

KEY POINTS EASY TO USE FOR INDEPENDENT HOTELS DURING THE CURRENT PANDEMIC

In Europe, we have seen that the large hotel operating companies have been supportive as much as they could be to their hotel teams, providing profit protection plans, business continuity plans, and other useful guidance. This article is for independent hotels, which represent a large segment of our industry in Europe. Whether your Hotel is closed or remains open, please see the below strategies and tools on how to deal with the current crisis.

“Barbam propinqui radere, heus, cum videris, prabe lavandos barbula prudens pilos” This Latin proverb highlights the importance of foreseeing the next action to be taken as soon as you pick up on measures, carrying on either to avoid potential damage or to get a similarly positive result for yourself.

We are tremendously grateful to our colleagues from China. They kept calm and looked after hotel properties during a difficult time when they had to close the doors and all reservations were cancelled. After several enlightening conversations with them, we have compiled some best practices to guarantee reasonably smooth business processes and business functions.

While the problem is outside of the hotel’s boundaries, hospitality professionals need to be determined to tackle these issues, which have an unpredictable expansion level. Under an emergency situation, we have to stand up for the business continuity.

What best practices can hoteliers put into place to protect guests, staff, as well as their business against the current pandemic?

We will share our insights, providing guidance related to property sanitation, visitor & staff monitoring, and waste control. These best practices may vary depending on the size of the property, as well as the complexity of the operation. In our opinion, they will cover the most important aspects to protect the bottom line and to prevent an extension of the pandemic.

1. COMMUNICATION WITH THE AUTHORITIES.

It is crucial to follow the guidelines distributed by the Medical Officer of Health as assigned in every Country. General Managers should establish a daily follow up status with government representatives, knowing the number of people infected in the city, places with high risk levels, as well as best practices to control and to prevent the infection. The Hotel needs to guarantee a low level of infection (if any), as well as to protect the brand image and positive image.

2. PLAN A SUSTAINABLE SUPPLY OF MATERIALS TO CONTROL SANITATION.

- A. **FACE MASKS AND LATEX GLOVES.** Try to have a stock available for both staff and guests for approximately one-month, taking into consideration the hotel’s maximum occupancy. It is recommended to provide two masks per person per day to cover the time the staff is on duty, as well as during the time they are not on the property (e.g. traveling to work). Furthermore, hotel management should promote

“Social Distancing” measures (e.g. add a table in front of the front desk to keep a distance of 2-3 meters, keep 5 meters between guests when in line etc.).

B. **HAND SANITIZER.** Dispensers to be available in all public areas.

Take into consideration that hand sanitizer, by contrast, kills most germs - but keep in mind that it doesn't fully remove them from the skin. So, washing hands thoroughly and frequently with soap and warm water for 20 seconds at least is strongly advised.

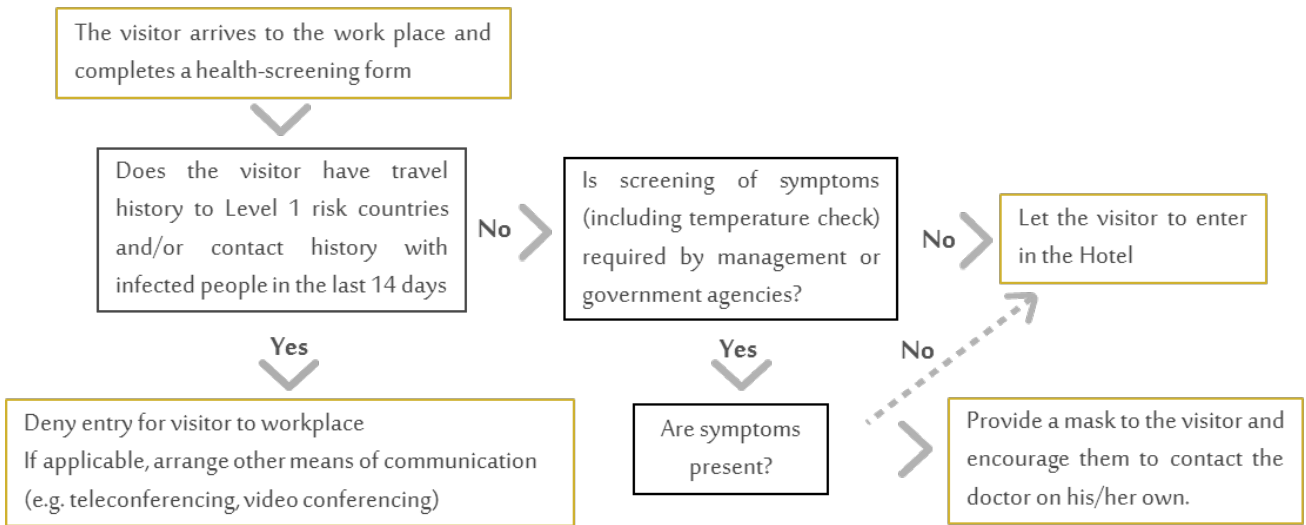
It's possible to make your own sanitizer. As long as the solution is at least 60% alcohol, you can rub the liquid into the hands and let them air dry, then people will have effectively sanitized them.

C. **DISINFECTANT PRODUCTS AND OTHER CHEMICALS.** THERE is a long list of cleaning products to help reduce the spread of the virus. When choosing suppliers and the most appropriate chemicals and tools, you should consider your hotel's furniture endurance and train housekeeping staff to use the disinfectants safely and correctly.

3. **EDUCATE EMPLOYEES ON INFECTION CONTROL AND GOOD PERSONAL HYGIENE**

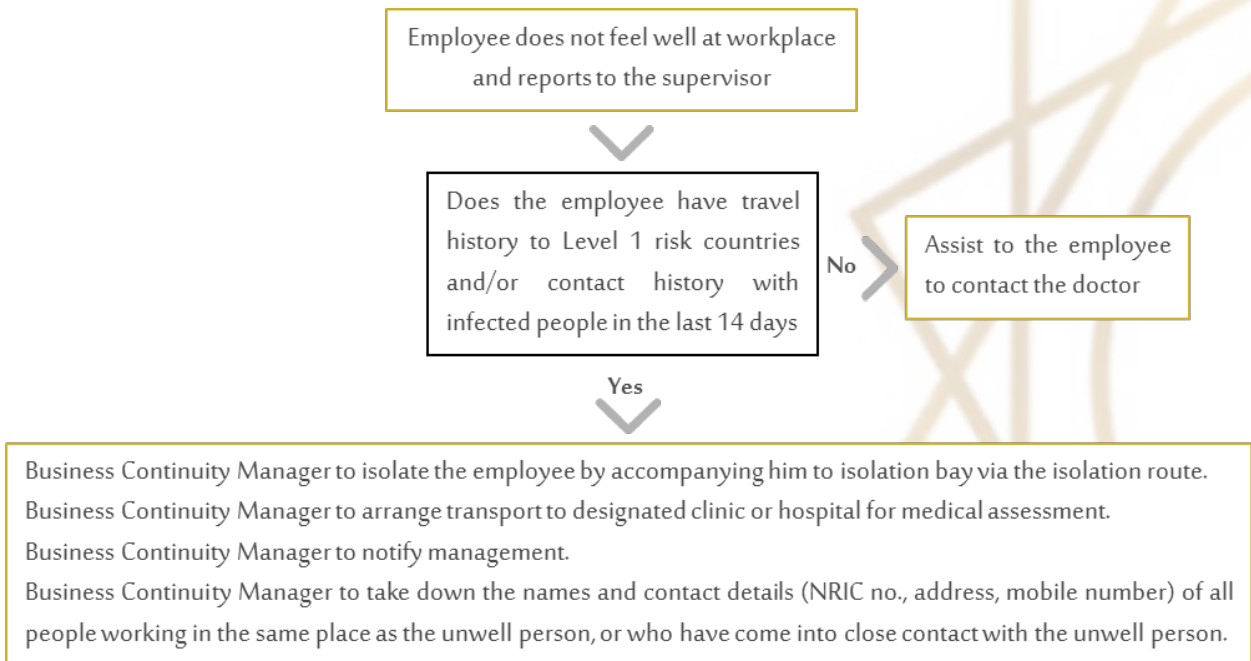
- ✓ Avoid contact with live animals, including poultry and birds, and consumption of raw and undercooked meats.
- ✓ Prevent sharing of food, cutlery, crockery, utensils, and other personal hygiene items.
- ✓ Maintain good personal hygiene, including handwashing with soap and water, or the use of alcohol-based hand rubs.
- ✓ Train the staff to increase their attention to the extreme cleanliness of public areas, high touch areas including the front desk. We highly recommend disinfecting surfaces between dealing with each guest. We suggest that focus is placed on cleaning high-use areas like tables in the lobby, pens at the front desk, room keys, key cards, remote controls, adapters, points of sale where guests touch or swipe cards, latches, buttons on elevators and handrails, amongst others.

4. **VISITOR SCREENING AT THE WORKPLACE.** Most hoteliers want to try and maintain high visitor attendance. However, right of admission and safe protocol might be put into action to guarantee business safety and to avoid external risks. Below is an example of a workflow chart for visitor monitoring.



5. LOOKING AFTER UNWELL EMPLOYEES

Employee health is a priority under these circumstances. Managing a lack of workforce during an outbreak can become challenging. Below is an example of a workflow chart for managing employees in the workplace with symptoms of illness.



**Business Continuity Manager: is the team responsible for reporting the epidemic situation and should be well versed and trained under a crisis management plan.*

6. MONITOR THE HEALTH OF EMPLOYEES OUTSIDE OF THE WORKPLACE

Hoteliers may have the responsibility of co-operating with local government and citizens to control people's health status. There are digital tools to monitor your employees and to provide them with assistance in case they show initial symptoms of being infected.

For example, DingTalk, it is an application communication system between company and staff. The latter have to report every day on their health status. At the earliest opportunity, it is mandatory for the employee, or family members to report to the hotel management if an employee has been diagnosed with or suspected of being infected by the virus.

7. IMPLEMENT A PROFIT PROTECTION PLAN

It is important to put into practice accurate decisions to protect the bottom line and to avoid waste. There are over 100 action plans that could be implemented by Hotel departments, all of which we can make available upon request. In our opinion, they could be classified by the following areas:

- ✓ **ROOMS** The first point is to maintain rooms and public areas with good sanitation for guests' health. We suggest recalibrating the chemical injection system without affecting the standard of hygiene. Removing non-essential items from the rooms, such as the flowers, paper notes, pens, and hotel services advertisements. Close floors, if required, and keep one empty guestroom in between each occupied room. Moreover, if you reduce non-essential lighting in the rooms, as well as in the public areas, you will contribute to saving energy costs.
- ✓ **REVENUE** Have a very clear revenue management direction to avoid 'knee jerk' discount responses to reduced demand. Rather than lowering your rate, make your cancellation conditions very flexible. A guest will prefer to pay for a room, which can be cancelled (and it keeps your cashflow going). Start planning for a recovery period with special promotions and communication campaigns.
- ✓ **HUMAN RESOURCES** Planning for adequate staff coverage for essential business activities through appropriate human resource management. Involve your staff in cost saving measures, sharing best practices taken by the General Manager and other people of the management team with simple sacrifices. The General Manager should create two teams: a crisis management team (involving the Finance Director, Rooms/F&B Managers, Security and Revenue Manager) and a recovery team (Director of Sales & Marketing, Revenue Manager, HR Manager).
- ✓ **FOOD & BEVERAGE** Review the food stock to optimize the food supply for as long as the crisis is expected to last. It is recommended to use perishable food to avoid waste. Another action taken frequently is to stop buffets and to provide room service to limit human contact whilst supplying to the guests' needs. Keep the menu simple in terms of the number of dishes, and easy to prepare as you will have lower levels of kitchen staff. Shut down all meeting facilities (as well as spa, gym, kids club), and adapt staffing levels.
- ✓ **FINANCE** Reforecast weekly your 12-month P&L, closely monitor the cash flow and modify accordingly, and keep your partners appraised (owners, lenders). You need to stay on top of it and frequently communicate on your profit protection plans, actions and potential concerns. The European Central Bank and Local Governments are activating tools to assist small and medium enterprises in liquidity management, efficient tax payment methods, and probably will contribute to providing an annual subsidy. Stay informed.

- ✓ **GUESTS' AND STAKEHOLDER SATISFACTION** Reinforce the commitment and communication with your guests and the stakeholders. During the crisis period, your key people need your support. Therefore, keep your Community Management team busy by sending encouraging messages to your stakeholders, customers, suppliers, etc. Do not forget that the market will remain loyal and will support your business as soon as the situation is recovered.
- ✓ **ENGINEERING & MAINTENANCE** Control energy costs and put into action a plan to shut down air-conditioning and heating in those areas which are not essential for the operation during limited occupancy or unused facilities. In the same way, try to control water costs by considering what services can be cancelled for a short period to guarantee others, which still provides revenue and will not affect the hotel services. For example, avoid the spa and swimming pool water refill or heating.
- ✓ **COSTS CONTROL** Review all the suppliers and maintenance long term agreements to negotiate the annual fees payment to adapt to the cash flow forecast and to avoid a lack of liquidity or payment defaults.
- ✓ **SECURITY** Keep your team, guests, and hotel safe. Ensure all methods of protection are put in place, and have sufficient security staff in place. Organize daily tours of the property, secure supplies, and keep the number of entrances limited.

CONCLUSION

Hoteliers, now is not time to slow down. It is time to go full speed ahead with your teams: keep planning in the short, medium, and long term. Of course, saving the bottom line and meeting your cash flows should be a priority, but not the only one. We recommend identifying potential opportunities to improve revenues and reduce operating costs, at the same we encourage you to contact experts to assist with any advice. Your hotel operations could benefit from a tailor-made action plan to protect the profit, don't hesitate to reach out for outside support. With much experience in Asia (SARS, H1N1, and now the COVID-19), we have the resources and the know-how that can be easily deployed.

As mentioned at the beginning of this article, unforeseen circumstances still lie ahead. It is hard to predict what will happen next. However, we can already see the end of the tunnel in China. If we apply simple measures, we can make a difference and save lives. We need to collaborate better and communicate more frequently to our partners, employees and loved ones. After the outbreak, a renewed society cycle will see new needs and lifestyles. Let's be prepared for that from the lessons learned today.

SOURCES OF INFORMATION

- For further information, please review "Guide on Business Continuity Planning for 2019-nCoV_2nd Edition_Final_08022020"
- Hotel Asset Management in time of crisis_1584018158 by Alexandre Sogno
- Social Distancing: <https://time.com/5800442/social-distancing-coronavirus/>
- <https://www.who.int/news-room/articles-detail/updated-who-advice-for-international-traffic-in-relation-to-the-outbreak-of-the-novel-coronavirus-2019-ncov-24-jan>
- <https://www.cdc.gov/>
- Disinfectant products and other chemicals: <https://www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2>

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Please do not hesitate to contact us at info@globalassetsolutions.com, we would be delighted to offer you our assistance and tailor-make an action and implementation plan to include a wide range of operational efficiency services. We go beyond the impact of the Black Swan event and capitalize on the opportunities created.