

# [The glacier inn essay](https://assignbuster.com/the-glacier-inn-essay/)

[Business](https://assignbuster.com/essay-subjects/business/)

The Glacier InnReportExecutive SummaryThis report includes the strategy map and the balanced scorecard of Glacier Inn Hotel. The overriding objective of the hotel is to increase profit and growth and all the dimensions of the strategy map contribute towards achieving this objective. The value proposition that must be concentrated upon is product leadership.

Glacier Inn must concentrate on creating value for its customers by ensuring that its service is the best and unmatched in the market. The balanced scorecard that is developed must also be used from time to time to evaluate the progress of the Hotel and to what extent the actual performance is in alignment with the forecasted/ideal performance. The decision to change the compensation system and implement the CRM system is a beneficial one.

However, Nancy must ensure that all the new systems are implemented after precise calculation and consideration. She must ensure that change management is carried out so that the benefits from this plan can be maximized. IntroductionThis report will be presented to the Board of Directors of Glacier Inn at the upcoming board meeting. It will outline the strategy mapping plan and develop the Balanced Scorecard of Glacier Inn Hotel. It will also include recommendations on how the goals can be achieved more effectively other than those mentioned in the strategy map and the balanced scorecard. Main BodyStrategy MapThe Strategy Map can prove to be very successful for any organization because it outlines what the organization needs to achieve and the pathway it must follow in order to achieve it. This is a diagram that illustrates how an organization builds on value by relating strategic objectives with each other.

The four objectives are: financial, customer, processes, learning and growth (Value Based Management, 2008). The strategy map of Glacier Inn is as following. The above diagram illustrates the strategy map of Glacier Inn Hotel. In order to understand it, we must go from bottom to top. Lets take the example of how the corporate culture (which is a part of learning and growth perspective) leads to increase in profits and growth (which is the overriding goal). If the corporate culture is such which encourages employees to put forward suggestions, it will improve innovation within the hotel. This innovation will make the hotel different from the rest and hence ensure that there is leadership in product.

Product leadership will increase the customer value and also occupancy rates. Therefore the revenue would increase and consequently, the profit would increase and the hotel will eventually grow in terms of size and publicity. The value proposition that will be most concentrated upon is product leadership for a number of reasons. Firstly, customer intimacy will be put aside for a while because the customer satisfaction rate of 89% is decent enough for the first year. What Glacier Inn needs is something that would make the experience customers have different from any other hotel (or ice hotel for that matter).

This will only happen is maximum concentration is given to product leadership. The strategies themes that have been selected for each dimension are very calculated. For the learning and growth dimension, the strategic theme is leadership, corporate culture and alignment. This theme will ensure that the ultimate goal is achieved in the best possible manner. The internal process dimension is a bit more specific. Each component of this dimension will ensure that product leadership, which is our selected value proposition, is achieved. Innovation, CRM system and effective management are three ways in which our hotel can be made one of a kind and hence lead in terms of product/service.

Lastly, the two components of the financial dimension directly lead to Glacier Inn achieving its overriding goal of growth and increased profit. Financial DimensionGOALS                                     MEASURESIncrease Revenues and sales               Actual Revenues and                                                             Sales growthMaximize Cost savings                       Actual CostsIncrease Cash flow                              Actual Net Cash FlowIncrease Occupancy Rates                  Actual Occupancy RateCustomer Dimension GOALS                                     MEASURESPass on lower costs to Customers         Actual PricesIn terms of low pricesIncrease Customer Satisfaction            Actual Customer                                                              SatisfactionIncrease the number of Customers       Actual CustomerComing back and Brand Loyalty          RetentionBalanced ScorecardFinancial DimensionGOALSWEIGHTSMEASURESTARGETSTRETCHACTUALIncrease Revenues and sales30%Actual Revenues and sales growth4 Million4. 1 Million2. 07 MillionMaximize Cost savings30%Net Proft2 Million2. 02 Million0. 3813 MillionIncrease Cash flow20%Actual Net Cash Flow1.

2 Million1. 4 Million0. 62 MillionIncrease Occupancy Rates20%Actual Occupancy Rate100%100%91%Customer DimensionGOALSWEIGHTSMEASURESTARGETSTRETCHACTUALPass on lower costs to Customers in terms of low prices20%Actual Prices$ 170$190$240Increase Customer Satisfaction40%Actual Customer satisfaction93%95%89%Increase the number of customers coming back and Brand Loyalty40%Actual Customer Retension80%83%80%Internal DimensionGOALSWEIGHTSMEASURESTARGETSTRETCHACTUALUnderstand customer preferences through successful implementation40%Customer Satisfaction93%95%89%Adopt effective change management to deal with new CompensationAnd CRM system20%Employee Satisfaction90%92%85%Utilize the 3 or so month time period Effectively40%Actual Utilization in previous operating year100%100%91%Learning and Growth DimensionGOALSWEIGHTSMEASURESTARGETSTRETCHACTUALMaximize employee moraleAfter change in compensation plan60%Actual Employee Morale93%95%89%Train employees to give effectiveHospitality to customers40%Actual Employee Skills90%92%85%It has been planned that the compensation system be changed and be based solely on actually score of the 2005 scorecard.

This is a sensible step that should be employed. However, the new compensation plan must be implemented very carefully with consultation from all parties that are involved.  Nancy must keep in mind that the employee satisfaction is very important and if the employees are not satisfied with such a compensation system, they must be informed about how this new system may benefit them and the Hotel. Once they are convinced that this new system will benefit them, they would not be resistant to such a change and hence support this step. Conclusion and RecommendationsWe have developed a strategy map and a balanced scorecard for Glacier Inn Hotel. However, this does not mean that Nancy should limit herself this. She must follow it but she must also remember that there is always room for change and flexibility. She must keep in mind that she should change the strategy whenever it calls for it.

Otherwise, following such a stringent plan could lead to operations that are not responsive to current environment. It is very easy to say that ‘ we’re going to implement a CRM system because Ritz Hotel did it.’ However it is not as simple as it sounds; It requires intensive change of people and processes in any organization.  Besides Ritz is a huge hotel compared to Glacier Inn which has 28 rooms. Because of this she should adopt change management so that all the changes that she is bringing into the organization can be implemented as successfully as possible.

A strategy map and a balanced scorecard can prove to be very successful for an organization. However the implementation must be step by step and calculated. Then only the most can be made out of these useful tools. REFERENCES“ Strategy Maps- Kaplan Norton”. (2008). Retrieved on Nov.

5, 2008, from Value Based Management. Website: http://www. valuebasedmanagement. net/methods\_strategy\_maps\_strategic\_communication. html