

# Business resilience and continuity in the hospitality industry

## Every hotel GM's worst nightmare

The hospitality industry as a whole is remarkably resilient. Challenges and issues in running a hotel and serving the customer arise daily. Therefore, crafting solutions is very much business as usual for a General Manager (GM).

**However, ask any GM what keeps them awake at night, and a couple of answers come up time and time again.**

1. A major fire at their hotel
2. A terrorist attack

Recently, a UAE hotel saw that first nightmare come true, with a major fire breaking out on 31st December. Due to the fact it was in a high profile location at the time, and a huge number of journalists were in the area to view the New Year fireworks at the Burj Khalifa, it could have been a perfect storm. However, due to the heavy presence from the civil defence authorities and largely thanks to the prompt action from them and the hotel employees, there were very few light injuries. If response times had been longer the damage to the hotel – both tangible and intangible – might have been a lot more serious.

**So, if the same thing happened to you, how would you cope? Do you have plans in place to protect your brand, and safeguard your revenues after an incident like this?**

In terms of process, managing the incident itself is often the – relatively – easy part. You need to evacuate the building and get everyone out safely and quickly. That's why hotels rehearse fire evacuations so often, and often bring in the appropriate civil defence or fire service for at least one joint exercise every year. But once you've achieved that – once everyone is safe – the real challenges for business continuity come onto play.

Those start with finding your guests somewhere else to stay, and quickly. That might prove to be straightforward, but on a night like New Year's Eve it could be a lot more difficult. And you need to think beyond the immediate consequences.

If you have to send your guests to a competitor hotel, they may find they like their temporary quarters better than yours and you could lose them in the long term. So the best approach is to have an active network within your own group of hotels (if you're part of one), and a resilient bookings system that is robust and provides real time availability across your group. In the event there is no availability - then – and only then – look to have your competitors help.

Remember, you'll also need to make some quick decisions about money and billing. Partly to pay the costs needed to ensure your guests are transferred with minimum disruption, and partly in relation to the bills they may have run up before the incident happened. Do you write them off, or don't you? There are too many variables to give hard-and-fast advice – the size of the bill, whether the customers are regulars – so you need to think about issues like this in advance, not in the midst of the crisis.

### Communication, communication, communication,

After ensuring the safety of everyone involved, communication is always a number one priority in a crisis, whatever your sector. Communicate clearly and regularly with your guests, the relevant authorities, and with your head office and use the power and capability of your customer service centre. They may be able to help you with the relocation task, and will also be able to liaise with your guests after they've been moved to a new location. If the incident has hit the media there may be concerned relatives calling, who will need a central point of contact. And if the incident is very serious, the centre will need to be able to draw on skilled staff, with experience of dealing with emergencies. At the other end of the scale there will be relatively minor but important issues to deal with, like retrieving travel documents and personal belongings – if this is possible – and returning them to your guests.

What all this adds up to is the need for a plan. A plan that details roles and responsibilities not just in the immediate response to a crisis event, but one that addresses some of the longer term challenges you are likely to face, and the actions that will need to be taken, including a communications plan. All this will need to be supported by training, tested regularly, and constantly updated for changes in regulations such as Health & Safety law.

### Our perspective

From our dealings with several hotel groups – when it comes to contingency planning, everyone is focused on the immediate response to an incident – whatever the incident. Whilst the importance of these actions cannot be overstated, considering the longer term implications, as touched on in this article is the difference between your hotel being an ongoing success story following an event, or a location which falls out of favour with dropping occupancy and a negative reputation.

Understanding your post incident priorities and ensuring that as a result, you focus your actions on the highest priority areas, is the key. Create plans and test them – build on your emergency response capability to focus on the ongoing continuity of your hotel.

#### Will Brown

Head of Enterprise Resilience Middle East Region  
+971 56 682 0696  
will.d.brown@ae.pwc.com

#### Alison Grinnell

Hotels Leader  
+971 (0) 55 267 3636 or +971 (0) 50 900 7830  
alison.grinnell@ae.pwc.com