Partnership

Internationalisation

Productivity

Manpower

Innovation

TRANSFORMING
the Hotel Industry
for Sustainable Growth

5 Next Steps !

1
About the
Hotel Industry

What can
you do?

4

OUTLINE

2
Key Challenges and
Opportunities

3
Hotel Industry
Transformation Map

About the **Hotel Industry**

400 properties

33,000 individuals supporting the industry

63,000 rooms

With about 400 properties islandwide comprising up to 63,000 rooms, the hotel landscape in Singapore is characterised by a myriad of diverse hospitality selections and is supported by close to 33,000 individuals within the industry.

To cater to the evolving needs of travellers, hotels will need to innovate and transform in order to stay ahead of competition.

Key Challenges and Opportunities

1. Increasingly competitive landscape affects topline and bottomline growth

Hotels need to innovate to remain productive and profitable.

2. Changing customers' expectations

Different innovative formats of customer engagement need to be adopted to better meet changing customers' expectations, especially the millenials.

3. Growing global hotel industry

With a global hotel industry growth of 3-5%[1], there are opportunities for local companies to further grow revenue through internationalisation.

4. Slower workforce growth

Hotels need to pursue productivity driven growth.

5. Good jobs and career opportunities

The hotel industry is well positioned to offer attractive jobs with good opportunities for career progression.

[1] Source: UNTWO Tourism Highlights 2016

Hotel Industry
Transformation Map

The Hotel Industry Transformation Map aims to accelerate business transformation and forge a competitive industry supported by a future ready workforce, working in close partnership with key agencies, unions, hotel industry and its stakeholders.

**Strong Pipeline of Talent** and **Deep-Skilled Workforce**

Lean business models through **Productivity**

Closer **Partnerships** between government, unions, hotel industry and its stakeholders

Enhanced guest experiences and business processes brought about by **Innovation**

Business growth through **Internationalisation**

What can you do?

1 Make technology work for you

Invest in new technology solutions to achieve operational efficiency.

Park Avenue Rochester *successfully deployed 2 robots to transport housekeeping linen, refuse and bulky items for the hotel's back of house functions. This allowed the hotel's room attendants to focus on cleaning and eliminated their roles to perform tedious mundane tasks. As a result, the hotel achieved manhour savings equivalent to 3.5 full-time employees.*
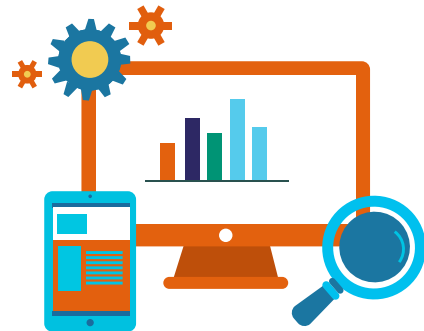
2 Redesign existing processes and business models

Challenge the norm by adopting new business models. Review legacy building design to unlock productivity gains.

Village Hotel Katong *by Far East Hospitality partnered a design thinking firm and the Hotel Productivity Centre (HPC) to review processes in its housekeeping and front office departments. From the review, the hotel implemented a self-service laundry drop-off and a self-service check-in kiosk at its front office. By redesigning its service touch points, the hotel is able to streamline work processes while enhancing guest experience.*
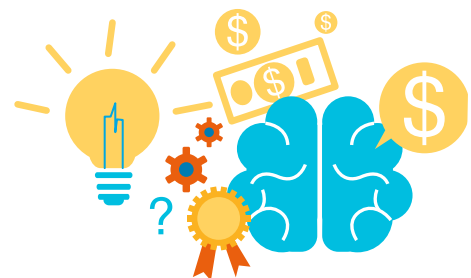
3

Pool resources to achieve economies of scale

Partnership with neighbouring hotels/businesses or sister properties in areas such as logistics and food preparations.

Park Hotel Group *adopted an Inventory Procurement Management System across their hotel properties, thereby allowing the hotel group to improve on cost management and enhance work efficiency.*
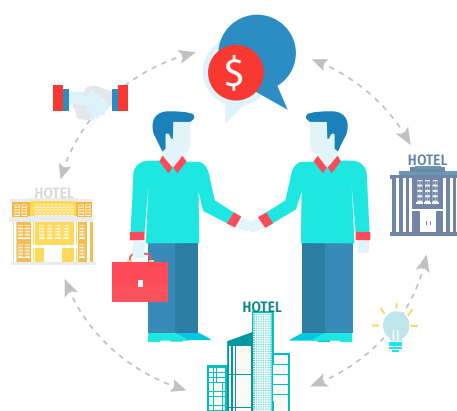
4

Adopt a data-driven approach to improve productivity

Leverage data analytics to develop a culture of measurement, streamline processes, forecast demand and eliminate redundancies in job functions including Housekeeping, Front Office, F&B, etc.

Marina Bay Sands Hotel *employs demand forecasting and data triangulation to improve guest check-ins, luggage delivery and housekeeping. As a result, the hotel is able to better allocate manpower resources and raise its service experience with the achievement of 15% improvement in manpower productivity and 13% improvement in net promoter score.*

5 Build revenue management and digital marketing capabilities

Leverage revenue management solutions and digital marketing tools to gain deeper customer insights and maximise revenue.

The Fullerton Hotels are able to automate tedious reports generation and carry out in-depth analysis across various business aspects such as sales & marketing, revenue management, finance and front office with the implementation of Business Intelligence solutions. Insights obtained on booking lead-time, occupancy and Pareto analysis, allowed the hotels to optimise their revenue and better understand the guests' profile.

6 Enhance guest experience

Improve service delivery by tapping on mobile & digital technologies to enhance guest experience and build brand loyalty.

InterContinental Singapore is developing an interactive storytelling mobile application for hotel guests to make use of mobile technologies to explore off the beaten path around the Bras Basah and Bugis District to enhance the hotel guests' stay.

7

Create a strong hotel brand and differentiated value proposition

Strengthen your hotel's brand equity and company capabilities.

Shangri-La Group *rebranded Traders Hotels to the Hotel Jen brand by introducing a more relaxed and energetic hospitality style into their hotel group to better cater to today's independent business and leisure travellers.*

8

Adopt progressive HR practices

Enhance the appeal of hotel jobs by putting in place progressive HR practices to better suit staff's needs. Redesign current job functions to improve the overall appeal of jobs in hotels.

Meritus Hotels & Resorts Group *implemented a flexible benefit scheme in both its hotels to provide its employees with the flexibility to choose their preferred benefits within their entitlements to position the hotel as a competitive employer. With the implementation, employees are now able to select their benefits according to their needs and preferences, e.g. they can now upgrade their insurance coverages, purchase insurance plans for their dependents, as well as utilize the Flexible Spending Account (FSA) for their wellness and lifestyle needs.*

9

Develop a strong workforce

Train your staff with necessary competencies for their job function. Establish a talent development framework with detailed career progression pathways and training plans.

The Skills Framework for Hotel and Accommodation Services *launched under the SkillsFuture initiative by Workforce Singapore (WSG) and SkillsFuture Singapore (SSG) will provide workers, employers and training providers with a common reference to identify emerging skills and competencies required for the hotel industry.*

10

Embrace change

Build a culture of innovation within your Hotel by participating in thought leadership seminars & conferences and learn from best practices.

Next Steps!

1 Leverage available grant schemes and the Hotel Productivity Centre (HPC) to enhance productivity

i. **STB's Business Improvement Fund (BIF)** – Obtain funding support of up to 70% of qualifying costs when you embark on projects (including retrofitting) to redesign your business processes and enhance your productivity.

ii. **Hotel Productivity Centre (HPC)** – Reach out to HPC, a one stop centre providing productivity assistance, consultancy and training & conferences for the hotel industry.

iii. **Inclusive Growth Program (IGP)** – Obtain funding support of up to 80% (with job redesign rider) when your hotel embarks on productivity improvement projects or job redesign programmes to improve value of low wage jobs through gain-sharing with workers.
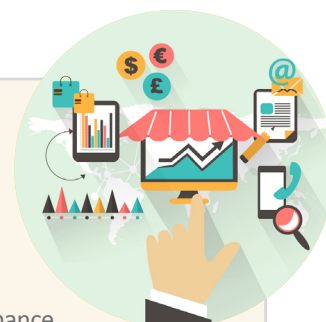
2 Build a strong pipeline of talent and deep skill your workforce

i. **Training Industry Professionals in Tourism (TIP-iT)** – Obtain funding support when you embark on employee upgrading and talent and leadership development programmes.

ii. **SkillsFuture Earn and Learn Programme (ELP)** – Grow your talent pool by participating in a programme which allows Polytechnic and ITE graduates to gain industry experience and pursue higher qualifications at the same time.

iii. **SkillsFuture Leadership Development Initiative (LDI)** – Obtain funding support for your aspiring Singaporean employees looking to acquire leadership competencies and critical experiences.

iv. **SkillsFuture Enhanced Internships** – Capture prospective employees' mindshare by delivering a positive and meaningful internship experience for students.

v. **SkillsFuture Study Awards** – Encourage your employees to advance their skills by applying for a monetary award of S$5,000 given directly to employees to defray out-of-pocket expenses.

vi. **Skills Framework for Hotel and Accommodation Services** – Design progressive human resource management and talent development plans by referring to the Skills Framework which provides key information on career pathways, occupations and job roles, as well as existing and emerging skills required in the hotel industry.

vii. **Professional Conversion Programme for Professional Executives (Hotel Industry)** – Join other hotels in attracting and re-skilling mid-career PMET Singaporeans to take up exciting careers in hotels.

3 Partner STB and SHA to transform the industry together

i. **Hotel Career Campaign** – Partner us on a marketing campaign to galvanise perceptions on the availability of good jobs and career development in the hotel industry.

ii. **Redesign Jobs** – Work with us on an initiative to redesign jobs to ensure that hotel careers remain attractive to the new generation of workforce.

iii. **Hotel Innovation Committee** – Join industry leaders in projects to ideate and develop future-oriented solutions and implement industry-wide initiatives.

iv. **Hotel Industry Storybank** – Contribute your hotel's successful case studies and learn from others as we foster mutual learning and improve collectively as an industry.

4 Grow your business globally

Build a network presence in key gateway cities and tourism destinations, and develop global-ready talent to become globally competitive. You can tap on **IE Singapore's global network of overseas offices in over 35 locations**, its **Market Readiness Assistance Grant (MRA)** and **Global Partnership Programme (GCP)** as well as **STB's Business Improvement Fund.**

To find out more, please contact
STB_Hotels@stb.gov.sg

This publication serves as a reference for Singapore's Hotel Industry. All information in this publication is deemed to be correct at time of publication.

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