

Case Study

Grupo Posadas



The Client

Grupo Posadas is the largest hotel operator in Mexico and Latin America. It operates five brands: Fiesta Americana, Fiesta Inn, Caesar Park, Caesar Business and The Explorean. The company has grown through development, the exploration of new hospitality concepts, and its commitment to high-level service. With more than thirty years of operational experience, Posadas today manages 87 hotels in beach resort destinations and cities in Mexico, the United States and South America.

LRA and Grupo Posadas design and implement **PROMETEO** - a powerful tool for organizational change.

The Situation

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

"Prometeo is at the core of our strategy to create a competitive advantage through service. 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."



Mr. Michel Montant,
Vice President of Operations for Grupo Posadas

The Solution

The Market Research and Brands team directed by Mr. Javier Barrera recognized this challenge and ultimately turned to LRA Worldwide to develop and implement an integrated Brand Assurance and Quality Assurance program, called "Prometeo", invoking the Greek God "Prometheus," who was known for helping others and sharing his knowledge.

Step One - Standards Development: The first priority was addressing the discrepancies in operating and service standards. LRA began the process with 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.

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. 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 between LRA and the Posadas management team was 1) a new set of standards, to be communicated via a company intranet, the LRA-Posadas Web 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.

Step Three - Culture Change: The program was presented at the Grupo 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 six 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 South America. In August 2004, *Prometeo* was launched in Brazil and Argentina.

The support at the corporate level has been essential for the program's success. Using the LRA Qualtrac Web site 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 Mr. 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."

The *Prometeo* program created by Grupo Posadas and LRA Worldwide 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*.



LRA Worldwide

300 Welsh Road
Building 1, Suite 200
Horsham, PA 19044.2263 USA

T 215.957.1999

F 215.957.6570

E info@LRAworldwide.com

W LRAworldwide.com

