



Opportunity

In the fall of 2012, Interstate Hotels & Resorts assumed management of an upscale, 280-room full-service hotel located in Wakefield, Mass., previously operated by another third-party management company.

Prior to takeover, the hotel had lost the confidence of its customers, guests and employees. The hotel was short staffed, guest service scores were below brand average and associate moral was low.

The Response

Upon transition, Interstate rapidly deployed directors from its dedicated task force team, and assembled a hotel staff with leaders that created success for the associates, guests and owners from day one, including utilizing market intelligence and business insights gathered by Interstate to analyze the business, examine market conditions, inspect competitors and pinpoint areas of improvement to reach profitability goals.

The task force team worked to improve associate engagement and provided timely information and tools for associates to be more effective in their jobs, controlled labor expense through effective scheduling and forecasting, and deployed a “First 30-Days” program for cleaning and preventive maintenance throughout the property.

With a focus on developing and recognizing the best talent, Interstate instituted a management change, promoted from within and grew internal talent, in turn, enhancing a focus on the customer, with core operating procedures designed to improve guest satisfaction.

Utilizing Interstate’s scale and purchasing power, the Company created internal controls to reduce the cost of sales in food and beverage, reducing the hotel’s food costs by ten percent over the prior year.

With a focus on top-line revenues, Interstate placed the right people for the right positions, restructured the sales department and redeployed market segments to streamline the experience for customers, set clear expectations for the sales team, increase sales productivity and reduce labor costs.

Results

The turn-around project started by Interstate greatly improved the financial performance of the hotel, as well as guest satisfaction.

- Improved RevPAR 5.7% in year one; and 19.8% in year two
- Grew ADR by \$4.53 in year one; and by \$15.22 in year two
- Improved GOP margin by 19.9 basis points in year one; and by 35.7 basis points in year two
- Improved guest satisfaction overall composite score to a brand average of 7.8





“ *This has truly been an incredible transformation. With over 30 years in the hotel business, a lot of promises have been made and fallen by the wayside. In this case, Interstate walked the talk, accepted the assignment and performed brilliantly. Interstate turned this property around with little capital infusion.*”

- James O'Connell, O'Connell Hospitality Partners, owner representative



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