

[www.miwalock.com](http://www.miwalock.com)

# HOTELS

PASSION FOR HOSPITALITY

HOTELS: NEWS

## Slow weeks offer prime opening for self-assessment

By [Megan Rowe](#) on 4/10/2020

It's tough to envision a post-COVID-19 future at a time when you're plugging another leak every day. But with most travel and so many hotels on pause, this is also a time to develop a game plan for surviving in what will clearly be a new normal.

The top priority for owners and asset managers is cash preservation, and that consideration has driven many hard choices since the coronavirus began wreaking havoc around the globe. Cash flow anxiety will linger indefinitely, especially since a worldwide recession and anxiety about travel and close contact with other people will likely dampen demand.

"It's absolutely critical to list all the areas where you can preserve cash now and in the future until things turn completely around," says Robert Rauch, CEO of RAR Hospitality. By now, any owner should have been talking with lenders, vendors, franchisors, utilities and state and local taxing authorities about ways to get relief to conserve cash. Until business makes a strong comeback, that kind of heightened vigilance is essential to survival.



Getty Images

Lean, efficient hotels will have the best odds of survival. Artotel Group, a Jakarta-based operator, is one of a growing number of hotels that balance design-forward interiors with technology to keep staffing low.

“The crisis has shown us that with technology and going digital, we are able to do our work much more efficiently,” says CEO Erastus Radjimin.

Over the past few months, many hotel restaurants and bars have closed, pools and fitness rooms have been shuttered and entire floors have been blocked out to conserve energy and labor. Returning to business as usual, however that is defined, will mean reevaluating how to handle those aspects of operations.

“It’s an opportunity to say, ‘Does it really make sense to have three restaurants? Does it make sense to have this level of staffing?’” says Michelle Russo, CEO of asset manager HotelAVE.

Rauch, who recently evaluated labor levels at his hotels, says he spotted some bulk and ways to do the same with less. Going forward, he says RAR’s hotels will have managers focus on more direct involvement with guests instead of office work. He argues hotels can operate more efficiently with a smaller team of top performers and managers who pitch in during crush times, such as breakfast and popular check-in hours.

### **Streamlining operations**

Fortunately, decisions to streamline operations are getting some support, at least over the near term, from hotel companies, which relaxed some brand standards as the virus brought occupancies crashing down. IHG, for example, provided owners guidance about cost-cutting operational changes and standards that will largely apply through the end of June 2020. It covers “multiple areas including colleague trainings, recreational areas, food and beverage options and in-room services,” says company spokesman Jacob Hawkins. Restaurants, club lounges and room-service requirements have been dropped by several major companies. Compliance reviews have been suspended. Observers expect these kinds of exceptions to continue indefinitely.

Owners are evaluating their product offerings to determine what makes sense going forward, and Rauch thinks guests, not brands, will drive those decisions. He counts himself among the critics of amenity creep.

“We should stop with all the amenities and give guests what they want, which is very robust Wi-Fi and the ability to do what they want to do with their phones,” he observes. Rauch argues that every traveler aside from

non-tech-savvy seniors has become largely self-sufficient and relies less on help from staff — good news for hotels that are looking at dropping or reducing concierge services.

Bare-bones operations might prevail as travel ramps back up, but “I think as we get further away from the crisis, people will still be looking for the level of hospitality at a hotel that they enjoyed in the past,” says Michael Doyle, managing director and executive vice president at asset manager CHMWarnick. “There are some fundamentals that will change, but if you look at past crises, we’ve always had to go back to the art of service.”

It goes without saying that cleanliness will take priority for hotels.

“Cleanliness and sanitation will become part of a hotel’s marketing repertoire,” Russo says. To support that messaging, hotels will need to commit to a comprehensive plan for keeping guest rooms safe, train staff and possibly increase coverage to handle additional steps. How long that cautious attitude will prevail is anyone’s guess — other health scares pushed sanitation to the forefront, but concerns faded over time.

One hot spot for contamination that many hotels will need to tackle is the self-serve breakfast buffet. Rauch, who says hotels in RAR’s portfolio eliminated self-service of prepared foods early on in the COVID-19 crisis, doesn’t expect to return to self-serve after it’s over.

“We post a list of what’s available, tell guests they can have as much as they want, and the employee puts it on the plate,” he says. It doesn’t require staffing up, since managers and other staff get involved in breakfast service.

For hotels shuttered during the crisis and coming back online, “you have to look at it almost as a new hotel launch,” Doyle says. “You have to think about who you’re hiring, what training will be necessary, and what changes in the operation will allow you to function effectively and meet the needs of the client and lender.”

#### Post a comment

Name

Subject

Comment

SUBMIT CANCEL

Comments are limited to 2000 characters.

Note: Promotional messages or sales solicitations are not appropriate. Messages containing racist, sexist or vulgar language will be removed and can be cause for membership cancellation. Personal attacks do not further the professional dialog and will not be tolerated. For more information see [Terms of Use](#).

 Comments

**Yes, but.....**

This article is spot-on with what we'll all need to do upon re-opening our hotels, but did not mention that unions will inevitably push back on any economies owners and management seek. Collectively, the industry will need to impress upon union leaders that all of us need to adapt to "new normal" ways of doing business.

FRIDAY, APRIL 10, 2020 | BOSTON-AREA GM

REPLY