

Think differently, think lean

 By [Gaby Gramm](#)

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Hospitality firms large and small are looking at ways to keep costs low and to become more efficient just to stay afloat in this very challenging economy. Cutting costs in labour has been a popular topic, but it is a risky move in the hospitality industry in which service may be compromised through cutting costs.

Quality service is scrutinised by the customer in hospitality more than ever due to the fact that, in particular in the luxury segment, customers are fewer and are often spending less.

In spite of economic conditions, hospitality firms must be able to cut costs and still provide a quality product.

A proven, effective way to do this in other industries has been to adopt the principles of Lean Thinking, which have created remarkable turnarounds. Many companies considering themselves 'lean' are doing well in this current economy. Despite this, hospitality firms that have embraced Lean Thinking are few.

The concept of Lean Thinking was developed in the automotive sector in the 1950s through the pioneering work of Toyota in Japan. Lean Thinking can be described as the pursuit of perfection by constantly relooking the process, reducing non-value-adding complexity and thereby eliminating 'waste'. Lean is based on operational efficiency and can be described for our industry best as follows: Lean is a way of focusing on what the customer values and is willing to pay for; any activity that does not add to value, as perceived by the end customer, is waste. This waste includes any use of resources like cost, time, movement, labour, material cost, energy and water.

Without giving too much focus on the terminology, tools and techniques, lean is first and foremost about improving your service to customers for greater reward. The most helpful principles are:

- Understand exactly what your customer wants (not your managers!);
- Understand how well you fulfil this demand; and
- Eliminate the unnecessary forms of waste so your processes are efficient.

The roots of lean are found in industries that are heavy on producing and manufacturing items. Due to the deep manufacturing roots, there are misconceptions by some that lean cannot work in the service industries as the processes cannot be measured as effectively and may not be perceived as useful in the service industry. However, also in the service industry you have a series of processes designed to provide services for customers. Staff work and manage these processes.

The critical error we see in restaurants and hotels every day is the manager or owner running from small fire to small fire every day attempting to solve the obvious symptoms of a problem that arises. If one could stand back and recognise that identification and elimination of the root cause of a problem is actually the correct process, the elimination of the problem makes the business more efficient.

Some examples

The process of cleaning a hotel room is an ideal candidate for lean - one that could easily facilitate the flow from guest one checking out to guest two checking in. A reduction in this time could lead to reduced costs, increased quality, and improved customer satisfaction.

Look at beverage and food costs - to think of how to trim costly items from the menu creatively, by buying more seasonal produce and be more creative in menu development with an eye towards savings.

Another suitable angle is the maximisation of manpower: Staff are in place and they are employed, mostly full time. Focus should be on cross-training to enable the employee doing more than one task. A concierge can learn to work the front desk. The front desk person can double as a concierge. There are many other flexible interchanges in hotel staffing to use the workforce better.

Also have a close look at costly outsourced services such as public relations. Rather than retaining a costly PR firm, look to freelance specialists who can deliver quality campaigns at a much lower cost as and when needed.

Why the reluctance?

So why is Lean Thinking not more prevalent in the hospitality industry?

Managers in the hospitality industry do not necessarily see the need to analyse statistics and root causes. The way they have managed operations for years and have served customers in ways they have found, in their opinion, most useful. Lean may therefore pose a threat to their way of doing things and represent only a trendy but not sustainable approach.

Another possible reason for the reluctance to use [Six Sigma](#) and lean in hospitality is the requirement of a commitment and buy-in at all levels of the organisation. Participation at all levels is important. In many cases, process redesigns can streamline a process with staff redundancy as a result. This can make employees reluctant to participate.

While hospitality firms see the benefits of lean, they might be turned off due to the lengthy amount of time and money to implement its processes fully.

The high turnover rate of employees in the hospitality organisation could also be considered a risk to successful implementation. Hotels, especially smaller seasonal lodges, are constantly battling the problem of retaining quality staff. The extra cost to train new employees on lean principles may be seen as a burden that leadership may not want to take on.

A lean mindset

In order for lean to be successful, it must not be a standalone project in an organisation but one that is complementing employee's everyday responsibilities. In order to accomplish this, employees at all levels are trained on the principles, tools, and their roles.

In the sustaining phase, management and leaders must maintain what has been implemented. The sustaining phase is hopefully where the culture change of the organisation occurs by seeing results. Creating a culture of collaboration and involvement is the key to successful implementation, and can be hindered by more controlling styles of management. Lean Thinking becomes second nature for all employees, in all departments, if driven and supported by all.

In some organisations, managers are not accustomed to seeking feedback and asking for input from subordinates. Lean thrives on obtaining feedback and advice from the bottom upward.

Engagement of front-line staff once they understand the principles and the best way to induct them into the principles is to have them do the analysis on their operation themselves. Managers are more difficult to engage as it is their processes that are being shown up and then changed. They need to change to a support role, which is not an easy transition for traditional command-and-control types. In essence, staff should be empowered to make decisions in relation to service provision at the point of demand. Managers' roles then becomes more about how do they remove barriers for their staff providing good service (internal and external).

The key questions to start the Lean Thinking practice is to ask:

- How to re-engineer your operations to meet the real customers' needs better?
- What elements in our operation detract from the quality we want to offer and raise costs?

Lean Thinking is a mindset or a way of thinking with the continuous commitment of achieving a waste-free operation that is focused on customer success.

(Sources: [Lean Enterprise Institute](#); [Hotel Business Review](#))

ABOUT GABY GRAMM

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