

### The Background

A 65 bedroom in the West Midlands was purchased by a family whose industry knowledge was limited.

The hotel has extensive conference and banqueting facilities and was purchased at the height of the property boom in 2006.

Shortly after the acquisition, property prices fell as the recession took hold. In addition to the economic turmoil, both the General Manager and Sales Manager were removed from the business and not replaced in an effort to reduce costs.

The hotel continued to trade and the wedding market became the staple focus of the business but occupancy, yield and EBITDA fell dramatically.

In order to stabilise the business, *flexis* was approached on behalf of the hotel's lender and financial consultants.



### Case Study 6 - Hotel Business Recovery

#### The Solution

Set against the background of 3 years under-performing, with the team suffering from a lack of leadership and no overall clear strategy on the way forward, business was in free fall as standards were also compromised.

After an initial in depth assessment *flexis* produced a strategy to stabilise the business and give it a sound base from which to move forward. This included :

- An action plan with targeted and timed activities
- Introduced simple sales disciplines
- Search and recruitment of a Sales Manager and a GM
- Introduced daily revenue audit procedures and processes
- Introduced revenue reports highlighting daily rates and REVPAR and forecasting disciplines
- Instigated outside resource to manage all 3rd party distribution
- Reviewed all food and liquor costs, control and purchasing policies
- Introduced simple payroll controls and weekly forecasting
- Initiated sales activity and held both a Wedding Exhibition and a Corporate Event aimed at local bookers
- Ensured that databases were all cleaned and updated and a telesales blitz was carried out
- Introduced new menu concepts
- Improved staff communication by way of 1:1 reviews with all the HoD's and meaningful meetings for 10@10 and monthly HoD's.
- Produced meaningful cash flow projections
- Introduced regular sales and events reviews
- Developed and introduced training plans
- Improved basic service standards within the hotel
- Produced strategy, business plan and accompanying budget for the next 18 months and a restructuring plan to improve efficiency and further develop the team.

#### The Results

At the behest of the lender, a detailed report and presentation was made to gain their commitment to support the hotel over the next few years.

The hotel was stabilised and the two key positions of GM and Sales Manager were successfully filled.

The hotel's business value was increased and the strategic decision was made to place the property on the open market after a six month turnaround.