

IMPLEMENTED RESULTS SCORECARD

◀ IMPLEMENTED RESULTS THROUGH IMPROVEMENTS IN PRODUCT PROCESS SYSTEMS AND BEHAVIORS ▶



THE RITZ-CARLTON®



The Ritz-Carlton Naples

THE CHALLENGE

Executive management of The Ritz-Carlton Hotel Company requested Carpédia to conduct an analysis of an internal quality initiative that was designed to help improve meeting event reliability.

The Ritz-Carlton Naples Resort was selected because it was considered the chain's flagship property in terms of both product quality and profitability. The Naples resort is consistently rated as one of the top resort hotels in the world.

The analysis identified that the resort's superb product delivery, and the corresponding ability to extract price premiums, inadvertently obscured some weaknesses in the management of labor and material productivity particularly in the back-of-house functions.

The point was made that a weaker economy, which would inevitably arrive, would expose this inability to capture the margins that the successful pricing strategy and quality initiatives offered.

With this in mind, Carpédia was brought in to work with the Food and Beverage group to develop a more-responsive resource management approach and to specifically beat budget objectives by \$260,000 by the end of the fiscal year.

THE RESULTS

The project focused on the Banquets and Stewarding departments due to their size and their central function. These groups directly interrelate with the kitchen, laundry, restaurant outlets, engineering, conference services and catering departments. The project more than achieved its financial obligations (as measured and tracked by the hotel controller). The specific actions taken to achieve the results included :

Streamline the set-up, food-running, breakdown and cleaning processes

- Reduce set up / break down time by 10% through better planning, pre-staging and standardized sequencing
- Use batch processing and job combinations to reduce poor scale economics of "satellite" outlet operations
- Reduce unnecessary activities (e.g. unneeded rinsing, duplicate silver sorting) to reduce required labor hours
- Modify shift schedules to better match staff to activity patterns and to reduce unnecessary overtime
- Improve equipment uptime / utilization by pushing accountability back onto equipment suppliers
- Improve service quality through better inventory management and equipment pre-staging (e.g. mis-en-place).

Improve the labor and materials management systems

- Refine the management system to better link planning with scheduling and measurement
- Centralize forecasting and develop a formal feedback mechanism to measure and improve accuracy
- Develop responsive resource planning and scheduling tools, flexible to forecast cover type
- Improve feedback to source departments for defects through the Banquet Captain's report
- Schedule less "buffer" staff and train managers to actively manage the work
- Tie the operational management systems to the financial budgets
- Identify/track key sources of food waste and develop feedback mechanisms between banquets and culinary to reduce overproduction and over-serving



Naples

THE TESTIMONIAL

MR. PAT MENE, VICE PRESIDENT OF QUALITY : "Both your off-site and on-site advice are at the very heart of the Ritz-Carlton's approach to business excellence."

MR. JOHN TIMMERMAN, CORPORATE DIRECTOR OF QUALITY : "The Stewarding Department, through the effective use of the Carpédia Model, has achieved their \$103,383 year-end goal ahead of schedule. I'm forecasting an additional \$46,182 in saving by year-end, thus providing \$152,930 in total Stewarding wage cost savings. Please be assured we are maintaining, and in most cases improving, quality while increasing profitability.

In addition, we've applied the Carpédia Model to Banquets and Recreation, achieving \$117,320 and \$20,674 respectively in wage cost savings. The Carpédia Model is now being implemented in other areas to include Laundry and Conference Services."

Carpédia Group International is a management firm uniquely focused on helping leading companies implement sustainable improvements in revenue growth, productivity, and asset utilization.

