CASE STUDY

Hospitality Ventures Increases Retention

Profiles International®

HOSPITALITY VENTURES MANAGEMENT GROUP
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Look closely at the letter “G” in the logo of Hospitality Ventures Management Group; it is turned on its side, and the ends of the “G” almost meet. This is not a typo, but a symbol of HVMG’s reputation as being the organization that can turn around hotel properties.

Within the hospitality industry, this management group is known as the “turnaround doctor” for underperforming hotel properties, seemingly waving a magic wand to immediately change a hotel’s results, which may mean changes to the flag, a renovation, and always a change in management culture, processes, and systems. In the process, the organization becomes the operator, manager, and sometimes, the owner of the property.

To outsiders, these transitions appear to happen in mere moments at the stroke of midnight, in a sort of reverse-Cinderella fairy tale. Those on the inside know that fairy tales are just fun stories that fudge the truth, and that turning a hotel in a new direction requires a team with knowledge, skill, the right people, and occasionally, months of hard work. After partnering with Profiles International, the management group has seen—in one year—an 83 percent retention rate of their key workers.

History
Atlanta-headquartered Hospitality Ventures Management Group, formed in 2000 by president and CEO Robert Cole, owns and manages properties from California to Maine, primarily mid-upper and upper scale brands. “We are managers first and foremost,” says Sue Sanders, Vice President of Strategic Planning and Human Resources. The organization has 42 hotels across all brands in its portfolio, and owns one-third of them.

When taking over a property, whether an Embassy Suites or a Hyatt, Hospitality Ventures team members institute a new approach for the hotel, which sometimes includes changing the flag, renovating the real estate to meet new standards, and establishing their own management standards. One reason for their success as turnaround specialists comes from the senior leaders’ combined experience in identifying sluggishly performing properties and dramatically improving their abilities.
Their sharp focus makes the organization’s vision (“To be the most sought-after employer, operator, and partner in the hotel industry, and the leading solution provider for underperforming properties”) and its mission (“To maximize the value of our hotels in any business climate by cultivating a culture of excellence with each of our stakeholders”) possible.

Using this vision and mission, HVMG has won numerous awards for excellence and top rankings, including recognition for improved market share performance, excellent guest service, and quality renovation projects.

How it is done

One of the first steps the turnaround team takes with new properties is to install Hospitality Ventures’ operational methods—a set of systems, processes, and tools that senior leaders have developed to drive revenue and reduce costs. “We put these into each property when we take over,” Sanders says.

Leaders also instill Hospitality Venture’s culture of excellence with associates throughout the organization. To that end, leaders train associates in how to take over a property. “Everyone goes through orientation and excellence training. ‘Excellence’ is a mindset; you have to live it. You make a difference in your own life, and that is how it impacts the guests. It’s a cultural thing. This is constantly reinforced.”

Although a transition may seem like an overnight thing to outsiders, Hospitality Ventures knows change is a process, not an event, a philosophy that sets the organization apart. “Too many management companies treat a transition as an event instead of a process. Our transitioning process is a competitive advantage for HVMG. Our processes start as soon as we have an indication we are buying a hotel. We go in—90 days in advance sometimes—and begin to map out a transition plan. We have a roadmap, but we tweak it to the nuances of that situation.”

The team will examine a property’s market share, guest satisfaction scores, and other information. In addition to this corporate oversight, a top general manager from one of the
group’s best-performing properties will arrive to direct changes, and will be supported by functional leads from other hotels across the company to support the transition. Soon, a new hotel transition team is in place. “All of them have day jobs somewhere else in the company, but they all come together for the transition,” Sanders says.

This is part of Hospitality Ventures’ transition playbook, which directs leaders how to charter and launch a team, laying out activities step-by-step. “On the day of transition, we are all on site, and we are there for weeks to months afterward.” Within 90 days, the property is usually performing better than it was compared to the prior year, and usually hitting the proforma.

Turning around a property is a great developmental opportunity, Sanders says.

“You have leaders now stepping into these roles. In order to be selected [for a transition team], they must be high-performing individuals already, and on a career path to another role. In addition, they must have coverage back where they are based,” Sanders says. This means they have developed their own associates to run their hotels successfully in the manager’s absence, making the transition process “a really excellent development tool all the way around. It’s a stepping stone to the next position.”

Sanders, who has more than 20 years’ experience in hospitality and management consulting industries, leads the strategic business planning and enterprise performance management processes. She also heads a couple of strategic initiatives each year, provides oversight of strategic planning processes, and coaches others on how to perform against the strategic plan.

Her job requires her to lead property transitions, and she also takes the lead in and is responsible for all aspects of human resources throughout the organization. One of the first things she did at Hospitality Ventures was to build a standard hiring process using Profiles assessments, which she had used in other roles and brought into the organization.

**HVMG and Profiles**
A priority for the management group was hiring people
with the right service fit for Hospitality Ventures. “You can train someone in the skills, but service has to be within that person,” Sanders says.

She learned this early in her career when, right after college, she worked for Ritz-Carlton, first at Ritz-Carlton Buckhead in hotel operations and human resources and then as Corporate Quality Advisor. Every hotel organization she has worked with has used assessments, but she discovered Profiles when she was looking for an assessment that would help her hire general managers. She found the ProfileXT®, and it helped to identify candidates with the right leadership attributes and cultural fit for the position.

Hospitality Ventures began using Profiles assessments with general managers, and then with directors of sales. Now they use assessments with all employees, including:

- **ProfileXT® (PXT)**—Profiles “total-person assessment,” which helps in the hiring of every general manager and every department head.
- **Profiles Sales Assessment™ (PSA)**—helps organizations optimize sales performance and assess everyone in sales management.
- **Step One Survey II® (SOSII)**—assesses “every single position,” all of the organization’s 2,500 employees. This assessment is key to employee background, employment history, integrity, personal reliability, and work ethic, and is used primarily as a screening tool early in the candidate selection process.
- **Customer Service Profile™ (CSP)**—assesses all front-of-the-house positions, or those that have the most contact with guests, including workers at the registration desks and food and beverage servers. The CSP measures how well a person fits specific customer service jobs in an organization, and Profiles offers a specialty version for hospitality workers.

Hospitality Ventures began with PXT in 2010, and added SOSII in 2011. That year, the company saw an 83 percent retention rate when the SOSII assessments were used correctly, and a 42 percent retention rate when they were used inconsistently, or when hiring decisions were not based on assessment results. “PXT gives us so much insight into an individual, and [the
results] are accurate,” Sanders says. “If we second guess the assessments, we find out that they are correct. It took a couple of those [second-guesses] for people to appreciate the information the assessments gave us.” The results the organization realized the first year with SOSII, and what that assessment did for retention, were a major selling point. Sanders’ team shares assessment results with managers. “They are the ones who use the hiring questions and drill in, and they love having those questions.”

The assessments offer use beyond hiring, Sanders noted. For example, senior managers review PXT results with leaders who have been successful general managers and are under consideration for a new role. PXT gives them insight into an individual’s assertiveness or decision-making ability.

**Results and future strategy**

After seeing the SOSII’s results, Sanders wants to see more employee performance data for Hospitality Ventures, and see where the dots connect to PXT and PSA. That evaluation process is ongoing.

She is also considering using the Checkpoint 360°™, an assessment that evaluates the leadership skills and effectiveness of managers and leaders by compiling a feedback system for each employee derived from direct reports, peers, supervisors, and customers.

Meanwhile, the management group saw its portfolio grow by 33 percent in 2010, and 36 percent in 2011. The company added eight hotels and two conference centers in 2012, and continues to spread its culture of excellence broadly.