

CASE STUDY: RE-OPENING OF A HOTEL ASSET LOCATED IN PAHANG, MALAYSIA

Contract Period: 2021 to 2022 • Services Model: Pre-Opening (5 Months) to Post-Management (12 Months)

EXECUTIVE RESUME

An executive case review highlighting Sherwood's comprehensive, hands-on hotel advisory and pre-opening intervention. Guided by the principles of Blue Ocean Strategy and the 4-Layer Transformation Framework, Sherwood supported the company Directors to successfully ready and reopen an established 4-star hospitality asset in Pahang within less than five months following a pandemic-induced closure, securing long-term operational consistency, robust cash flow management, and brand leadership in the marketplace.

TABLE OF CONTENTS

		
1. The Client and The Mandate		Page 2
		
2. Structuring Phase-by-Phase Re-Opening Plan of Hotel		Page 3
		
3. Applying Selective Blue Ocean Strategies (BOS) Framework		Page 4
		
4. The 4-Layer Transformation Framework		Page 5
		
5. Key Working Relationship Insights on Role of Directors and Consultant		Page 7
		
6. The Bigger Picture: Experience Risk and Uncertainty to Deliver Outcome		Page 7

1. The Client and The Mandate

1.1: The Client:

A prominent, successful SME Business Owner, with core business in property development and plantation in Malaysia. Directors-in-charge are deeply involved across all operating branches of the business.

1.2: The Property Overview:

The Hotel is an established property and a market leader in various business and market segments. With a number of recreational facilities, food and beverage (F&B;) facilities, and strong community support, its product and brand positioning have stayed strong over the years.

1.3: The Client Mandate:

The hotel property was closed during the Covid-19 (2019/2020) pandemic. In 2020, the mandate from the Client was to ready the hotel in less than five (5) months and thereon, open for business, ensuring that its product and brand positioning continue to stay strong in the marketplace.

1.4: The Services:

Execution of all pre-opening services, establishing the business and operating model, executing sales and marketing optimisation, and systemising the HR ecosystem (recruitment process, HR policies, payroll, training, and coaching workshops).

1.5: Consultant-to-Client Strategic Conversation:

Transparency in sharing all sensitive and critical information, defining the clear direction of the hotel activities towards reopening and post-management services as listed in the key focus areas.

2. Structuring Phase-by-Phase Re-Opening Plan of Hotel

Closed during Covid 2019 - 2020 and opening October 2020

Key Focus Area	Strategic Objectives	Target Outcome
2.1: Ready the Property to Open for Business Pre-Opening Services	Ensure safety of surrounding perimeter structures, M&E; infrastructures, sewerage, water and treatment plant, repairs and maintenance to all hotel facilities as in rooms, public areas, back office, etc.	Overall Product Identity and branding are aligned to its Deluxe 4-star hotel positioning.
2.2: Establish an Operating Model for Post-Management Operations	Establish an operating model that is well-structured, lean, and efficient. The objective is to achieve best operations efficiency, which would translate to cost efficiency and a better profit margin.	The goal is to achieve a strong foundation in consistency and sustainability in operations. The Hotel Leadership Team have defined KRAs that are aligned to their department outcomes.
2.3: Marketing Optimization	Develop and execute a strategic marketing plan, covering sales, product, and brand promotion, and enhance relationships with business partners. Reconnect communication with trade partners with updates on product development. Communicate brand experience and customer engagement strategies.	Realised 4-star product positioning, capturing the right business mix and community support in rooms, F&B;, and events.
2.4: Human Resource Ecosystem	Based on given resources by Client, structure policies with clear strategies in key areas: Compensation, Recruitment process, and Training and Coaching sessions.	To achieve a high productivity output and an efficient organization work culture.
2.5: Health, Safety, and Security Policies	Follow safety protocol guidelines by MOH and disseminate clear information to customers.	Hotel guests, the public, and working staff have a sense of confidence in the hotel environment. Workers have the ability to carry out duties confidently.
2.6: Vendors and Suppliers Logistics & Costing	The challenge is to establish a workable supply chain delivery model. Safety and hygiene, especially on food raw materials, are most crucial.	Minimal to zero disruption in the supply chain delivery system, with no issues on the safety and hygiene of raw materials and consumption.
Contract Mandate	Complete hands-on executive management, facilitate coaching sessions, and close advisory communication with Client.	Comprehensive delivery within five (5) months for pre-opening and one (1) year post-management services.

3. Applying Selective Blue Ocean Strategies (BOS) Framework

Within the BOS framework, there are structures and models that support implementation. So it is a methodology and system process that guide the Consultant to strategise to achieve a breakthrough and alignment towards purpose and goals. The BOS strategy framework is specific and measurable. The following frameworks were applied:

The Strategy Canvas | Key Focus Area 2.2

It is a diagnostic tool used to analyse the hotel's current operating model and plan realistic SMART model strategies across operating departments, and most of all, establishing the right business model.

The Six Paths Framework | Consultant Applies Path 3 & Path 4 | Key Focus Area 2.3

- **Path 3 - Look across Buyer Groups:** Focus on the actual Buyer who is the Influencer | The Boss, not necessarily the one who pays the bills. Community networking brings in events.
- **Path 4 - Look across complementary offerings:** Create leaps in value in product and service delivery before, during, and after customer consumption.

HODs Leadership Alignment using ERRC Grid and Executive Coaching | Key Focus Area 2.4

The intervention of executive coaching sessions and team workshops provides clarity in alignment to their purpose and KRAs in their scope of work. The application of *Eliminate * Reduce * Raise * Create* is a leadership tool that stretches the thinking process of executives to have a proactive and solution-focused mindset, enabling them to work independently with minimal supervision.

The Buyer Utility Map | Key Focus Areas 2.1 to 2.4

The Buyer Utility Map is an analysis tool to recognise value delivery against blocked delivery. It is then strategised in simplicity into a 4-layer transformation process: *Issue > Cause > Process > Outcome*, where the end of the process is tracking the deliverables (Outcome).

4. The 4-Layer Transformation Framework

To bring the hotel from pre-opening to a successful opening, the transformation framework was structured around the 4-Layer Transformation Framework. This methodology moves systematically from identifying pain | friction | issues towards implementing sustainable, structural outcomes.

LAYER 1: THE ISSUE (Pre-Opening Challenges and Post-Management Operating Model)

- **The 6 Key Focus Areas:** Against the backdrop of a health, safety, and security environment, staying objective towards the outcome was most crucial.
- **Availability of Needed Resources:** Timeline to ready the hotel for opening, lack of experienced knowledge workers, availability of house repair materials, and resolving infrastructure repairs and maintenance.
- **Executive Team Professionalism Gaps:** Communication gaps exist at different levels of the Leadership Team. Strategic alignment in conversation based on core issues, regular meetups, and discussions improve workflow and decision-making.
- **Hotel Property Asset:** The sustainability challenge of the property: product identity, positioning, and brand experience must be consistent, as these objectives are core to the Client's fundamental vision for its property preservation value.

LAYER 2: THE CAUSE (Root Cause Analysis based on 6 Key Focus Areas)

- **Manage Cause to Reduce Risk:** CAUSE is seen as CHALLENGES as opposed to RISK challenges. It is a reframing of the Consultant's perspective in understanding new challenges when working in a Covid pandemic environment.
- **Communication Gaps:** To improve communication between Directors, Executives, and the Consultant, regular, open, and transparent communication is shared with a clear vision of objectives and goals.
- **Speed and Response in Getting Action Plan Executed:** Having to deal with internal and external challenges in a confined environment during pre-opening in relation to preparatory activities and limited resources (workers, materials, equipment, and machinery).

4. The 4-Layer Transformation Framework (Continued)

LAYER 3: THE PROCESS AND METHODOLOGY (The Transformation Intervention)

- **Hands-On Intervention by Hotel Consultant:** Scope of work and mandate clearly defined in Target Outcomes.
- **Consulting Process Targeting all Key Focus Areas (2.1 to 2.6):** Structure the action plan process to address the key focus areas. Discussion with Directors before implementation. Thereon, the Consultant will hands-on the implementation with the respective Team Leaders.
- **Coaching Process Targeting Key Focus Areas of 2.4:** There are 3 parts to this coaching process: Individual > Executive Coaching > Team Coaching Workshop.
- **Cash Flow and Capex Structuring:** Cash flow management during pre-opening and post-management was closely supervised, as operating funds were limited during hotel closure. The application of the ERRC Grid (Eliminate * Reduce * Raise * Create) serves as the Consultant's guideline.
- **Team Communication Workflow:** Developed cohesive communication flows at all levels with a flattened management structure where workers are freely encouraged to share ideas, opinions, learn from mistakes, and practise mutual respect at all times.
- **Transformation Action Roadmap:** Implemented a structured phase-by-phase action plan backed by hybrid checkpoints and transparent communication lines. The application of specific BOS tools and coaching sessions strategy supports alignment towards the objectives in pre-opening and post-management activities.

LAYER 4: THE OUTCOME (Transformation Outcome)

- **Successful Hotel Launch:** Brought the reopening of the hotel property fit and fully ready for commercial operations with a distinct product and brand positioning.
- **Robust Operating & Business Model:** Established and operationalised a sustainable, business and hospitality operating framework. Operations and cost efficiency structures are in place to ensure cash flow is not stressed.
- **Marketing Optimization Executed:** Implemented successful marketing strategies to drive immediate occupancy and brand visibility to the local community and various business sectors for corporate and event activities. The Sales Team were guided with clear marketing activities to implement.
- **Discretion, Empowerment, Check-and-Balance Policies:** Directors and the Executive Team have a clear overview of the entire business and operations of the hotel. Space is given to the hotel team to operate professionally with clear reporting channels established.
- **Cohesive and Professional Team Culture:** Established direct, transparent, and respectful communications, minimising operational silos and contractor friction.

5. Key Working Relationship Insights on Role of Directors and Hotel Consultant

The success of the Hotel Transformation relied heavily on the roles and responsibilities between the company Directors and the Hotel Consultant. This work collaboration translates into trust, understanding, and transparent communication at all levels.

Owner Directors Responsibilities	Hotel Consultant Responsibilities
Construction & Core Project: Managing physical building contractors, infrastructure, and timeline.	Business & Operating Model: Developing standard operating procedures and hospitality systems.
Infrastructure & Mechanical/Electrical (M&E): Complete all needed infrastructure, M&E; repairs, and maintenance.	Marketing Optimization: Effect marketing communication, pre-opening sales strategies, and community relations.
Operating Supplies Procurement: Approving CAPEX for FF&E, IT infrastructure, and Communication Systems.	Executive Alignment & Training: Sourcing, hiring, and aligning key hotel executives.
Final Executive Approval: Retaining final decision rights on major executive roles and budget approvals.	Turnaround Accountability: Serving as Owner's Representative to oversee contractor deliverables and other contractual vendors.

THE BIGGER PICTURE OF IT ALL: EXPERIENCE RISK AND UNCERTAINTY TO DELIVER OUTCOME

The Pre-Opening and Post-Management services: Five (5) months timeline for pre-opening and twelve (12) months timeline for post-management services against the backdrop of risk and uncertainty. Most of all, for customers on a binge travel after nearly 2 years of lockdown, health, safety, and hygiene issues could have gone 'south' if one crisis erupted. Thankfully, all is good, and the hotel's business performance to this day has been consistent and sustainable.

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