



INDUSTRY REPORT

Planning is Everything; the Plan is Nothing.

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This quotation is usually attributed to former US President Dwight Eisenhower. He meant it in a military context. When the wolves at the door are soldiers (or even heavilyarmed and bizarrely-dressed "Republicans"), your plan may have to change rapidly and radically, but you must have one, and you must be clear about where your plan is taking you. This means strategy.

Strategy and planning provide the link between the current and the future direction of a business.

#### Strategy isn't vision or mission.

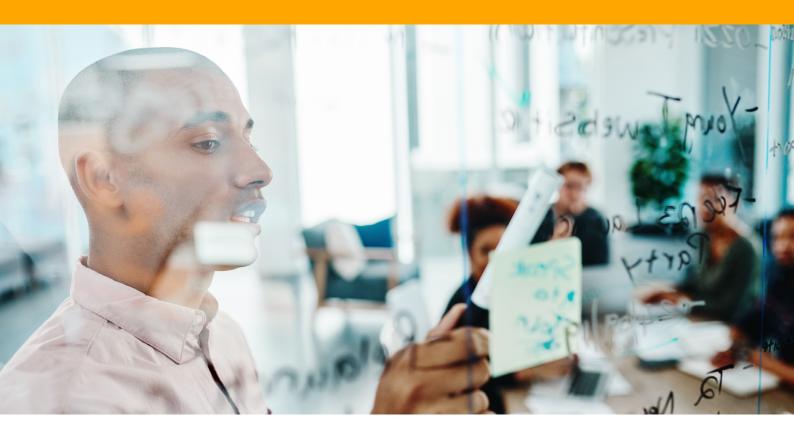
- A vision without a strategy is a dream.
- A mission without a strategy is a hope.

It is therefore important to separate the process of strategic thinking from the management of current operations.

Riding a bicycle and changing a wheel at the same time is a difficult trick to pull off at the best of times, but this is what having and implementing strategy means for the hotel business; a business that has to deal with glacial real estate development lead times, combined with rapid changes in consumer habits and behaviors.

Just because it is difficult doesn't mean you can avoid it without negative consequences.





What have we learned after nearly a year of stop/start lockdown, caused by a health crisis that has brought into question the very existence of the hospitality business?

- We have learned that we humans love making plans and that the removal of this privilege causes confusion, frustration, and short-term decision-making.
- That when things are going exceptionally well, we forget about cycles (economic ones, not two-wheeled ones).
- That making a plan is not just a question of taking last year's results and adding 10%.
- That profit-taking in the hotel operating business should take second place to investing in the future of that business.
- That sound asset management is often the difference between life and death for a hotel.
- That hotel assets must either be future-proofed or recyclable.
- That the privileged few depend upon the low-paid many to provide the hospitality services that we all took for granted.

- That the world probably has too many bars.
- That the traditional conference business model is broken and something should be done to mend it.
- That EBITDA per square meter is the only truly comparable measure of management success and profitability.
- That renting out hotel rooms during the day is no longer a suspicious activity, and that chairs in rooms are for sitting on and working, and not decoration.
- That people value their health and wellness above almost everything else.
- That, in any business, cash is still King.
- We have also learned that a forced timeout helps us to re-examine, re-think, and adjust our plans; something we should all be doing, all the time.

# Best not to wait for the next crisis...

This viewpoint originally appeared as part of the HospitalityNet World panel series here.



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A hospitality and real estate specialist with over 35 years' experience in professional business advisory services and general management in a wide range of independently-managed and publicly-listed international companies.

Comprehensive experience of all aspects of hotel and resort development and operations over a period of more than 25 years, with particular focus on residential business models and mixed-use developments, managing projects and cross-functional international teams during development, start up and operational launch. Personally involved in the development of luxury branded residences involving brands such as Mandarin Oriental, Aman, Four Seasons, Fairmont, Jumeirah and Armani.

More than 15 years' international consulting experience of hotel valuations and feasibility studies, operator search, asset management and strategic business planning to owners, lenders and operators across Europe as well as in Africa, the Middle East and the Caribbean. Creator and Lecturer for the Hotel Budgeting & Forecasting Module of Online MBA at Ecole Hôtelière de Lausanne. Combines the highest standards of objective business analysis with an inspirational level of innovation and creativity.

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