

Is The Hospitality Industry Ready To Break The Wheel?

The Game of Thrones finale is upon us and the words of Daenerys Targaryen ever resounding - "Lannister, Targaryen, Baratheon, Stark, Tyrell – they're all just spokes on a wheel. This one's on top, then that one's on top, and on and on it spins, crushing those on the ground. I'm not going to stop the wheel. I'm going to break the wheel". In the midst of this I wonder if the hospitality industry be able to break the wheel of structural silos to embrace a more meaningful transformation?



Recently, Skift published two reports in collaboration with IDEaS Solution and Sabre Hospitality, namely, "A Hotelier's Guide to the Future of Hospitality Merchandising" and "Rethinking Revenue Strategy — A Hotelier's Guide to Thriving in an Era of Disruption". While the reports provide great insights, they can be summarised into a few key words #transformation #technology #data #merchandising #strategicshift

Reading these reports my mind pondered – "what would successfully enable such a strategic shift?". Is the hospitality industry structured in the most meaningful manner to fully embrace and benefit from such a transformation?

I think not as yet!

Take WeChat as an example – is it a chat, social media, e-commerce or payments – now reflect on your own organisation and think who is in the best person to manage this platform? I am sure you are as perplexed as I have been looking at the existing organisation structures. While there is a need for specialists, we also need general practitioners who are capable of viewing the bigger picture, evolve strategies and leverage the support of specialists to act and execute.

Sanjay Nagalia, COO, IDEaS Revenue Solutions believes that the hospitality industry recognizes the need to adopt advanced technological solutions to transform how they approach revenue management and break down data, strategy, and departmental silos within a hotel to deliver on revenue goals. Hotels must create holistic revenue strategies with robust integrations that ensure data integrity and precise, automated decision-making to thrive in this era of digital disruption.

In this regard, “Rethinking Revenue Strategy — A Hotelier’s Guide to Thriving in an Era of Disruption”, provides insights into why hospitality brands must transform how they approach revenue management, the specific capabilities they need to succeed, and how they can actually go about developing these capabilities.

Likewise, “A Hotelier’s Guide to the Future of Hospitality Merchandising” cites that in the past, hotels were primarily in the business of selling beds in rooms. But in this new era of merchandising, hoteliers will have the insights and retailing know-how to sell guests not just a bed, but an entire hotel experience delivered to serve each traveler’s unique needs. This opens up retailing opportunities for a huge range of products and services, whether that’s selling access to transport, food and drink, tours and activities, meeting space, or much more. Best of all, this strategic shift will help hotels generate more revenue while boosting guest satisfaction.

The report further emphasises that even as this merchandising transformation takes hold, not all hotels are prepared. In order to succeed, hotels need to get much more strategic about knowing what their customers want at any given moment, something they can only do by generating smart insights from customer data, and by building a more flexible process for creating offers.

I believe one needs to be disruptive about imagining the future organizational structure for the industry. In order to design an organisation structure for the future we need to first accept that the rigid hierarchical organisation structures of hotels are no longer “fit for purpose” and need to change to be able to cope with the dynamic and disruptive environment now, and of the future. Consider how the current “silo” approach to organising and managing hotels needs to radically change towards organic networks that

supports effective and efficient deployment of strategies and tactics while fostering and encouraging creativity, entrepreneurship, and innovation throughout all parts of the organisation.

This calls for an evolved outlook – more like a “start-up mindset” - to think out of box and indeed break the wheel!

We at Rev-Mantra have exerted significant effort towards researching the subject and combined with our learnings from MIT and Harvard, we have able to approach this complex issue with our own model – *Start-up Mind-set – Breaking the Chains*. For those of you who are challenged by these thoughts and taking a hard look at such strategic shifts, do contact us and we would love to talk to you.

About the Author

In a career spanning 20+ years in the hospitality industry Puneet Mahindroo, Founder and CEO, Rev-Mantra Pte. Ltd., has worked in various hotel and corporate level roles in Marketing, Revenue Management and Distribution. He has been responsible for implementation of several strategic projects; ranging from Performance Marketing, Sales Systems, Automated Revenue Management System, Revenue Management Education, Pricing Reforms and implementation of Distribution Platforms; for brands such as Four Seasons, InterContinental Hotel Group and Taj Hotels Resorts and Palaces.

Puneet is also involved in various industry wide initiatives. He serves as the Asia Pacific Chair to the HSMIA Revenue Management Advisory Board and in the past successfully completed 2 terms as the Asia Pacific Chair on the Board of Directors of Hotel Electronic Distribution Networking Association (HEDNA). He also served as a member of the Leading Hotels of the World International Rooms, Revenue Management and Distribution Advisory Board.

Puneet is passionate about education and training and has been external/visiting faculty of Revenue Management to leading business schools such as Indian Institute of Management, Ahmedabad, SP Jain, Dubai and also involved with the Cornell University on projects and roundtables.

About Rev-Mantra Pte. Ltd.

Rev-Mantra management consulting services focus on our clients' most critical issues and opportunities: strategy, marketing (offline/online), distribution, sales representation and analytics across service industry and geographies. We bring deep, functional expertise, but are known for our holistic perspective: we capture value across boundaries and between the silos of any organization. We have proven a multiplier effect from optimizing the sum of the parts, not just the individual pieces.