

REDUCED OVERTIME BY 75% AND HOUSEKEEPING MPR BY 4 MINUTES

“WE’VE BEEN ABLE TO PINPOINT—DOWN TO THE PENNY—OVERAGES AND OVERTIME, SO OUR MARGINS HAVE CERTAINLY IMPROVED”



CHALLENGE

One of Hotel Effectiveness® clients—a 120-room select service hotel with strong RevPAR—was having issues with its gross operating profit (GOP) margins including overtime, labor costs and distribution expenses. Two years ago, the hotel began experiencing a steady uptick in overtime hours due to increases in occupancy combined with a tight labor market. Creating more of a challenge was the significant increase in hourly wages—some roles were up by 25%+. And, distribution costs have been on the rise. All these cost increases posed a problem for the hotel’s management company: How can it hit its targets to earn the incentive fees built into its contract while reducing costs?

The staff is made up of 40 people, blending longtime employees with newer hirers. The hotel has 10 different job positions including supervisory roles. Since opening 15 years ago, the hotel has welcomed a balanced mix of leisure and business travelers—with particularly healthy weekend bookings, which include room-only guests, plus small groups for social events and sports teams.

SOLUTION

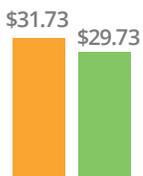
The management company brought in Hotel Effectiveness to address the hotel’s challenges with a smart labor management solution—to create smart schedules and avoid overspending on labor. With a PerfectLabor® solution implemented, right away the GM quickly focused on the major labor cost drivers that were causing additional spend for the hotel. Department managers took note of how helpful PerfectTime™ was—Hotel Effectiveness’ smart scheduling tool—giving them significant time back in their day since the manual process was eliminated. Plus, as soon as their team started using the MyHotelTeam™ portal, questions and issues about schedules dropped dramatically.

RESULT

The positive impact to the hotel’s bottom line was significant. GMs and leadership are now able to manage labor costs even easier with the new mobile app. After just three months with Hotel Effectiveness, the VP of Operations noted these impressive results in the hotel’s operation:



Housekeeping minutes per room (MPR) dropped by more than **4** minutes—from over **28** minutes for a standard room departure clean to just under **24** minutes, beating the brand benchmark by **2** minutes



Cost per occupied room went down, saving nearly **\$2.00** POR and reducing CPOR to **\$29.73**



A reduction in total overtime by **75%** per week—from over **80** hours to less than **20** hours per week



Total labor hours per occupied room (HPOR) dropped by more than **15%**—from **2.3** HPOR to **1.95** HPOR



Laundry MPR dropped by **30%**—from **8.5** minutes to just over **6** minutes

