



Conducting an Annual Relationship Audit will Allow Revenue to Bloom Rob Hunden - Spring 2007

Are your key managers hurting your business? They may be if you have not reviewed your relationships within the community your hotel serves. Owners are not always aware of the relationship “decisions” that their management team makes that can seriously impact their business and community good will. Just as an internal financial audit can expose areas of weakness in operations, a relationship audit can expose surprising areas of weakness that impact top line revenue.

We recently conducted an expansion study for a client who owned the largest and highest-quality hotel and meeting facility in the market. To our surprise, when conducting interviews with key community leaders – including the convention and visitors bureau – critical community relationships had been harmed or had nearly ceased to exist because the previous general manager did not feel the hotel needed their business or leads. The director of sales followed suit, focusing on existing business patterns. When groups were interested in the hotel, the response to the CVB and groups was often lackluster at best. Instead of working with the CVB, local stakeholders and groups to find other date options onsite, the hotel management let the groups move on to lesser accommodations. That may have worked in the past, when demand outpaced supply, but it won't fill a property that doubles in size.

Fast forward to the problem facing the property as it expands today: The new management's direction is to expand and fill rooms as well as the new meeting facility, but the regional sources of business have a bad taste in their mouth for this property. The hotel has become an island of “no thanks” in a region seeking a place to hold association and corporate meetings. So not only will the new management need to convince more and larger groups to come to the facility, but it would have to spend considerable time, effort and money to re-establish sincere interest in working with the CVB and others in bringing any type of group to the property.

Now you might think this could not happen to your hotel or that you would know if one of your key executives had damaged critical sales relationships. Think again. Our client was generally aware that group sales had slowed, but had no idea how much their hotel's reputation in the community had been damaged during the tenure of one general manager. With the expansion underway, the property has named a new general manager who must heed the advice provided in the study. We provided a list of all the key relationships that must be re-established in order for business to begin flowing to the expanded facility. Without such a relationship audit and requisite repair, negative word of mouth in the market will continue and performance will suffer.

Do you need a crisis to benefit from such a review? No. Checking up on your perception in the community and initiating contact with key stakeholders can generate increased cooperation, leads, and more business.

So how is your hotel perceived in your community? What are key allies and civic leaders saying about the property and management when you leave the room? We strongly recommend you find out by conducting an annual relationship audit. Then you can weed out the problem and watch revenues bloom.

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