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Jim just gave an excellent overview of our company and our goals.
He talked about who we are, where we've been and where we're going.
Now...it's my job to convert that vision to practical reality.

How do we get there?

I've thought about this a lot in preparing this speech.
Though our challenges are sometimes complex, the answers are relatively simple.

We succeed by sticking to the fundamentals of our business and delivering them better and more consistently than our competition.

We succeed by caring about customers and each other.
And we succeed – most of all – through our management advantage: the leadership of the people in this room.

While we are a profit-focused company, how we treat our customers is the key to our financial success.

We are a company that cares.

C.A.R.E.

Communicate.... Anticipate.... Respond.... and do so Enthusiastically.

That is important whether we are dealing with each other, employees or hotel guests.

First, let's talk about customers...because in my book EVERYTHING starts and ends with customers.

We must go out of our way create walking, talking human commercials.

There is no better advertisement than good word of mouth.

From our own experience as hotel guests, we know that there is no substitute for good service.

No fancy lobby can make up for a missed wake up call.

No potted plant can compete with a smile from the staff.

No paint job can cover up a bad attitude.

We also know that today's customers are smarter, better informed and more savvy than ever.

That didn't happen by accident.

Like so many changes, it is the result of technology

One writer referred to this phenomenon as the "democratization of information.

Through the Internet, our customers have instant access to information."

Businesses used to rely on the fact that WE had the information and our customers did not.

That was true with airlines, consumer products, travel agencies AND hotels.

Well, that advantage is fading fast.

The trend to smarter, more demanding customer will continue to expand.

That means we must rise to the challenge.

If customers know more, so must we.

While they are with us, we must give them 100%.

And we often do a great job of that.

Not long ago, I heard about a mother who called our Fort Lauderdale hotel to thank our staff for taking care of her college kids.

They'd been on spring break, missed their plane home and then got robbed.

They'd been staying at our hotel and came back to us in tears.

They had no money so our staff took them in, ordered a pizza, called their parents, and made arrangements to get them home.

The family was incredibly grateful.

We did the right thing and created customers for life.

Customers will tell scores of people about how this incredible hotel treated their kids.

Let me give you one more example.

Recently we had a consultant come to our home office in Silver Spring.
He forgot to pack the dress socks to go with his suit.
He mentioned this to the front desk clerk and they told him they'd check lost and found.
What they really did was check with the General Manager, (name) who took the sox off his own feet and gave them to the customer.
Now THAT is going beyond the call of duty.
But we have a consultant who can't stop talking about our service.

Both our customer and employee surveys show that we have a strong competitive advantage based on our people.

Some of our hotels have location advantage.... like the main gate at Disneyland.
Others have facility advantage...such as our Mainstay Suites...or a leading brand name like Holiday Inn Express.

But the majority of our hotels can't count on location, brand or facility advantage for their success.
They must rely on Management Advantage.

That means YOU.
Our General Managers are our secret weapons...our Stealth missiles.
Now I'm not suggesting that we bomb the competition, but I wouldn't mind slowly stealing their customers.
We can do that, you know.
You bring a competitive advantage that makes all the difference in the world.

We are most effective when we concentrate on the basics of the business - just as I am going to concentrate on them for the balance of my speech.

Nothing is more important than the fundamentals.

Three years ago, the University of South Carolina – a school that hadn't had a winning season in years - coaxed Lou Holtz, the great former Notre Dame coach, out of retirement.

The year before he arrived, they had a record of 1 and 10.
The team had little talent and little discipline.

He drafted a bunch of new players and drilled them on the basics.
His first season he set a new record: he went 0 and 11.
Didn't win a game.
But last year...his second season...the hard work paid off.
The team was 8 and 4 and went to a bowl game where they beat a favored
Ohio State.
After their upset victory, a reporter asked Coach Holtz, "How did you win?"
He replied modestly: Well...we blocked better, we tackled better, we passed
better and we ran better."

Holtz concentrated on the fundamentals and built a winner.
So can each of you.

In our business the basics are setting standards, motivating and mentoring,
and selling.
We don't have to be spectacular or unusual.
We just have to do the usual spectacularly.
And do it every day.

Let's start with standards.
To some of you that word conjures up rulebooks, manuals and orders from
above.

But if you want to see the power of standards: look at the Golden Arches.
McDonald's has become the largest and most successful restaurant chain in
history because of its adherence to standards.
Now...if the truth were known...most of us go to McDonalds more often
than we'll admit.
Why?

Because we know exactly what we can expect.
The food may not be gourmet, but it will be the same in Portland, Maine as
in Portland, Oregon.
We'll get our burger fast.
It will be warm.
The service will be friendly.
And the price inexpensive.

In other words, we can **DEPEND ON THEIR STANDARDS**.
It works for McDonalds and it will work for us.

Standards are not a straightjacket but a straight path to customer satisfaction.
They are not a burden but a blessing.
Don't think of them as obstacles to overcome, but opportunities to make
your life easier.

It's true: we do have a lot of standards – from the Sunburst Accounting
manual to the housekeeping manual to the Rules and Regulations of Comfort
Inn or Quality Inn.
There is an entire universe of standards.
I realize manuals aren't pleasure reading.
But they ARE necessary resources.

Your job as Managers is not to memorize the manuals, but USE them.
You don't have to keep them in your head.
Just keep them handy.
I promise you won't be given a multiple-choice test on them.
Just know where to find the information when you need it.
Use our manuals as a resource -- like you use the library, the encyclopedia or
the Internet.

Of course there are basic standards you should know in your sleep –
everything from making a reservation to making a bed.

But we don't expect you to know every nuance of risk management and
insurance.
In fact, we don't WANT you to be insurance experts, international telephone
consultants, purchasing agents or interior decorators.
That's not your job.
We already have experts in those areas.

Your job is to be the Standard Bearer in your individual hotel.
You must be the one who lives, breathes, preaches and practices our
standards.
Not occasionally.
Not on a good day, but every day and every hour you are in the hotel.

You must LIVE the standards for them to be effective.
If you walk around the hotel without your nametag, you're not living the
standards.

If you stroll by a piece of trash and don't pick it up, you send the wrong message.

If you become angry with a guest at the front desk, you are modeling negative behavior.

Your desk clerk will act the same way when you're not around.

How many of you have children?

I have four --- from ages 3 to 14.

How many of you have seen your kids model your own behavior?

Sometimes it can be a wonderful feeling.

At other times it can be humbling – especially if they let fly a colorful word you used in their presence.

Your impact on employees has similar power.

They watch what you do.

And what you don't do.

And actions always speak louder than words.

For example, if I make a statement in this speech and don't live up to it when I visit your hotel.

What will you believe – the statement or the action?

The action, of course.

One of your most important functions is training and mentoring your staff.

To do it well requires discipline.

Not discipline on the part of your staff, but **SELF DISCIPLINE**.

It is so easy for a General Manager to get distracted and preoccupied with the voices clamoring for your attention.

Let me tell you a true story that illustrates the importance of focusing on what's important.

Some of you may have heard it before, but it's worth repeating.

Not long ago, I visited one of our Mainstay Suite Hotels and noticed two attractive Monet prints on the wall in the lobby.

Being familiar with every piece of every Mainstay, I knew those prints were not part of the standard artwork for the lobby.

When I met with the General Manager, I mentioned the prints in the lobby. He proceeded to tell me all about them with great enthusiasm. It turns out that a door-to-door print salesman had knocked on his door one day and after looking through several catalogs, he'd picked out the pictures and processed them through Accounts Payable.

When they arrived in a few weeks, he made a special trip to the local mall and had them beautifully framed. He went back to the framers, picked them up a week later and had them hung by the engineer in the lobby.

I said, "They are very nice, but you'll have to take them down." To put it mildly, this manager was not happy about my decision.

Personally, I liked the prints.
But I'm not a designer.
And neither is he.
I made that decision to illustrate a point.

Trying to share my reasoning, I said, "Let me ask you a question?"
How much time in total did you spend getting those Monet's on the wall?"

"After some thought, he concluded, "Oh, probably three hours over several weeks."

"Three hours. Let me tell you how I'd like for you to have spent those three hours.

For thirty minutes, you could have taken a manual off the shelf that you'd not read and reviewed one of the standards by which we run our business.

You could have spent another half an hour standing at the front desk working with desk clerks to see how well they check in our customers – and providing coaching tips as necessary.

You could have taken another half hour and gone with your housekeeping supervisor to inspect rooms. You could have seen if the sheets were clean and the soaps in every bathroom. Are the housekeeping standards for set-up and cleanliness being met?

Let's see, you still have lots of time left.

You could have taken an hour and gone across the street to those two office buildings and visited some companies we've not called on for some time and invited them to come over and tour our facilities. Or you could have made some new contacts.

And you'd still have half an hour left to spend getting feedback from guests at the afternoon social or the continental breakfast.

If he'd invested that time in reinforcing standards.... training, coaching and mentoring.... and selling, selling, selling.... he could have made a real difference in the hotel.

Pictures and prints don't move the needle.
Promoting the basics does.

I don't pick out pictures for our hotels.
It's not my job.
And as General Managers, it's not your job.
Your job is to know, live and communicate our standards.
Your job is to train, coach and motivate your staff.

I want you to create the kind of hotel where you'd want to stay as a guest.

The third vital aspect of your job is **SELLING**.
It's not only the Sales Manager's job.
It is everyone's job.

Some of you may not think of yourselves as salespeople, but you are.
Selling is a process every member of your staff should share.
And it never ends.

Selling is not advertising.
Although we do advertising.
Selling is not public relations.
Although we do public relations.
Selling is not placing your hotel on a web site.
Although your hotel is on a web site.

Selling is all of those things and a lot more.

We have discussed what we call the four walls marketing plan.

They are the four walls of our hotel because that's where we find our existing customers.

So that's where we need to focus a major part of our marketing efforts.

We want to see an integrated sales effort while our customers are in the hotel.

When a family arrives at your hotel, as the clerk welcomes them, he should ask:

“Have you been here before?”

That's not only a pleasant greeting; it provides valuable information.

If they have been there before, thank them for coming back.

If they have never stayed with you, thank them for choosing your hotel.

It also gives you a chance to ask an important question:

“How did you find our hotel?”

Lastly, the clerk should ask: “What brings you to town?”

They may be attending a meeting, training session or seminar on which your sales manager can follow up.

By asking those simple yet “magic” questions, your staff is doing several important things.

They are showing a personal interest in the guest by asking questions about them.

As we all know, most people had rather talk about themselves than anything else.

At the same time, it's a great way of getting referrals for the hotel.

And while we're on the subject of selling: how many of your employees could conduct a tour of your hotel?

They may never be called on to do one, but all of them ought to know the hotel well enough to point out all the features and amenities.

They may never give a formal tour, but when customers ask them questions they will know the answers.

Even an employee who doesn't speak English can be taught to answer questions like "where's the ice machine?"

I want to make this clear: selling is an every employee assignment. If you haven't trained all your employees to sell, then you are selling yourself short.

If you attended this meeting in the past, you may recall that it was a two to three day meeting...with topics covering everything from how to conduct rate call-arounds to intensive top line profit training.

You sat through speakers and seminars and lectures and discussion groups on every topic under the sun.

You got a year's worth of input in three days.

You will notice that this year's meeting is different.

There are only a few internal speakers and three outside ones.

Jim and I believe that the most important learning does not occur at the annual meeting.

It happens every day – on the job in the hotels.

Your staff learns from you.

And you learn from your operational supervisors.

PAUSE

I'd like you to think about a teacher, coach, parent, relative, friend or boss who was YOUR mentor.

Someone who had an enormous impact on your life personally and professionally.

I want you to see their face right now in your imagination.

I want you to remember what that person meant to you.

Recall all the possibility and hope they brought to your life.

When you get back home, I'd like for you to write down their name in large print and place it somewhere in your office where you can see it every day – so you can remember the impact they had on you every day.

You have an opportunity to be that kind of mentor to others.

Your job is to coach, train and motivate.
Those are among the greatest gifts of life.
And they are yours to give.

You have a tremendously important job.
We count on you and look forward to rewarding you handsomely.

Few companies can compete with our bonus opportunity.
Last year this company paid our General Managers more than \$2 million in bonuses.
Bonuses are available to every General Manager who meets the goals in revenue, profit and customer satisfaction.

You can earn up to 40% of your yearly salary.
That is an extremely generous bonus.
And we WANT you to earn it.
There's nothing I'd like better than to see each one of you get the full 40%.

Would you like that?
Then let's make it happen!
I'll be happy to write the checks.

I'm excited about my new opportunity your Chief Operating Officer.
Jim told you about his Harley and what it means to him.
I'd like to close by telling you about a meaningful influence in my life.

Ben Dineen, my Little League coach, was one of the most influential people in my life.

Our little league worked just like the big leagues.
The first place team from one year got the last pick in drafting new players.
That way, no team would dominate the league.
Yet Ben's teams won the league championship almost every year.

Year after year, he got the last picks - the low end of the baseball talent pool.
That's how he ended up with ME!
So how did his teams keep winning?
We did the fundamentals better than anyone else.

When Ben was not coaching baseball, he was a math professor at a college near New York City.

So he taught baseball like he taught math: know the underlying elements.

We ran, we hit and we threw every day.

There were no fancy plays.

Ben knew the critical elements of winning in little league:

Minimize mental errors and know what to do when mistakes are made.

When I was just ten years old, I played outfield.

And he taught me an important lesson.

Not how to catch the ball, but what to do when the ball got past us!

Most coaches focused on catching and throwing for outfielders.

Ben knew we'd learn that in time, but the most probable event was we would miss the ball.

So he showed us how to run to the fence, pick up the ball and who to throw it to.

He knew that if we could deal with mistakes, the basics would come in time.

That was true in Little League and it's true in this business.

I want to share my belief in the basics and my passion for winning with everyone in this organization.

I believe each of us can be both coaches and coachable.

I look forward to working with you, sharing our success and growing together in the coming years.