



ECOLE HOTELIERE DE LAUSANNE



EHL Advisory Services - Hospitality Advisory
Slovenian Association of Hoteliers Conference 11.11.2021

Pierre Verbeke

Director, Hospitality Services - EHL Advisory Services

Background

Pierre Verbeke, Director at EHL Advisory Services is leading the Hospitality Services department. He provides insights and workshop inputs in the domain of operative process optimization, quality management, organizational structuring and standardization, feasibility study & valuation, people development trainings, guest experience mapping & design.

In his role at EHL Advisory, Pierre guides global clients in business planning and team management, providing national tourism ecosystems analysis, new insights and strategic implementation plans.

Prior to joining EHL Advisory, Pierre was Area Director for Rezidor Hotel Group, responsible for new projects in different countries, mainly Europe, North Africa and Eastern Europe. He was also General Manager in different hotels, leading passionate people towards achieving excellent results. As a past president of the Hotel Association of Brussels, he has an in-depth knowledge of the hospitality world and the challenges that face it.

Examples of Projects and Achievements:

- Retained advisor for hotel owners on operational issues : investments, new opportunities, concept development, floorplan optimisation
- Several operator searches for hotels in China, India and Europe for hotel projects and restaurant projects but also for facility management
- Creation of operating company (OPCO) for owners with multiple properties
- Several asset management mandates for city hotel sin Europe and China
- Quality labelisation for a regional food and beverage company
- Pre-opening support for several hotel projects

Professional Experience

<https://www.linkedin.com/in/pierre-verbeke>



Competencies:

- Customer Service Design
- Hotel Operations
- Pre-Openings of hotel & restaurants
- Asset Management
- Owners Representation
- Crisis & interim management
- Languages: English, German, French and Dutch (mother tongue)

Education:

- Certified Lotscoach® for business planning - A Lotscoach® facilitates reflections and decision making in a sustainable way
- Finance, Business Administration and Organization Certificates, London School of Economics
- Bachelor of Applied Science, Hospitality Administration and Management, EHL, Switzerland

Jochen De Peuter

Consultant, Hospitality Services - EHL Advisory Services

Background

Jochen De Peuter puts the customer at the center of his approach. He is convinced that digital transformation, constant innovation, employee education and customer focus are fundamentals for a successful business. In this role as Consultant, Jochen commits, with efficient use of resources and well-determined activities, to creating significant added value for the client and therefore a positive return on investment for the business.

Prior to joining EHL Advisory, Jochen worked in the online hotel distribution and hotel technology industry. He has proven outstanding results in customer acquisition, business development in new markets and relationship management across various markets in Europe. Jochen operated in demanding and fast evolving work environments. This setting helped him to collaborate and think with the team to stay ahead of competition.

Jochen regularly publishes articles in the hospitality community regarding hotel performance and service excellence.

Examples of Projects and Achievements:

- Hotel feasibility studies in urban and mountain areas, including hotel concept definitions and operator search. Switzerland and Morocco.
- Hotel performance optimization on behalf of owners or investors.
- Creation of EHL Hotel Pulse-Taker tool, to assess hotel performance according to specific parameters.
- Mystery shopping, service excellence program and customer journey project for hotel chain and luxury skin care brand.
- Educational programs : 'hospitality' for various target groups.

Professional Experience

<https://www.linkedin.com/in/jochen-de-peuter/>



Competencies:

- Business and concept development
- Hotel technology and online distribution
- Service excellence and experience design
- Audits on hotel performance optimization
- Languages: English, German, French, Dutch (Native) and Russian

Education:

- Executive MBA, Business Administration and Management, IESE Business School Madrid
- PostGraduate, Hospitality Management, Glion Institute of Higher Education
- Academic Degree Economics and business administration, Lessius Antwerp



Primeri razvojnih projektov v turizmu
Examples of development projects in tourism



Case studies



Actual Slovenian Hotel context

<u>Challenges</u>	<u>Opportunities</u>
<ul style="list-style-type: none">- Performance city (business) vs rural (leisure) hotels- Absence of long-haul travel (Asia, US, etc.)- Drain of human capital to other industries or countries- Hiring qualified hotel staff, willingness of generations Y and Z- Lack of supplies (China and global supply chain)- Inflationary pressure: energy resources, salaries, goods- Home office, online meetings, less travel- Covid regulations for hotels, restaurants, large groups- Guest expectations post-covid- Important cash burn (especially large luxury city hotels)- New players in the market- Profitability-	<ul style="list-style-type: none">- Slovenian presidency EU 2021 (hotels in Ljubljana)- Local travel (neighbouring markets)- Governmental support (tourist vouchers, taxation, etc.)- Repositioning, refurbishment, renovations- Technology and connectivity- Cost efficiencies, increase price- Wellness – retreat – health – medical – Spa- Rewriting processes, operational organisation or offer- ‘Pay more for less’- Great Story to tell- Nature- ...

Client / Sector / Industry	Luxury hotel
EAS Business Line	Hospitality Services
Region	France
Year	2019
Fee	Confidential



Reference

- Strategic Repositioning
- Renovation project
- Concept development

Client Background & Challenge

- The client, a high-end luxury hotel in a French Metropolitan area, received a study from an external consultant. The conclusion was to raise the ADR from € 360 to € 650 in order to justify the investment of **€ 30 million renovation/refurbishment costs**. There was no explanation how to achieve this, no blueprint or action plan in place.
- The **luxury hotel needed a renovation to answer to the contemporary client expectations, norms and regulations**.
- The hotel needed to **attract a new clientele**: a more affluent clientele, willing to pay about € 300 per night extra in a highly competitive market environment. The investment was foreseen to **reposition (upgrade) the hotel on the market**.
- The hotel was privately owned and had **limited resources (budget)** to renovate.

EAS Solution

- **Market review**: Study local market potential, benchmark, positioning, hospitality trends, buyer personas, client expectations and behaviour.
- **Gap analysis**: On-site inspection, listing and prioritizing the recommendations to implement.
- **Concluding**: describing the final hotel concept and client experiences. Steps to undertake.
- **Data-driven calculations**: Returns on investment, NPV calculations for various scenarios.

Achievements & Value for the Client

- EHL Advisory Services provided **access to exclusive data sources** which facilitated the return-on-investment projections per scenario.
- **A relevant and full analysis of the local market potential** and local buyer personas. Putting the client central in the approach to challenge the model from the architects.
- **Qualitative recommendations on how to achieve from an operational point of view** the objectives. Recommendations were ready to implement.

Client / Sector / Industry	Luxury hotel
EAS Business Line	Hospitality Services
Region	Switzerland
Year	Ongoing since 2018
Fee	Confidential



Reference

- Owner representation hotels
- Portfolio - Asset Management
- Performance optimization
- Operator support
- Concept Development
- Renovations - architecture

Client Background & Challenge

- The client, a major Swiss city, is holding a portfolio of commercial real estate amongst which a well renowned luxury hotel. The client has no expertise or resources to fully **manage the real estate portfolio** and to overlook the hotel operator.
- The **client seeks to maximize the performance** of the luxury hotel to insure financial independence
- The owners' real estate properties involve **politically-loaded decision-making by the city council**, therefor an external consultant can leverage (guide) the decision-making towards a certain direction based on the economical reality.
- The hotel owner is looking for someone who has **expertise to deal with the hotel operator and industry**.
- **The hotel needed to be refurbished (since 1977 no major works)**, the owner had no idea what concept to consider besides the ideas from the architects.

EAS Solution

- **EAS represent the client in front of stakeholders to advice** on important strategic decisions. For example, comment architect plans for executing renovations or selecting contemporary concepts or new operators.
- On a monthly basis the operator sends an overview of the hotel activities and P&L to EAS. EAS interprets the activities (P&L) and **makes (operational) recommendations to the owner**.
- EAS supports the operator in **optimizing the performance and profitability**.

Achievements & Value for the Client

- **Reduced the costs of renovation from 43 to 31 million** without compromising the client experience.
- **Renovation: conformity update of the kitchen** area to upcoming legislation.
- Renovation: Reduce inventory from 127 to 109 rooms for **more profitability**, higher ADR
- EAS has **supported the financing of renovations**: from own means to external means.
- **Provide constantly with qualitative recommendations** on how to achieve from an operational and financial points of view the best results; give direction to push the difficult **politically loaded decisions** into specific directions.

Client / Sector / Industry	Hotel & Wellness destination
EAS Business Line	Hospitality Services
Region	Alps (mountains)
Year	2021-2022
Fee	Confidential



Reference

- Hotel transformation
- Strategic repositioning
- Service upgrade (first class)
- Brandbook
- New procedures (SOP's)
- Trainings staff
- Concept support

Client Background & Challenge

- The client, a wealthy individual, purchased a small luxury hotel in the Alpine region. The vision was to turn the hotel into an exclusive wellness destination and to offer holistic wellness programmes. The **hotel transformation** involved a significant expansion of the existing facilities and an adoption of the service levels and organizational and operating structure.
- The exclusive wellness destination required a «**first-class client journey**», for a top of the market product. In order to achieve this objective, the SOP's were rewritten for all client touchpoints and the employee life cycle was reviewed.
- The owner requested EHL Advisory Services for a **brandbook** in order to scale the concept to other destinations, to strategically repositing the product and to leverage on the brand reputation. The brandbook served as well as guidelines to communicate to staff.
- The challenge for this project was to **cross the chasm**: Transforming a small luxury hotel (15 rooms) into a large-sized wellness destination (60 suites, chalets, shopping village, wellness complex, etc.). The gap between both products is significant. The scope of the mandate included a **market repositioning, client journeys, staffing, trainings, operating procedures for all departments, performance measurement, new corporate mission and values, etc.**

EAS Solution

- **Regular meetings with all stakeholders and head of departments took place.** Obtaining an understanding from the actual status and re-organising internal operations.
- Market analysis on characteristics of the buyer personas, investigation of a comp set and research for best practices to deliver a **top of the market client journey and a unique value proposition.**
- **Brandbook:** a document containing all the guidelines for the new product, about 200 pages of content, a detailed explanation on how achieving the objectives.

Achievements & Value for the Client

- **Defending the interests of the client** in front of third parties: reviewing interior designer plans: optimize operational flows, elevators, destination 14 treatment rooms.
- **Documenting the operating procedures and HR strategy** up to the smallest operational detail in a bankbook operations. Go to the level of operations and concrete actions to undertake for the staff transformation and reach the highest service levels.

Client / Sector / Industry	Public service
EAS Business Line	Hospitality Services
Region	Vaud, Switzerland
Year	2020 - 2021
Fee	Confidential



Reference

- Reorganization project
- Change management
- Strategic coaching
- Workshops and training
- Design of the customer experience

Client Background & Challenge

- The canton of Vaud is the third most populous canton in Switzerland after Zurich and Bern with 815,300 inhabitants. Spread over 5 sites, the civil registry of the canton of Vaud wishes to **regroup its activities on a single site in Lausanne**, with **counters** and **branches in the major maternity hospitals**.
- The aim of grouping the civil status sites on a single site, without abolishing posts, is to **optimize resources, processes, the opening of counters**, which are currently non-existent, and the possibility of marrying citizens at the end of the preparatory procedure.
- As a service to the population, the civil registry of the canton of Vaud must be accessible to its citizens. This is why a rigorous set of **real estate specifications** is necessary. Furthermore, in order to guarantee a quality service to the public, the comfort of employees is also targeted.
- **Training and coaching** of resources is desired to achieve the mission of the Civil Registry, which is: to register key events in a person's life, such as birth, the union of two people and death, which occur on Vaud territory or abroad for people originating from the Vaud region. Its mission is to accompany people in their procedures, to advise them and to carry out its functions with diligence and empathy.

EAS Solution

- **Project management** for the whole reorganization project including drawing up property specifications for the future building, revision of the internal organization and processes, coordination of the implementation of changes, etc.
- **Provide advice in change management**
- Organization of **workshops and training courses**

Achievements & Value for the Client

- The external view of EHL Advisory Services (EAS) enabled the civil registry of the canton of Vaud to become **aware of the dysfunctions and to correct** them.
- EAS's **expertise in customer service and hospitality** helps to improve the service provided to customers of this public service
- EAS regularly gather all the data needed for managers to **make informed decisions**

Main learnings in typical mandates

- **Owner is trusting some partners too much**
- **Owners don't ask help fast enough**
- **The better the homework, the preparation, the better the outcome**
- **Operators' distrust of consultants**
- **Financial consultants are not operational consultants**
- **Too many emotions, especially in F&B**
- **Investment is one thing, consequences on the operations is another**
- **General rule : if there is no market, there is no product (ex suites)**
- **Underestimation of complexity of some projects (legal, logistics, sales and marketing...)**
- **With projects, budget not realistic (no room for unexpected, no room for last details)**

Recommendations to consider

- **Start from the client perception and work backwards towards the solution**
 - ✓ What is the behaviour and expectation of my target clientele, what are the client flows, how do clients use the hotel?
 - ✓ What is the current market context : macro and micro economic context, does my idea make sense today and tomorrow?
 - ✓ What are the current trends and who are my future clients; who is my customer tomorrow, what is important to consider?
- **Determine the gap analysis to define the required resources and priorities**
 - ✓ What are my competencies to deal with the opportunities or problems, do I need external help, what are my resources?
 - ✓ What to consider and to prioritize, what is the impact of each decision?
- **Describe and assess several alternatives before deciding**
 - ✓ Describe the options well and all the variables that are impacted before evaluating each alternative. (risk analysis)
 - ✓ Consider the qualitative assessment SWOT analysis of the alternatives
 - ✓ Consider the quantitative assessment: Profitability, Net Present Value, Return On Investment of the project.
- **Make a planning to roll out the project (project management)**
 - ✓ Conclude and make decisions, setup the next steps to execute the decisions (project management).
 - ✓ Ask external support for a second opinion or to leverage ideas during negotiations, monitor progress and adapt.



Thank you!
Q&A