



Hospitality & Retail

The hospitality industry is constantly stretched between the cost of operations and providing consistent high quality service to its guests, all while maintaining capital improvements and expansion to attract, grow and maintain market share. Creating a strategy that unifies operating processes and services will strengthen brand loyalty as the ultimate differentiator. We understand these demands and address them by bringing a set of comprehensive tools and techniques, which integrates with your company's workforce to promote a sustainable change.

When applying operational improvements and concepts such as Six Sigma, Kaizen or new technology, the implementation becomes the critical element of success. Unlike other industries, in hospitality the employee interfaces with the customer at all levels and on a constant basis and thus significantly elevates the risk of any improvement effort and brand building.

SCOPE of SERVICES

Whether it is an underperforming property or a specific area of operations, we typically begin working with our clients to assess operations and perform root cause analysis to identify areas of opportunity. Bringing functional experts together that may even be from different industries to provide a unique perspective and create innovative solutions has driven our success. The scope of services and areas that we cover are:

- Guest Services / Reservations
- Technology Innovation and Implementation
- Administration and Performance Management
- Cleaning and Maintenance
- Energy and Utilities
- Food Management
- Financial Planning and Reporting
- Capital Planning and Asset Management

In the hospitality industry each function/component of an operation is dependent on each other. When addressing

problems we look for interdependencies so the solution integrates well with the operations and becomes accepted by the employees. Each solution must have some basic key value propositions such as creating economic payback, improving customer experience, strengthening brand loyalty and seamless integration within the workforce.

APPROACH

We take a comprehensive approach when conducting assessments and consider all factors related to the business environment, strategy, people, process and technology. SAGIN's approach is tailored to the type of assessment and can include a variety of proprietary tools we deploy that can include the following options:

- Labor analysis and time studies
- Performance benchmarking using global industry benchmarks
- LEAN/Six Sigma, DMAIC
- Business Process Activity Analysis
- Market retention and sensitivity
- Customer valuation



- IT integration, technology congruency, software portfolio review
- Cash management and financial leakage analysis
- Scenario planning and business modeling
- Change readiness assessments
- Business risk assessment
- Product line and service profitability analysis

APPLICATIONS & CASE EXAMPLES



A large hotel chain operates over 700 properties worldwide under various brand names. The company had a 10-year history of implementing Six Sigma and LEAN techniques with various degrees of success. With some stagnation in the market the company was reaching a plateau in success and improvements.

The company looked to SAGIN to reinvigorate the methods and past success of the most poorly performing properties and assembled a 'hot sheet' of problems and recommendations. Building upon the past success of the company's Six Sigma implementation, the team created a Kaizen approach to the problems and began training staff and holding Kaizen events to create solutions for the problems. In ten months and ten properties, the teams were able to create operating savings of 15-20%, increase room cleaning productivity by 30% and improve cleanliness standards while adding \$20 million additional revenue for add-on purchases and services. The ten worst performing properties jumped into the top 30% in one year. The company is now expanding the Kaizen concepts and training to perform over 300-400 Kaizen events in the next two years.

A reputable hotel group recognized it has a very diverse customer base from business travelers to families on vacation. Recognizing the different needs of each traveler, the company wanted to promote a more custom experience, catering to the individual. The company realized these needs could fluctuate as some business travelers often used the hotel chain for family vacations. The company needed to segment the customer base while, modifying their services to each customer's need.

Ironically, the SAGIN team looked at Starbucks as an example, which can produce over 160,000 drink combinations for each customer. SAGIN applied a similar approach using technology and process to develop a more custom experience for the hotel guest. This included integrating the processes of reservations, check-in, hotel services, concierge and checkout. For example,

information collected in the guest loyalty program linked to a guest's reservation data can be communicated directly and to hotel staff for room cleaning preferences, or specific amenities to be provided. During the time SAGIN was implementing technologies and process-based solutions the company saw a 25% increase in repeat reservations and a 37% increase in customer satisfaction scores where the program was being tested.



Another hotel chain was looking to reduce maintenance, repair and operating (MRO), supply expense and improve utility management. The SAGIN team used a combined approach of LEAN Six Sigma techniques through an initial assessment and

trained employee-led improvement teams and specialists. In addition, we performed energy audits of the utilities and worked with the employee-led teams to implement the solutions. The combined SAGIN and employee teams created a list of over 100 cost saving ideas such as improved ergonomic cleaning tools, reducing workers compensation claims, renegotiating energy contracts to lower utility costs, etc. Though the 100 recommendations may have seemed minor, they produced a 28% cost savings across the hotel chain and the company continues to use the employee-led teams to provide insight and implement further changes.

SAGIN, LLC is a value driven management consulting firm. Comprised of experienced industry leaders, we serve our clients to achieve their goals. We bring a collaborative approach to our work and incorporate all stakeholders in the process identifying the value drivers to track and deliver results in the process. We are different.



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