include;

- Commitment by senior management
- Meeting customer requirements
- Reducing development cycle
- Just in time/ demand flow management
- Improvement teams
- Reducing product and services costs etc.

The basic principle of management for TQM is to;

- Plan (drive, direct)
- Do (deploy, support)
- Check (review)
- Act (recognise, communicate)

Holiday Inn, being one of the largest hotel chains, has brought about a number of changes to meet customer requirements and other objectives. It has adopted its policies to mass customization to satisfy customers' needs. For this purpose it provides customers an online booking, reservation and

check in services which has substantially reduce development cycle and check in waiting times.

Senior management of Holiday Inn is trained to such a level that they become committed to their work. They always work on the basic principle of planning, doing, checking and action.

Conclusion

The above discussion can lead us to the view that Holiday Inn has been on the move because of its Operation Management strategies, performance measurement, design and TQM strategy over the last years. It is also evident from the past developments in the above mentioned areas of the chain that it will become the world largest and widest hotel in the world.

Problem

It was revealed there are certain problems being faced by the hotel and that is increasing with the passage of time. The main problems included;

- Number of repeat of customers
- Number of referrals
- Low customers feedback

Performance Measurement

After a substantial consideration of the problems and investigating the root cause of them, the managers came up with the idea to measure performance. They used the tools of quality, speed, dependability, flexibility and cost to find out the exact solution to the problems.

In the above process, a continuous improvement is always going on while a breakthrough improvement is made on particular occasions. The process is used in Holiday Inn to make improvement in its services and eradicating the above mentioned problems.

Another tool to measure performance is the PDCA Cycle (Deming Wheel) which is a continuous improvement process. This process involves four stages of Planning, Doing, Checking and Acting. This process always tries to make improvement at any stage. Holiday Inn also tried to involve Deming Wheel process to find to measure performance and find out a suitable solution to the existing problem in customer services.

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