

TAKE THE JOB YOU CAN GET (Career Advice, Part 3)

I wrote these words for a presentation I gave in October 2010 to a lecture hall filled with hospitality students for the “Paul Wise Executive in Residence Speaker Series” at the University of Delaware; I was the “Wise Guy.”

You are entering the hotel business at a somewhat perilous time. Our industry has been in a significant downturn for two-plus years, and, despite some of the trade press and announcements of recovery, it's still hard to see that light at the end of the tunnel – though most commentators argue that it is in sight. One hopes that, by the time that you graduate, there will be many, many jobs. Will there be new development and expansion? Will the industry return to the heady days of 2006 and early 2007 and, if so, when? Will there be further challenges when the CMBS servicers begin to really recognize losses and take ownership? I don't have answers to these questions, and I don't want to be pessimistic. At some point, we must get back into growth mode and expansion mode. I just don't know when that will be.

Other than the dates, and the length of the downturn, these introductory words are as true today as they were almost 11 years ago. The ravages in the hotel/hospitality industry continue, and, though we see a light at the end of the tunnel (the vaccine), we are still not certain that it is not the headlight of an oncoming train.

My path into the hotel business was through the legal and real estate avenues. My children, both adults now (ages 40 and 37), have university degrees in “Hotel & Restaurant Administration,” a more traditional path by way of their college educations (Cornell and The Ohio State University, respectively). There is no one way to get into the hotel business or, for the transactions side, the business of hotels. If you are reading this, you likely want to stay connected to the hotel space and work in our industry. For you, I offer the following advice:

- **Take the job you can get.** Do not assume that there is only one point of entry or, if you desire to be on the deal side, that operating experience is not a good starting point. Any way in is the right way.
- **Learn about Operations.** How a hotel runs, the interplay of room mix, room count, meeting spaces and other features of the hotel, ratios of staffing in operations, comparison of food and beverage performance (outlets, banquets, room service, *etc.*), reservations, property management, front office systems: each of these affects the value of a hotel. After almost 35 years in the business of hotels, I confess this remains my biggest shortcoming in the industry; I am still learning.
 - If you work at the Front Desk, understand the guest relations part of the position. Learn the computer system for check-in, guest recognition, inventory, and, if you can, revenue management. Know how housekeeping breaks down its responsibilities. Learn every aspect of your job, learn the jobs of the folks you work with, and learn the jobs of those at the Front Desk, in Bell Service, in Concierge, and in Housekeeping.
 - If you work in F&B, learn what is going on in the kitchen; understand what your manager does and why she is the manager. Investigate room service; find out what happens in banquets and stewarding. Try to understand the

Chef's and the F&B Director's rationale for inventory and portion control and pricing. Again, learn everyone's job that touches yours.

- Keep an eye on what's happening in Human Resources. Learn the staffing levels at different times in your hotel; try to discern the differences based on occupancy, banqueting, meetings, *etc.* See if you can learn why and how a full-service hotel staffs up in comparison to a select service hotel. Why are schedules set the way they are? Understand the reasons for a particular benefit program and, if possible, the costs to the employer; don't merely focus on the cost to you as an employee. And, if and when layoffs come, try to figure out why a position was eliminated or why a low performer was (or, as may happen) was **not** terminated despite the low performance.
- While you're doing that, find a manager in the hotel or office or wherever you are working, and seek out advice, counsel, experience and education. Try to get yourself adopted by someone who would be your mentor. Grill that person for advice; seek her counsel. Understand where opportunities are in the hotel or in the corporate environment; seek them out. Try to see the hotel from a 360° perspective; understand what the consumer sees; understand what the front desk sees in the guest; understand how the food service appears from the guest's perspective and from the Chef's.
- If you work for a branded manager or a hotel with a brand, learn the brand standards for that brand. See if you can learn the reason for a brand to portray itself in a certain way or require the

protocols it does. As brands are more and more prevalent in the industry, the differences among them, however slight, will be manifest in their brand standards. The person who truly grasps the nuanced differences will be ahead of the game. If you change jobs, particularly if you change from one brand family to another, make a note of those differences, too.

- **Know the Uniform System of Accounts.** The hotel industry has its own accounting system, so it behooves us to understand it (and, almost everyone uses it, so it is the industry "language"). Know why the editors of that guide place items where they place them. If it's measured, it's important (and, if it's important, it's measured), and the Uniform System of Accounts is the metric that most follow. Learn your numbers, benchmark them when and where you can.
- **Awareness of the Documentation.** Our industry is based on contracts – Management Agreements, Franchise Agreements, License Agreements, Development Agreements on the transactions side; Group Sales Agreements, Reservations Agreements; Supply & Service Agreements, *etc.* on the operations side. Understand them. Study them and ask questions. You do not need to go to law school to learn how these agreements interact. Understand what the transactions mean and how they impact operations and *vice-versa*. Keep studying them in whatever role you get.
- **The Owner.** Every hotel has an owner, and every hotel GM knows who the owner is. The owner's goal in owning a particular hotel may vary from the goal of the manager or the brand (whether manager or franchisor). Understand the owner's needs and goals; understand where the owner is

aligned with the manager and the brand, and, especially, understand where the owner is not aligned. The relationship of the owner and manager and owner and

brand franchisor may be contained in the documents, but it is not always constrained by the documents. There are human relationships at play, as well.

If there is a job in a development office or a management company office or an asset management firm or a hotel brokerage company or a company that does quantitative feasibility and market studies, learn everything there is to learn about the job. Once you get started, stand out. If you are in operations, watch for development jobs, but don't neglect to learn the operations side. If you are in a development role, pay attention to the performance of the hotels that come into your purview. Understand operating margins and what drives them. Study, study, study the financial statements you get to see and, if you don't understand something or have a question about something, *ask it*.

Asset Management, requiring knowledge of operations, might be a good entrée into a development firm, where the person who builds or buys the hotel may also have to oversee the operations from the owner's perspective. Of course, this can be true in reverse. Though you want to keep your eye on your goal, don't ignore your responsibilities.

The hospitality industry has many points of access, and, just as a specific college degree may not dictate who ends up where, the corporate or management firm is but one. If you're in a hotel, get involved in a Young Hotelier's Association where you are. If there isn't one, find a few other folks similarly situated and form one. Make yourself a force.

To break this down to only a few thoughts: *take the job you can get; study the operations and learn how operations work; understand the numbers; and understand the contracts*. If you follow this advice, you might advance faster than you think; then, where you had started will be practically meaningless. Lastly, and most critically, when you are ready, mentor someone who wants to get to where you are; that may be the single best part of working for a long time in this business.



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