

previous visit. Reception staff simply check to see if guests have stayed before, retrieve the information and take them straight to their room without irritating delays. Quality of service also means helping guests sort out their own problems. If the airline loses a guest's luggage en route to the hotel, for example, he or she will arrive at the hotel understandably irritated. *'The fact that it is not us who have irritated them is not really the issue. It is our job to make them feel better.'*

Speed, in terms of fast response to customers' requests is something else that is important. *'A guest just should not be kept waiting. If a guest has a request, he or she has that request now so it needs to be sorted out now. This is not always easy but we do our best. For example, if every guest in the hotel tonight decided to call room service and request a meal instead of going to the restaurants, our room service department would obviously be grossly overloaded and customers would have to wait an unacceptably long time before the meals were brought up to their rooms. We cope with this by keeping a close watch on how demand for room service is building up. If we think it's going to get above the level where response time to customers would become unacceptably long, we will call in staff from other restaurants in the hotel. Of course, to do this we have to make sure that our staff are multi-skilled. In fact we have a policy of making sure that restaurant staff can always do more than one job. It's this kind of flexibility which allows us to maintain fast response to the customer.'*

Dependability is also a fundamental principle of a well-managed hotel. *'We must always keep our promises. For example, rooms must be ready on time and accounts must be ready for presentation when a guest departs; the guests expect a dependable service and anything less than full dependability is a legitimate cause for dissatisfaction.'* It is on the grand occasions, however, when dependability is particularly important in the hotel. When staging a banquet, for example, everything has to be on time. Drinks, food, entertainment have to be available exactly as planned. Any deviation from the plan will very soon be noticed by customers. *'It is largely a matter of planning the details and anticipating what could go wrong. Once we've done the planning we can anticipate possible problems and plan how to cope with them, or better still, prevent them from occurring in the first place.'*

Flexibility means a number of things to the hotel. First of all it means that it should be able to meet a guest's requests. *'We never like to say NO! For example, if a guest asks for some Camembert cheese and we don't have it in stock, we will make sure that someone goes to the supermarket and tries to get it. If, in spite of our best efforts, we can't get any we will negotiate an alternative solution with the guest. This has an important side-effect - it greatly helps us to maintain the motivation of our staff. We are constantly being asked to do the seemingly impossible - yet we do it, and our staff think it's great. We all like to be part of an organization which is capable of achieving the very difficult, if not the impossible.'* Flexibility in the hotel also means the ability to cope with the seasonal fluctuations in demand. The hotel achieves this partly by using temporary part-time staff. In the back-office parts of the hotel this



Source: Alamy Images: Andrew Woodley

is not a major problem. In the laundry, for example, it is relatively easy to put on an extra shift in busy periods by increasing staffing levels. However, this is more of a problem in the parts of the hotel that have direct contact with the customer. *'New temporary staff can't be expected to have the same customer contact skills as our more regular staff. Our solution to this is to keep the temporary staff as far in the background as we possibly can and make sure that our skilled, well-trained staff are the ones who usually interact with the customer. So, for example, a waiter who would normally take orders, service the food, and take away the dirty plates would in peak times restrict his or her activities to taking orders and serving the food. The less skilled part of the job, taking away the plates, could be left to temporary staff.'*

As far as cost is concerned, around 60 per cent of the hotel's total operating expenses go on food and beverages, so one obvious way of keeping costs down is by making sure that food is not wasted. Energy costs, at 6 per cent of total operating costs, are also a potential source of saving. However, although cost savings are welcome, the hotel is very careful never to compromise the quality of its service in order to cut costs. *'It is impeccable customer service which gives us our competitive advantage, not price. Good service means that our guests return again and again. At times, around half our guests are people who have been before. The more guests we have, the higher is our utilization of rooms and restaurants, and this is what really keeps cost per guest down and profitability reasonable. So in the end we've come full circle: it's the quality of our service which keeps our volumes high and our costs low.'*

## QUESTIONS

- 1 Describe how you think the hotel's manager will:
  - (a) make sure that the way he manages the hotel is appropriate to the way it competes for business;
  - (b) implement any change in strategy;
  - (c) develop his operation so that it drives the long-term strategy of the hotel.
- 2 The case describes how quality, speed, dependability, flexibility and cost impact the hotel's external customers. Explain how each of these performance objectives might have internal benefits.

## CASE STUDY

# Operations objectives at the Penang Mutiara<sup>15</sup>

There are many luxurious hotels in the South-East Asia region but few can compare with the Penang Mutiara, a 440-room, top-of-the-market hotel which nestles in the lush greenery of Malaysia's Indian Ocean coast. Owned by Pemas-OUE of Malaysia and managed by Singapore Mandarin International Hotels, the hotel's general manager is under no illusions about the importance of running an effective operation. *'Managing a hotel of this size is an immensely complicated task', he says. 'Our customers have every right to be demanding. They expect first-class service and that's what we have to give them. If we have any problems with managing this operation, the customer sees them immediately and that's the biggest incentive for us to take operations performance seriously. Our quality of service just has to be impeccable. This means dealing*

*with the basics. For example, our staff must be courteous at all times and yet also friendly towards our guests. And of course they must have the knowledge to be able to answer guests' questions. The building and equipment – in fact all the hardware of the operation – must support the luxury atmosphere which we have created in the hotel. Stylish design and top-class materials not only create the right impression but, if we choose them carefully, are also durable so the hotel still looks good over the years. Most of all, though, quality is about anticipating our guests' needs, thinking ahead so you can identify what will delight or irritate a guest.'*

The hotel tries to anticipate guests' needs in a number of ways. For example, if guests have been to the hotel before, staff avoid their having to repeat the information they gave on the