

Developers Dream, Operators Nightmare

What could be a beautiful and visionary project from a Building Developer, may turn into a Operators Nightmare if expectations and needs are not aligned.

From Idea to Operation

Traditionally a hotel project goes through the following stages:

1. The new hotel project is conceptualised by an investor and developer, who with a feasibility study in hand, will engage an architect to visualise the developer's (and the architect's) vision.
2. An operator is chosen, who then gives "a quick review" of the project with regards to size, facilities, life safety and other regulations, etc.
3. About one year ahead of the hotel's scheduled opening a General manager is usually hired to plan the operation, and start realising the profits predicted in the feasibility study. The General Manager often initiates a market analysis, an analysis of the hotel's facilities, flow of operation and guest flow to maximize sales and marketing, i.e. revenues and profits.

A Common Challenge

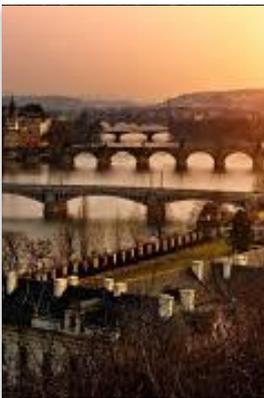
It is often when the Operator and General Manager is on board that "reality" meets "vision" and can lead to compromises between what the developer had in mind and what the operator can deliver.



When constructing the new Marriott Hotel in Berlin, the developer had built a high-rise building with a nice interior atrium. Next to the atrium the developer had planned a "parking room" for the large platform to be used to elevate the cleaning staff.

The operator, however, considered the parking room to be a prime location as it was right off the lobby, connecting to the lobby bar, and therefore asked the developer to change the use of the room. Late in the development process, the cleaning platform was therefore moved to the in the garage, causing additional costs.

The room by the lobby was turned into a live radio station with a huge glass window exposing the radio presenters of a very popular jazz radio station. The live radio studio was a great hit for people to see and experience, it was great in promoting the bar and hotel in general and was much better use of this prime space and real estate.



In Prague, a hotel was opening and the owner and developer decided to have a very nice, large staircase in the lobby, going from the ground floor to the 1st floor banquet and meeting room area.

The operator, while appreciating that the staircase was impressive, found it too big and suffered as the valuable lobby space – his prime real estate - was highly reduced. Furthermore it hindered the full view of the nice ground floor lobby space, and hid a bar located behind the staircase.

The staircase became an on-going headache for the operator, and in the end every stakeholder wished the staircase was not there, yet unfortunately this planning error was irreversible.



In a third example, a developer planned a hotel with a good, upscale French Brasserie. In the final stages of the development, the architect decided to upgrade the Brasserie by adding a thick, heavy carpet for this restaurant.

A carpet is a very unusual choice for a Brasserie, and the operator insisted on it being replaced by a wooden floor. 6 months prior to operations the restaurant was therefore re-worked, incurring substantial cost and disturbance to operation.

The discussions and compromises may result in immediate redesign of some areas and facilities, or having adjustments to the hotel's facilities a few months, or years into operation – leading to potential delays and sizeable expenses.

Early Insights and Cooperation Saves Costs

Good planning and review of the plans between the developer, owner, and operator can save substantial cost, time and energy, and produce better efficiencies and look. Most of all it supports good guest services, and consequently revenues and profits.

INHOCO Group is pleased to see that developers and investors increasingly involve either operators, or consultant in their plans prior to conceptualizing, and building hotels, thereby increasing the future marketability and hotel operations.

Based on extensive hotel operational experience, INHOCO Group supports owners and developers in the “infant stages”, to help evaluate the service and guest flows, and consider how the hotel best can cater to the future guest expectations. The analysis and recommendations will result in win-win scenarios for the developer, investor, operator, and guests – increasing satisfaction and profitability!

INHOCO Group

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