

LODGING

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What If There Were No Departments?

What is needed is a complete rethinking of the service delivery process and the cost of serving customers.

By Mark Heymann



In recent months, we have been working with a variety of organizations to assess the staffing guidelines they have been using to run their operations for some length of time. I even spoke to a group whose guidelines have not been changed in over five years. Another group uses an older concept called par levels, as if their labor force sat on a shelf and had to be renewed periodically. In essence these businesses are not adapting quickly enough to the new occupancy levels and the changes in RevPAR that the industry is, and it

appears, will continue to experience for the near term.

Even in operations that have been utilizing some “newer” staffing technologies, the guidelines are not nearly flexible enough to address the recent low levels of guest demand and/or the roller coaster demand fluctuations that some properties are experiencing. And it’s not just hourly labor whose parameters need to be looked at, it is also the fixed “management” staff level in some four-star and luxury hotels that appears to be out of sync with actual business volumes.

Now, before anyone stops reading because their first response to my comments so far is that staffing has already been cut across all operations since we entered this downturn, I am not dismissing these reductions. What I am addressing is the need for better, more accurate guidelines that reflect this new operating environment now that these initial “cuts” across the board have been made. We have all surely heard of the layoffs, both in the field and at many corporate offices. But this is really only the first step in rethinking the industry’s application of labor to meet guest service demands and expectations.

What is needed is a complete rethinking of the service delivery process and the cost of serving one’s customers. In a prior article I talked about value to customers and the process of value engineering. This kind of rethinking uses some value engineering but takes the redevelopment of staffing guidelines one step further. It adds a component of “What if” to the evaluation. It demands that one looks at the entire organization and ignore divisional separations.

I believe that this type of holistic perspective is something that has been sorely missing but now is a must, as the industry copes with what could be a paradigm shift in demand and/or at least types of demand. What needs to be done is a complete bottom up thinking and a re-structuring that reflects task requirements, not a divisional organization.

I am reminded of a project we did a few years ago at a large resort where the stewarding staff was responsible to clean the pool area early in the morning. On first blush this seemed quite odd, as this has been a house person function for as long as any of us could remember. And when the staffing guidelines were redeveloped, the tasks got moved back to the housekeeping department. Well, that was the norm. And then there was another operation that had a separate banqueting/meeting building with a restaurant, and the housekeeping department had to send staff over to the building to clean the restrooms and vacuum the entry areas. In both cases, based on logistics and layout, the stewarding department was far better suited to complete the required tasks, but the departmental thought process caused the work to be allocated and planned in the housekeeping operations. It would have been more cost effective to have the tasks done by a different group, but our “experience” told us to leave it, or put it, with housekeeping.

So what am I getting at? Well, it’s really pretty simple. As we think about our customer needs and the financial challenges that this operating environment present, we need to put aside

many of our past perspectives and ask "What if?" What if the stewards did that task instead of public space housemen? What if we combined the staff of banquet house people with housekeeping house people? What if the bell staff delivered room service (actually done in some properties)? What if the front desk manager ran the restaurant for lunch? And we could go on and on.

I am sure that if the industry were to look at its labor force without departmentalization, productivity could be measurably impacted. No doubt, the financial operations will be confronted with allocation issues, maybe even what at first glance appears to be a nightmare; but with today's technology, time clocks and other systems allow for job costing, so that this challenge can be easily addressed and dealt with effectively.

No changes come easily. But when one looks at occupancy and ADR, as well as drops in cover counts, it is time to truly rethink organizational assumptions. And a good approach is to start by asking "What if?"

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