

Hotel Business Review

Best practices, insights & trends

Case Study: Grupo Posadas - How Prometeo Turned Every Guest Experience into a Fiesta!

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Mr. Rob Rush

Grupo Posadas is the largest hotel operator in Mexico and Latin America. It consists of five brands: Fiesta Americana, Fiesta Inn, Caesar Park, Caesar Business and The Explorean. These chains operate throughout the Americas, where the Grupo Posadas hotel company has had an enormous impact and is an employer of choice. Unlike many hospitality companies that have grown through mergers and acquisition, Posadas has evolved more organically, growing through continuous development and the exploration of new hospitality concepts. The company's external brand promise is one of a commitment to high-level service...which proved to be somewhat of a challenge through the expansion process.

After more than 30 years as an owner and operator, today Posadas manages 87 hotels in beach resort destinations and cities in Mexico, the United States and South America.

The Situation

Similar to any other growing company, Posadas struggled to maintain its quality standards and deliver on its brand promise during a period of rapid expansion. Perhaps most telling, Guest Satisfaction Index (GSI) scores at several properties were not meeting Posadas' expectations or even baseline industry benchmarks. Furthermore, the communication between the corporate office and the individual properties was ineffective, making it difficult to disseminate new processes, standards and operational policies.

"These were fairly typical growing pains, I would imagine," observed Javier Barrera, the Executive Vice President in charge of market research and the various Posadas' brands. "If nothing else, I think we stayed ahead of the curve by recognizing the problems and seeking outside assistance."

The Solution

Indeed, the team directed by Mr. Barrera recognized this downward trend, assessed the challenge and the root causes of the deficiencies. In short, Posadas was better prepared to handle growth from a strictly facility/operational point of view, far less so than from the guest service/guest experience vantage point. Ultimately, Barrera and his team turned to an outside company to develop and implement an integrated Brand Assurance and Quality Assurance program.

Step One - Standards Development: The first priority was addressing the discrepancies in operating and service standards from property to property. Posadas – along with assistance from the consulting company, - formed a cross-functional team to begin a thorough review of the Posadas standards manual, updating, reorganizing and re-crafting the entries to more accurately reflect the desired Posadas guest experience across all 87 properties. This process involved the revamping of a universal set of standards and practices, and the creation of some "local" versions that took into account some of the physical limitations at certain properties. When this overhaul was completed, Posadas had some certainty that, at least on paper, their operating standards perfectly complemented their brand promise.

"Though this seems like a very basic step, you can't underestimate its importance," reflected Fernando Fernández, the project lead for LRA Worldwide, the consulting group that worked with Posadas. "By developing a common vision of the Posadas guest experience and committing to it in writing, on paper, was crucial in laying the foundation for this program."

"By articulating our desired guest service experience and the standards and practices needed to bring those to reality, we were moving closer to creating a strong brand....that delivers," Barrera said.

Step Two – Compliance and Quality Assurance: With phase one completed, LRA created a blueprint for a program to both communicate and measure compliance with the new standards. This program was christened Prometeo by the Posadas Market Research Department, invoking the Greek God "Prometheus," who was known for helping others and sharing his knowledge. The program design was a collaborative process and included the participation of some property general managers, regional managers and corporate personnel. The inclusive nature of the development process ensured at least initial cooperation from the leadership at each Posadas location.

The result of this collaboration was 1.) a new set of standards, to be communicated via a company intranet, a web-based quality assurance reporting suite and on-site visits; and 2.) an inspection protocol that was part mystery shop, part interactive site audit. Perhaps most importantly, all of the above were to be conducted and communicated in the spirit of education and continuous improvement.

"We made sure that all of our reporting is oriented towards the ideal of 'continuous improvement,'" added Fernández. "I think the property general managers have sensed that our consultants are not there to catch them doing something wrong, but rather are committed to helping them do their jobs better and reap the rewards that come with improved job performance."

Step Three – Culture Change: The program was presented at the Posadas annual conference in Querétaro, Mexico. The goal of the presentation was to ensure the understanding and support of each of the property general managers, and to eliminate the existing mindset that had made communication and improvement difficult from the outset. The typical attitude had been: "I know how to operate my hotel, I don't need help from outsiders and I certainly don't want to be inspected." Prometeo hoped to change that culture dramatically.

The Results

Prometeo was launched in March 2002 in Mexico. Since then, each property has gone through at least seven evaluations measuring cleanliness, conditions, service, "Fiesta Rewards" frequent guest program participation, and compliance with physical and brand identity standards. In addition, cash integrity audits were conducted to prevent "money leaks" from occurring at the properties. During the interactive "walk-through" portion of the site audit, the revamped standards were communicated and clarified. The inspection visits also included a session on best practices from the industry and other Posadas properties, contributing to the spirit of continuous improvement. As a result, the program is viewed at the property level as less of an "audit" and more of a valuable training opportunity.

Today, Posadas has more standardized properties with unique characteristics. Brand identity issues have been addressed and corrected, and adherence to corporate initiatives and programs is regularly monitored. The Posadas intranet houses a vibrant warehouse of best practices collected from the properties. In terms of service, Posadas's properties have reduced the number of service deficiencies by 49% since the beginning of the program.

Due to the success of Prometeo in Mexico, as well as the positive feedback from the hotel general managers and staff, Posadas decided to extend the program to its Caesar Park and Caesar Business brands. In August 2004, Prometeo was launched in Brazil and Argentina, with similar results.

The support and participation at the corporate level has been essential for the program's success. Using the online Quality Assurance reporting suite created specifically for this project, the staff at the Posadas corporate office is constantly monitoring the results of the hotel evaluations. The results are immediately sent up the chain of command to Michel Montant, Vice President of Operations for Grupo Posadas.

"Prometeo is at the core of our strategy to create a competitive advantage through service," Montant explains. "This advantage will help us create loyal customers that will give us their business for the long term. Prometeo has helped us attain the consistency that is so difficult to achieve in a chain of our size and that had eluded us previously."

The Prometeo program created by Grupo Posadas has become part of the Posadas culture. It is not uncommon to visit a staff canteen at one of the properties and hear or see the slogan "Yo Prometo, tu Prometes, Todos Prometeo" - I promise, you promise, everyone Prometeo.

Rob Rush is CEO of LRA Worldwide, a leading consulting and research company specializing in Customer Experience Management. LRA offers an integrated suite of services designed to "operationalize the brand" – turn brand promise and customer strategy into operational reality. LRA's services measure and improve service quality, employee performance, customer satisfaction, retention and profitability. Clients include Starwood Hotels & Resorts Worldwide, Inc., Hyatt Hotels, the PGA TOUR, Indianapolis Motor Speedway and others. You can visit the LRA website at www.lraworldwide.com or contact Rob directly at rob.rush@lraworldwide.com

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