

Challenges New Hotel GMs Face: A Mini-Guide

This mini-guide explores the challenges new GMs face when taking over a property, and expert advice on how to overcome them.



By Janine Yu

The first thing they noticed was the silence. For New Year's Eve, Grimanesa Amoros and her family expected a more festive atmosphere at the luxury resort in Sri Lanka, for which they had traveled halfway around the world. But the hotel was eerily quiet, despite having other guests.

Amoros also missed the special touches she had grown accustomed to receiving from this world-renowned brand. She found it odd not to have a personalized welcome note waiting for her in her room, or a cookie or some other treat upon arrival — little details that make a hotel stay feel special, and one considered de rigeur, especially for five-star properties.

Things have been different since the new general manager took over, her butler confided in her. “You could tell that the staff were not motivated or happy,” Amoros says, adding “As a traveler, personalized attention from the GM is very important.” She recalls a hotel stay in Cyprus where the GM personally welcomed her to an upgraded room and chatted with her as if he knew her, since he had done his research — not a difficult task, as she is an internationally acclaimed artist.

“The GM has a lot of power to make a hotel irresistible,” Amoros says. “You can tell by their customer service how well the GM trains their staff. It really shows when the General Manager is doing their job.”



1. Understand the Culture

Gregory Day, the longtime GM of Malibu Beach Inn, shares his thoughts:

“Hotels, in my view, require a deep relationship with the team as well as the guests. You alone as the GM will never do anything to make your hotel a success. You may think you have all the answers, all the best ideas...but without a dedicated team to deliver on those ideas, you will go nowhere, fast! Your team is always put first. Then, the relationships your team builds with the customer will be more meaningful, and therefore, more successful.”

Patience is key, he adds, in taking time to understand the existing culture, as well as the one you want to create. “Every hotel is different,” Day adds. “There may be common threads that you can take to each hotel, but a one-size fits all approach will never work.”

Day recounts a situation where a new GM wrote out a new menu for the hotel restaurant. It was beautifully written and sounded terrific. The one problem was that he never consulted the chef about it. When the GM asked the chef, “Can you execute this? Can you get behind this?” The chef’s answer was “Yes, of course, just as soon as you give me the recipes.” The menu was never implemented. Ba. Da. Bum.

2. Align on Your Messaging

According to the [Bureau of Labor Statistics](#), turnover in the hospitality industry hovers around a whopping 70-80% annually. “Senior roles change all the time,” Day shares. “It may not necessarily have anything to do in a negative matter with the property, but it can be perceived that way pretty quickly.”

Chris Jackson, Principal of digital marketing firm GCommerce, agrees. Having worked as a hotel GM himself, he says that the internal team typically sees the transition in negative aspects. “It’s really important that the GM shares a vision for positive change,” Jackson says. “Listen and understand what’s in place, to get the staff’s buy-in.”

Externally, it’s also important to reach out to loyal guests and high-value customers, whether via email or phone. Repeat guests can have an issue with change, and it’s important for the new GM to reassure them that the things that matter to them will remain.



Additionally, Jackson thinks that a transition to a new GM is a good time for hotels to reassess their marketing strategies. “If a GM or property team has been in place for a while, they get set in their ways. A new GM typically brings experience and insights, as well as a fresh perspective that can create opportunities, which may have been overlooked previously.”

A good place to start, he says, is to perform a social listening audit. “We think that we know what is important or valued by our guests, and then position the property accordingly. Sometimes we have to take a step back and really understand directly from our guests’ perspective what they value and appreciate. Social listening creates that kind of valuable insight and oftentimes opens up the hotel team’s eyes to the value proposition of the property.”

Jackson cites an example of a casino hotel in Las Vegas that didn’t realize that their large rooms and double-vanity bathrooms appealed to female travelers on girlfriend trips. Through a social listening audit, the hotel created girlfriend packages and de-emphasized the features which didn’t actually appeal to their target market.

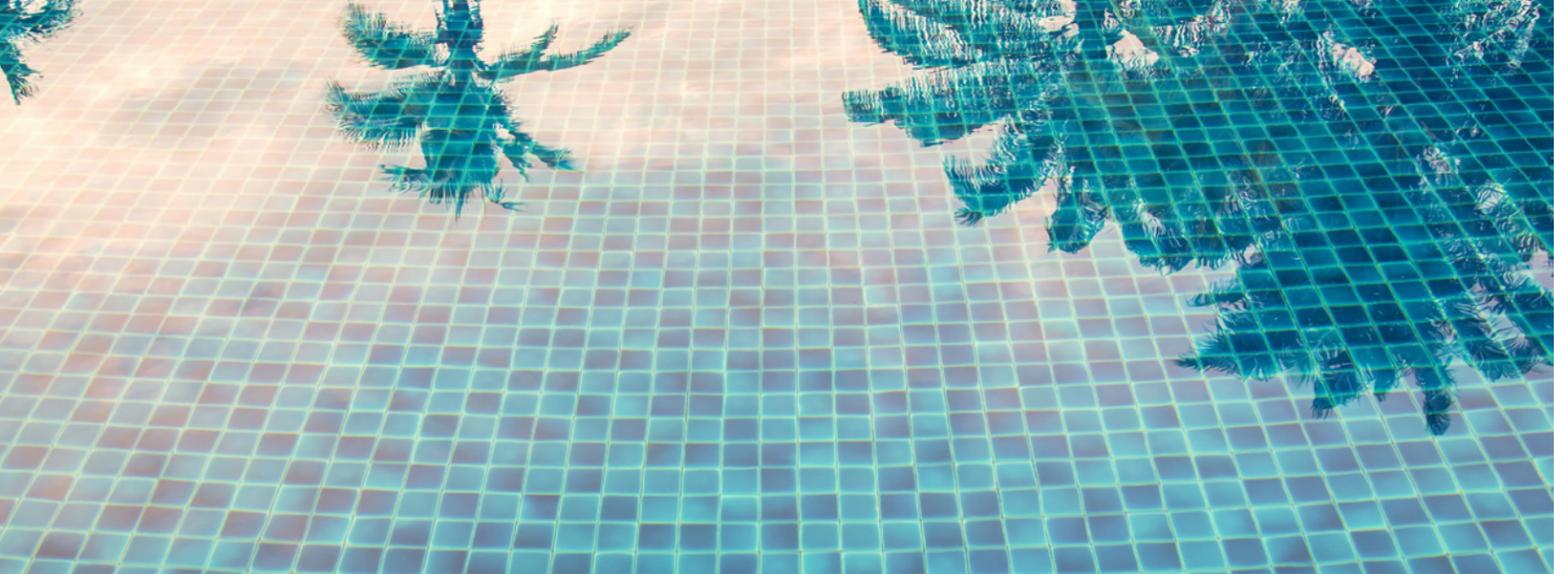
Do’s & Don’ts:

For New GMs:

- » **Do listen** to the staff and understand what’s in place before proposing any changes. Oftentimes, decisions have been made for very specific reasons.
- » **Don’t lean** on one person to build and develop relationships with high-value guests, as it makes it especially difficult if that person leaves the job.
- » When considering the profitability of a customer, factor in the marketing cost of acquiring that customer.

For Staff:

- » **Do be patient** and give the new GM time to learn and adapt to the culture.
- » **Do be open** to new ideas. Change can bring new opportunities.
- » **Don’t judge** the hotel’s success on how busy it is; revenue management is complex, and it takes a team effort to optimize profitability.



3. Keep an Eye on the Bottom Line

One way to improve a hotel is to improve its revenue growth, which a new GM is likely to be focused on. After all, a more booked-up hotel is a more successful hotel, right? Not necessarily, says Digna Martinez Kolar of IDEaS, a revenue management company.

On the outset, a property may look like it's doing well if it's posting 100% occupancy, but that's not the whole story, Kolar says. She cites an example of a hotel in New York City where the GM was proud of his hotel always being fully booked thirty days out. What he failed to focus on was that these bookings were mostly coming from online travel agencies (OTAs), which meant the hotel was paying a lot in commissions and attracting guests who may not be the hotel's target market. By not holding inventory for customers who book directly and book last-minute, usually at higher rates, they are cutting into the hotel's profitability.

"From a profit-and-loss perspective, that NYC hotel's business was not as healthy as you would think," Kolar says. "If hotels don't manage things correctly, they may see a growth in revenue, but a decline in profit."

This is why the GM needs a solid understanding of the tactics and principles behind optimizing revenue management. They need to understand what kind of customers the hotel wants to attract and how to get revenue from them, especially since market segments behave somewhat differently and there are varying costs associated with targeting different customers. "It's not only about which market segments I'm targeting," Kolar adds, "but also about which are the most profitable market segments."

4. Use Technology to Your Advantage

NAVIS offers tools and services for hotels to make a transition easier for an incoming leader. In particular, Navis helps new GMs identify key performance metrics across reservations, revenue management, and marketing.

"We provide a common language around performance that gives new GMs a point of reference for past performance and future opportunity," says Brise Carpenter, VP of Client Success at NAVIS. This includes uncommon metrics such as return on ad spend for marketing, click and open rates for email campaigns, and analysis on phone vs. email conversion.

"Additionally, hotels should harness the demand they already have," says Carpenter, "Look at areas where there are unconverted products. Our Shopping Cart Abandonment tool helps hotels target hundreds of guests who are searching for dates and availability at the hotel but not completing the booking."

Each hotel that works with NAVIS has a Client Success Strategist who helps clients get the most out of their engagement with NAVIS software. "When a new GM comes in," Carpenter says, "our consultant will reach out and walk through a crash course on the strengths and weaknesses of the revenue-generating team. We help make their life a little bit easier."



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