

BITAC - Where Properties May Falter

At BITAC Owners, management company leaders shared their thoughts on where hotels may need more expertise.

Monday, December 10, 2012

Glenn Haussman

Sure management companies want hotels to use their services. It's how they butter their bread. But just because they are trying to make a sale on their services, it doesn't mean they don't know what they are talking about. In fact, they are chock full of advice many hoteliers can utilize to their advantage even if they want to tough it out on their own.

At last week's BITAC Owners at the luxurious St.Regis Monarch Beach, management companies shared some of the strategies they feel can make a difference to a hotel's bottom line. BITAC is of course the industry's preeminent idea exchange and at this sold out event attendees not only got a chance to network with top industry decision makers such as owners and developers, but also get the inside track on what is really happening in the hotel business.

Those areas to look out for, say management company executives, is how if the hotel being run and what's going on with the sales team in particular.



"The GM should be looked at as CEOs of their property. They can't do it all; they need to build teams according to strengths and needs of today's dynamic market," said Larry Broughton, CEO of Broughton Hotels. "The GM at the hotel is the entrepreneur and personality of the corporation. They should be at town hall meetings, participating in the community. When compensation is tied just to profits, they lose that part. We want all comp packages to be the same but they shouldn't be."

One of the issues many GMs are facing is being promoted to the top spot perhaps before they were ready to handle the job. The incredible proliferation of hotels during the past 10 years gave many people promotions. But were they ready?

"A lot of people are GMs that may not have all the training, experience they may need," said Rick Tomljenovic, Principal and COO with Tristar Hotel Group. "As a management company you can take off some of that pressure from the GM."

Michael Tall, President & COO, Charlestowne Hotels, said the hotel business has changed so rapidly no one can know it all, not even the general manager. "You can't expect him [or her] to have the capacity to understand everything he needs to know and be an expert in all aspects. Our job as management company is to understand that fact and help those leaders maximize a property's potential."

"A general manager needs to return to real service to connect with potential guests. They also need to be out connecting with guests and community leadership. That is the customer service process and Generations X and Y have a lot to offer, but they need a lot of human interaction to stay motivated because a lot of GMs are in 'silos' when they should be out there on the road, attending events and constantly learning," said Brian Quinn, Executive VP, Development with Driftwood Hospitality Management.

Sales is another discipline a management company can help maximize.

Jerry Cataldo, President of Hostmark Hospitality Group said that sales teams are often not focusing on the right stuff.

"Many times we find sales teams are not appropriately structured. We come in and find they have a 'That's the way we've always done it' attitude. So we target the resources that the property has and should have always had," said Cataldo.

"The pressure is on the bottom line more than ever. So you have to look at the sales effort at the property. Sales team enjoyed many years of up times so much they forgot how to sell. Now they have to sell," said Tomljenovic.

"There is a paradigm shift in how sales people are prospecting. You can actually solicit so much through media and social channels these days but the question is how do you get in front of those people? It is not the same model as 10 years ago," said Tall.