



FreemanGroup
Service Solutions

MAINTAINING STANDARDS IN THE CURRENT ECONOMIC CLIMATE

by Bill Freeman



A friend of mine recently shared with me a dinner experience he had with his family. George isn't poor, and he isn't rich, so one thing he conveyed to me I found particularly interesting: he paid \$82.00 for the meal experience and left the restaurant with "buyer remorse". He made the point strongly that whereas pre-recession he would have simply chalked it up to a bad experience, in the current economic condition, he truly regretted spending the \$82.00, feeling the money could have been put to much better use.

The story got me thinking and along the way, one of my colleagues Jesse Boles came across the following quote when researching content for a speech: "The psyche of the consumer has been shaken. Pricing issues won't go away when the economy recovers. Price-value will remain an issue, as this recession has been severe enough to be life altering for many" {Hudson Riehle, Senior VP NRA}.

I think George and Mr Riehle provide us with the foundation of a solution to maintaining standards in this recession. First step: Find out what your customer/guest expectation level is, what standards are important to them and what their price point is. Also realize that the customer needs to be engaged more frequently before and after each experience and that their expectations have changed considerably within this economy.

The recession has also seen a drastic reduction in staffing levels across the spectrum of the hospitality business. I was amazed recently to be in a meeting with very senior executives of a major hospitality corporation, who had sanctioned labor cuts of between 15% and 20% across the board and who strongly indicated to me that they had the same expectation of service delivery standards as before the cuts. That meeting led me to thinking about the second step in maintaining standards in this environment: Marry the staffing levels to the customer expectations in regard to delivery and price points, do not arbitrarily cut staff and expect more consistency from less resource; staff morale drops, service levels drop, customer complaints rise, numbers fall off, more staff are cut, more training is necessary.... you get the picture.

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I have also been surprised at how the organizations who originally slashed training and labor budgets as described in the previous paragraph are now suddenly deciding to re-invest in the development of their workforce. I think the primary reason for this is because they have been forced into it, due to losing skilled labor or losing a customer base, or both. Step number three: Maintain a quality initiative on the basis of all employees receiving fifteen minutes of focused training a week, but concentrating on the customer critical standards and avoiding the “busy work training” such as where the salt should be relative to the pepper. Praise them for good performance and challenge them to succeed, especially now. The rule should be that all employees be placed in a position where they alone can accomplish a focused task daily for which they can be recognized.

Finally, measure performance through constant feedback from guests as described previously, and also by inspecting standards agreed. It becomes critical in this environment to proactively capture and manage as much data as possible, so as to keep pace with the ebb and flow of service and price.

There it is then, four steps:

- 1) Establish customer expectations by engaging them more frequently.
- 2) Marry the expectations with the staffing levels to ensure compliance.
- 3) Ensure a consistent approach to training, concentrating on the standards *most* affecting expectations.
- 4) Measure performance of these standards on an ongoing basis and adjust accordingly.

Good luck with it and good results in 2009 and beyond.

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ABOUT FREEMANGROUP

“FreemanGroup is the only service consultancy company that offers an entirely integrated consulting system to the hospitality and travel industry worldwide. The firm's clients include major hotels and resorts, restaurants, casinos, airports, sports venues and tourism destinations worldwide. FreemanGroup's integrated services are comprised of hospitality management and line level training, mystery shopping, guest/employee comment, customization of standards of performance/job description templates, and new property openings. Founded in 1985 by Bill Freeman, FreemanGroup is based in Dallas, Texas. The firm also has offices in London, Costa Rica, New York and Florida. For more information, contact Ms. Pat Moore, Director of Business Development at 904-273-9904 (FL), 972-479-1345, pmoore@freemangroup.org or visit www.freemangroupsolutions.com.