

THE WAY FORWARD FOR THE HOSPITALITY INDUSTRY IS TO ADOPT A MULTI-PRONGED STRATEGY WITH A VIEW TO EXTENSIVELY IMPROVE AND ENHANCE CUSTOMER EXPERIENCE



LOOK  
BEYOND

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**R**ecessions don't last forever. The turnaround has begun and the hospitality sector will see good results in 2011. A vibrant organization sees recession as an opportunity and converts a problem into an opportunity to build capacity and grow. Leadership must deliver and aim to outperform the market. So the challenge for us at the Park Hotels has been to become recession-resilient by improving our operational and capital efficiency and retain our competitive position.

Pioneers of the boutique hotel concept in India — The Park Hotels — is a part of the Apeejay Surrendra Group and also a part of the Design Hotels with properties in Kolkata, Delhi, Bangalore, Chennai, Vishakhapatnam and Navi Mumbai. We have effectively mined the gains of supply side opportunities to build capacities and create avenues for growth and our plan for the next five years is to double our current capacity of approximately 850 rooms, creating iconic, luxury, high-service properties. We have a 280 room landmark hotel opening at the end of this year in Hyderabad, to be closely followed by properties in Pune, Jaipur, a second luxury hotel in Kolkata and then Mumbai.

The down side of a recessionary economy has been countered by us through rapid and sustained activity-based cost management strategies — managing our costs optimally by constantly and strongly scrutinizing expenses, assets and investments across the value chain to ride the downturn more efficiently and reduce its impact.

The general reaction during recessionary times tends to be narrow-focused and short-sighted by engaging in simplistic price cuts, which does not necessarily result in inducing demand in a downturn. We have relied heavily on our domain expertise and core competencies in the bars and entertainment segment and food and leisure business of the hospitality sector to retain our competitive

edge. Along with effective pricing, the way forward for us has been to adopt a multi-pronged strategy to extensively improve and enhance customer experience. We have ensured that global standards of excellence are met in the products and services being offered to our customers, through interesting food festivals, innovative after hours entertainment and exciting public spaces within each property.

With a high quality focus to increase customer value, protect best customers, and deepen key relationships we have been able to attract new and retain old customers.

We believe our strength is our people and this period has been utilized to encourage, build and upgrade our human capital as well. Restructuring has been carried out but with minimum job losses. And today we are the best in class in payroll management. There



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has been a continuous focus on training and development of our human potential at all levels through in-house management development programmes as well as participation in external executive development workshops. However, no restructuring or strategy can succeed unless leadership seeks control of the top line.

This can be done by creating powerful and motivated strike teams with increased allocations to sales and marketing. The need of the hour is to not look for short-term quick fixes, but to look at 2012 and beyond with a long-term view on global trends and opportunities for the hospitality sector.

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HOSPITALITY  
SECTOR