

Management flashcard



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Executive Summary

In relation to the Olympic Games which are due to be held in the year 2012 in London this paper serves to explore the impacts that this world wide athletic competitions will have on the Bedfordshire Swan Hotel as one of the service provides in regard to the hospitality management industry. The paper will also focus on the strategies which the hotel might have to employ in readiness for this big event. The paper will focus on highlighting on the opportunity that the Olympic Games might present to the management of Bedfordshire Swan Hotel in tapping out financial resources from the visitors who are expected to have a lot of money to spend. The paper will conduct an analysis on three business elements of The Bedfordshire Swan Hotel that is its business environment, marketing and financing. From the analysis that will be conducted the findings revealed will help in modulation of some commendations that will be gathered will there come some of the recommendations that will help the hotel to forge forward into preparing on how to maximally capitalize on making profits out of the Olympic Games Competitions. After the analysis and evaluation of this big opportunity, it was noted that the large population that will be drawn in by the competitions will have a lot to offer in terms of financial resources. The conclusion was that the hotel might not be able to take full advantage of this opportunity if some aspects like marketing and financing are not adequately addressed. These hurdles are discussed in details and appropriate recommendation given to fill in the gap.

Introduction

The 2012 Olympic Games are just around the corner with the City London being the main host to this world wide athletic activity. This report is based on the fact that the city of London will be flocking with athletic fans from all over the world and the residents can already anticipate the many opportunities that come around with having the privilege of hosting this very important global activity that takes place after every four years with the most deserving countries being chosen as the host. In this light many entrepreneurs are already preparing to take full advantage of all the benefits that their business can attract out of harnessing the financial resources that visitors from all over the world bring with them. These kinds of activities are marked by a lot of spending from both individuals and corporations who are looking for goods and services that will match the value that they attach to their moneys.

The focus of this report will be based on how The Bedford Swan Hotel can take this opportunity to its full advantage by harnessing the resources that the voluminous crowd which will be attracted to London by these Olympic Games might have to offer. Being one of the leading service providers as far as hospitality management is concerned, by offering quality services the hotel can exploit this precious and rare opportunity in making good money out of exploiting this rare market that the Olympic Games will present to them. This would be through maximizing on offering quality accommodation and rest services, food and beverages for fans and teams from participating countries in addition to conference rooms for athletic officials and any other interested parties.

The scope of this paper will be identifying the current situation and position of the hotel as far as provision of the following services is concerned which will come after a brief background on the Bedfordshire Swan Hotel. The paper will try to create prospects on how the hotel can improve on what it has in its menu in regard to the above services to best suite the demand that the influx caused by the flocking fans, athletes and their officials will call for. This will be through focusing on the following three elements of business which include marketing, the hotel's business environment and finance. The finding from the above inquisitions will help come up with conclusions on what is expected during the Olympic Games which will help in informing the formulation of recommendations that the hotel can use as its guidelines to approaching the Olympic Games.

Background

Being the host of the Olympic Games can be of real benefit to the host country which is distributed in the different organizations operating within this country as well as its citizens. The organizations within the city hosting these games are expected to prepare in advance and to adjust themselves to benefit from the economic benefits that come along with the Olympic Games. In the countdown to the 2012 Olympic Games, it is upon the relevant committees as well as the organizations within the Bedfordshire and Luton to prove to the world that indeed they up to the challenge of hosting the 2012 Olympics. As a result, the Bedford Swan Hotel is an integral part of the organizations that are expected to boost This paper is based on the topic, 'The impact that the 2012 Olympic Games could have on Bedford Swan Hotel in Bedfordshire and what the hotel needs to do in preparation for the

Games'. In determination of this, thorough research was conducted in regard to the above named topic, findings presented, a conclusion and the recommendations.

Bedford Swan Hotel is a fully refurbished four star hotel that is located in the town centre a thirty minutes drive from the airport (London Luton). This hotel is designed to meet the needs of both the leisure as well as the corporate guests in terms of hospitality.

Findings

After carrying out the research, the findings proved that there were a lot of economic benefits that lay with the fact that Bedfordshire was hosting the Olympic Games. It was therefore economic to undertake the findings and the recommendation of this report to ensure that the organization utilized the golden opportunity to the maximum.

Business environment

One of the major analyses that was conducted in regard to the impact that would be caused on Bedford Swan Hotel and its operations is the PESTEL Analysis (Macro-Environment). This was one of the major analyses that would enable the management team of Bedford Swan Hotel settle for the best decision in regard to the necessary plans that needed to be put in place. The PESTEL model was the best one that would be able to classify the different factors of the macro-environment. This includes the evaluation of such factors as Political, Economic, Social, Technological, Environmental and Legal.

Based on the fact that this is an international affair, the government must be involved in the planning of the entire event and as a result, there are a number of decisions that the government has already made and continues to make in regard to this issue and some of these will have a direct impact on the organizations operating within the region and this includes the Bedford Swan Hotel. The government may choose to change the taxation policy and increase the taxes slightly on the entrepreneurs side to ensure that the revenue collected goes on to benefit the government as well and in fact this is one of the most probable thing that will be happening as the Olympic Games draws near. Foreign organizations are also likely to come to the region to invest on temporary benefits and this can only be controlled by the government and therefore this also needs to be considered in the decision making process (Hall, 1972).

One of the most factors to be considered in the PESTEL model as far as this case is considered is the Economic benefit. The Olympics are expected to bring a lot of economic benefits as established by the research that was conducted and these can be grouped as either long-term or short-term. The short-term includes the cash flows from the incoming visitors, athletes, trainers, the training activities, cultural events, media activities associate with the Olympics and the meetings of the various committees organizing the games which is one of the main concerns of Bedford Swan Hotel. This is because most of the plans that are required to suit the above said requirements will require to be done in the host city which Bedford Swan Hotel is located in and there fore has a good chance to exploit as this is one of the greatest economic opportunities that it would experience in a very

long time. The others are the long-term and these though these are not as linked to Bedford Swan Hotel as the short-term; it is worthy to consider them. These include; creation of an infrastructure in the region that meets the international requirement to accommodate all the activities, the international attention through the media coverage that the city will receive and finally the community related benefits. All these touches on the organization in one way or the other and needs to be considered in the final decision making regarding the organizational strategies in the upcoming event.

The other factor in the model is the social factor. This relates on the classification of the people and not forgetting the local population growth too. The hotel needs to place its self in a position that will enable it serve both the local and the international market. The age distributions and other classifications of people such in terms of sex, age and class must be considered. Regarding the technological factor, the hotel needed to furnish itself with the current technological advancements to meet the global expectations of the kind of services and products that it is offering. One of the international breakthroughs in terms of technology is the internet and this had to be incorporated and boosted to meet the international standards. The last in this model of PESTEL was the environmental and the legal factors. These regarded the local waste issues and the local licenses and permits that the organization needed as well as any other legal requirement that it may require in the plan to organize for the upcoming major event (Hall, 1972).

The other analysis that was conducted regarded the external micro-environment using the Porter's 5 Forces to determine the position of Bedford Swan Hotel in terms of the preparation. This is an effective tool that determines the actual power of an organization in terms of business. The first power that was evaluated was the supplier power to determine how stable the hotel was that its suppliers could not affect its operation. The buyer power was also evaluated and this involved the researching of the necessary measures that needed to be put in place to ensure that the clients do not in any way dictate how business is run by the organization and this will mean that the company gives the best in terms of the customer expectations. The third force is the competitive rivalry involved of the competitors in the industry and the strategies to fight this competition. The threat of substitution is meant to ensure that the clients are left with no choice of substituting the services of the hotel with others. And the last was the threat of new entry or the ability of other organizations to enter into this business and thrive and this may include foreign companies as mentioned earlier but based on the fact that this is an already established hotel, this one of the least important factors in the Porter's 5 Forces model (Hall, 1972).

A research on the internal environment of the company was required too and this involved the conduction of the SWOT analysis of the company. This involved the strengths, weaknesses, threats and opportunity. The strengths of the company and everything that has enabled it to remain top in the hospitality industry in the region were enumerated and looked into deeply to determine any improvements. The weaknesses involved the certain instances that had resulted to the company's incurring some losses and the

possibility of turning these into economic benefits. The threats were evaluated in the Porter's forces regarding the entry of new organizations as well as in the competitive rivalry. Lastly, the opportunity that lies in the coming event is very important and this is the economic advantage that had been discussed in the background (Hall, 1972).

Marketing

In regard to marketing the Bedford Swan hotel will have to conduct a lot of intensive marketing since it might experience a lot of pressure in regard to competition from the Embankment Hotel which is just near by. Most of the visitors might not have any prior knowledge about the hotel and its location prior to the Olympics and hence the need to do a lot of global marketing to make know of its existence. It also has to do a lot of marketing on what it has to offer by marketing their services in the most interesting and attractive (Campbell, 2004) way possible so as to build a name that will make it superior over all the other hotels that might be offering similar kinds of services prior to the visitors influx. This will also enable intending visitors to make bookings in advance prior to the athletic competitions. The targeted market will include the fans from different parts of the globe, athletes representing various distinguished countries, dignitaries from these countries who may want to come and watch their representatives in addition to the Olympic Competition's organizers and officials. The hotel therefore has to make sure it addresses all the needs of the different types of groups named above

In this light Bedford Swan Hotel has to conduct a lot of intensive research in regard to knowing what might be the expected preferences that the incoming population might demand. It also has to research a lot in order to be informed on what strategies its competitors like the Embankment might be intending to use against it in attracting customers who fall in the target market that it has identified above hence keep abreast with it.

In order to be able to market it self adequately, The Bedfordshire Swan Hotel has a wide variety of marketing methods to choose from. The internet is one of the most widely mode of communication that is used in innternational marketing inform of e-marketing (Campbell, 2004). This could very convenient since internet services have become quite easily accessible globally. Other methods include the use of media services like television adverts, business magazines and so on (Henry, 2008). The Bedford Swan Hotel can also volunteer as one of the official sponsors of the athletic competition hence all participant countries will be well informed about it.

In order to meet the entire requirement that goes along with the hospitality management industry The Bedford Swan Hotel will have to be very particular on the services that it will have to offer. Rooms for accommodation will have to be properly equipped of which the hotel might not have any problems as it is recognized as to offer high standard accommodation. The conference rooms have to be properly furnished to accommodate the different types of groups identified.

The field of customer care and staff should be highly focused on. People from different countries globally will be expected and the staff might not be

adequately trained in all the languages that may feature. The staff has to be adequately prepared with training on these languages with enough interpreters kept stand by. Food will also be affected by this factor hence various chefs and service men and women have to be equipped with prior knowledge of the different delicacies that the visitors might want to enjoy. Security is also another sensitive area (Campbell, 2004) in addition to transport from and to different stadiums that.

Finance

In regard to finance the Bedfordshire Swan Hotel fixed cost might not pose a very big problem when it comes to facilities like building as it is quite a large hotel that occupies a vast area. However other fixed costs might suffer some deficit in regard to the increase in the number of people they might have to serve during the Olympic Games. For instance the transport sector might suffer some pressure since increase in numbers during the games will force the hotel to increase the number of vehicles to transport the customers to and from the hotel and the stadiums. Other facilities like beds in rooms for accommodation might also suffer deficits and therefore have to also be considered in case the turn out might surpass the available ones. In regard to variable costs financing in areas such as human resource might suffer some hurdle (Campbell, 2004). Increase in the population of customer handle by the hotel during normal times will also call for increase in the area of human resource for better customer care services. For instance, during the competitions security will have to be beefed up hence more men need to be recruited, drivers will have to be increase if the transport sector expands, waiters, cashiers and chefs will also need to be increased.

In reference to the findings of the report it is indeed evident that a lot of investment is needed since there are a lot of economic that are anticipated to come along with the Olympic Games (Reinberger, 1988). According to the research conducted various potential economic benefits were analyzed as well as their pay back periods. It was discovered that this was indeed a viable investment and further justification from the statistics taken from the City of Beijing in China where the Olympics were held in the year 1998 (Hall, 1972).

There are of course some risks that are involved based on the fact that the money that needs to be invested to meet the international standards is a lot and if the organization does not break even leave alone making any profit it can be disastrous in regard to the progress in future. The possibility of the actual expected business going way much below what is expected is very likely and this is why the process must be approached with a lot of consciousness. Under a pessimistic scenario, the company would make massive profits and this research results is anything to go by but in a pessimistic scenario, this would be a big blow to the progress of the organization which would stagnate for some time (Daka & Hess, 2002).

Conclusion

The 2012 Olympic Games had a great impact on Bedford Swan Hotel in Bedfordshire and the hotel needed to implement all the recommendations in preparation for the Games. If Bedfordshire does not market it self adequately prior to the competitions, it could end up losing potential customers that might otherwise have belonged to it if only they were better informed about

it. This will also be the case if the potential customers are not adequately informed on what the hotel has to offer that guarantees value for their money (Henry, 2008). Other competitors like the Embankment Hotel might take this to their advantage and outshine it if it does not come up with marketing strategies that will make it emerge as superior to the. This will also be determined by the marketing communication they choose to use. If the methods are not accessible to many people the fewer the customers they will attract.

In regard to research Bedfordshire Swan Hotel risks losing potential customers during the Olympic Games if it is not weary about what strategies its competitors might use that might make them better placed to handle visitors during this period. This might also happen if it does not identify its target market and hence prepare the different tastes and preferences that this target group might demand during these competitions. Other areas that might fail the hotel include customer care services like security, transport, poor quality facilities and poor hospitality from the human resources.

Recommendations

It is recommended that: The hotel should be innovative enough to ensure that the necessary technological advances are put in place to meet the global standards. The hotel must position itself to ensure that it uses all the porters' powers to its advantage. Bedfordshire Swan Hotel has to establish perfect networks in terms of marketing for publicity and advertisement by choosing marketing communication methods that will be highly accessible to

a lot of people. This includes the use of the internet or e-marketing where it creates a website containing its detailed information. Enrolling as an official sponsor of the competition will also make it quite popular as it will be adequately advertised through television networks and magazine. The hotel also has to identify its target market (Henry, 2008) and research properly on their tastes and preferences and hence equip its self with all the possible requirements. This will be through provision of high quality amenities in regard to accommodation, food, entertainment and other that might be important facilities. This area also touches on security, transport and quality customer care that addresses the different cultures and nationality that the varying visitors might belong to.