

# Good case study on starwood

[Business](#), [Company](#)



## **Introduction**

This paper seeks to investigate the change management processes that have taken place at Starwood, a leading hotel and leisure company in the globe. The investigation seeks to understand the specific types of organizational changes that have taken place at the hotel chain and how it has subsequently reacted to these changes. In particular, the paper seeks to evaluate the extent to which the company has adopted the six sigma concepts of process management and the subsequent results that the company has experienced as a direct outcome of this adoption. The paper also includes a strategic plan which has been designed as a blue print to guide the company`s future change management initiatives and needs as they will arise. The paper concludes by giving recommendations on how the company can further its change management processes going forward.

## **Analysis**

### Types of Organizational Changes

According to Mar (2013), organizational change refers to the process of re-engineering the policies and principles used by an organization in the pursuit of its laid down goals and objectives. In this regard, organizational change is perceived as a continuous process that involves the review of a company`s value proposition and the implementation of new approaches to every-day processes so as to ensure the compliance with industry best practice.

According to Buono (2010, p23), there are several types of organization changes. These include overall mission, vision and strategic changes. This refers to changes that relate to the general direction which a company has

chosen to pursue. The second type of change is the structural changes whereby a company alters its bureaucratic or hierarchical form which it primarily uses in the oversight of its day-to-day functions. The third type of change relates to the human capital and personnel of a company. This usually entails the hiring, transfer, promotions/demotions and firing of staff members based on an organization's on going needs.

Burke (2010, p67) asserts that there are several other types of changes. These include organizational culture change which entails the review of the underlying principles and policies of a business entity. Burke adds that processes change is another type of change which entails the review of the primary processes used in the delivery of an organization's output.

Production based and customer relationship changes are another form of change which business entities undergo in response to the diverse needs of their clients. Finally, technological changes are also a common type of change closely associated with modern day organizations.

In its quest to fulfill the specific needs of its customers, the Starwood hotel chain has undergone various types of organizational changes. The first of these changes is the structural change whereby the company has altered its bureaucratic structure so as to harmonize it with the requirements of the six sigma management process which the company has adopted. This has resulted in the company incorporating within its ranks the black belt and green belt categories of employees who have been tasked with overseeing the numerous roles that are synonymous with the process management and change initiatives of the company.

The second type of change which the company has undergone relates to the

product proposition, marketing strategies and the customer relationships between the company and its clients. This refers to the company's realization of the existence of a need to address the loneliness which is primarily associated with its frequent travelers. As a result of this realization, the company has engaged in the creation of a product that is meant to reach out to these clients and accordingly fulfill this need while at the same time generating revenues. In this regard, the company has had to alter its marketing strategies so as to ensure that it adequately sensitizes its clients of the existence of this service in particular.

The Starwood hotel chain has also undergone cultural and human personnel changes. This is in reference to the comprehensive training that has been extended to the employees so as to enable them conform to the specific requirements of the six sigma program. This includes the numerous trainings of the black belt and green belt category of employees and the assigning of these employees to specific roles upon completion of this training.

## **Six Sigma Concepts**

According to Sandra (2009, p134) Six Sigma refers to a set of tools that are used in the improvement of the processes which a company utilizes in its pursuit of its primary goals and objectives. These processes, she adds are used to ensure that a company operates in the most cost efficient way and in a manner that is effective enough so as to yield organizational profits.

There are several concepts that are associated with the six sigma process improvement approach. The first concept entails the reduction of the cycle time used in the completion of a particular process or task within a company's production system (George, 2010, p267). The six sigma principle

perceives effective time utilization as a crucial ingredient in the overall success of a company and hence, the reduction of process cycle time is a key component of this approach.

The second concept of the six sigma management approach is the reduction in pollution levels and the degradation of the environment surrounding a company (Kubiak, 2012, p343). The six sigma approach recognizes that the success of a business entity is directly impacted by the environment within which it operates. Therefore, it is important for a business entity to reduce its pollution output into this environment so as to ensure the sustainability of both the business and the environment for both the long and short term time periods.

Operating costs reduction is another concept of the six sigma approach according to Kubiak (2012, p345). This entails the minimization of the operating costs of a company through the rational utilization of the available resources and factors of production. This is attained through the elimination of wasteful processes that result in the increase of production costs with no matching increase in output or its associated revenue.

The fourth concept of the six sigma process management approach is the increment in the overall level of customer satisfaction (George, 2010, p270). This is a fundamental requirement of any business entity if it intends to grow its customer base and subsequently increase its gross and net earnings. The maximization of the overall level of customer satisfaction can be achieved by ensuring that the company continuously engages with its clients through laid down feedback mechanisms that would be used to relay the specific requirements of the customer. This process can also reveal the particular

aspects of the business which the customers are dissatisfied with and as a result, the company may use this feedback to improve on its service offering so as to ensure that the needs of the customers are adequately met.

The final concept of the six sigma process management approach according to Sandra (2009, p138) is the overall increase in corporate profits. This concept is the sum total of the synergy created when all the individual concepts of the six sigma approach are combined. This concept is in line with the overall objectives of a business entity which is to maximize profits. However, this concept also acts as an audit mechanism which ensures that this goal of profit maximization is not only attained, but that it is achieved within the confines of ethical business practices. These include the reduction in environmental pollution and the overall maximization of the level of customer satisfaction.

## **Starwood Implementation of Six Sigma Concepts**

The Starwood Hotel chain has implemented several of the above six sigma concepts in its quest to expand its business and to grow its net revenues during the period under review. Although the company has not adopted all of the stated concepts, the few that the company has chosen to adopt have resulted in an increase in the company's earnings as evidenced by its net revenues.

The first concept which the company has adopted is the reduction in the overall process time used in availing services to its clients. This is evidenced by the 150 employees who have been trained as black belts with their sole mission being to oversee the implementation of the company's strategic plans. These black belt employees are supported by the 2700 green belt

employees who are tasked with ensuring that the specific details of the company`s operations are adhered to and adequately implemented.

The second concept which the hotel chain has adopted and incorporated within its day-to-day activities is the increment in the overall level of satisfaction of the hotel`s clients. This is the underlying reason why the company has opted to introduce a product which is targeted at the frequent travelers and visitors of the hotel, some of whom it has identified as being lonely. By seeking to introduce this new product, the company is striving towards maximizing the customer fulfillment of its specific clients by offering an all-in-one package.

Finally, the Starwood hotel chain has adopted the six sigma concept of cost reduction which in turn has resulted in the increase in the corporate profits of the company. This has also been seen as a sustainability measure which is meant to spur the company`s growth in both the short and long terms.

## **Strategic Plan**

### Conclusion

This paper sought to investigate the various types of changes that organizations experience and how they respond to these changes within the context of the Starwood hotel chain. The various types of changes that the hotel has experienced have been evaluated and its response within the context of the six sigma process management approach has been given. The specific concepts that the hotel has adopted have also been given and an overall impact assessment of these concepts on the hotel`s output and performance has also been evaluated. In closing, it is recommended that the Starwood hotel chain should maintain this strategy and implementation

framework as it is expected to result in more stellar performances by the hotel in the years to come both from a short term and long term perspective.

## **Reference List**

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