

Situated on the historic Royal Mile in the heart of Edinburgh's old town, just a short walk to major city centre attractions, the Radisson Blu Hotel, Edinburgh is within walking distance of Edinburgh Castle, National Museum of Scotland, the Scottish Parliament and Edinburgh's famous shopping thoroughfare, Princes Street. The hotel is also within easy reach of Holyrood Palace and Holyrood Park, just adjacent.



Business Improvement Academy Project

Kieran McGuckian (Assistant Food & Beverage Manager) and Carmen Martinez (Accounts Assistant) came together to work on a project within the Itchycoo restaurant and bar area. They had been selected for the Academy programme as part of the hotel's change management initiative where the business is keen to develop staff in line with lean management principles.

Project Analysis

Early on within the programme delivery Kieran and Carmen wanted to create a better awareness of activities between Operations and Finance. They had analysed budgetary plans and concluded that there was an opportunity to make the **budget 19%** ratio of direct costs to sales more visible within day to day activities. They set up a spreadsheet control system and created graphs to show the variance to planned budget. There was some fluctuation within the study month but the trend for the period highlighted a negative variance of approx. £200 per day, cumulating in an annualised problem statement of £73,500 potential improvement.

They started to have brainstorming sessions with the wider team and set up an objective statement

"To eliminate this % loss by concentrating on awareness, better organisation and upselling rather than cost reduction. However we also aim to balance resource utilised to sales income".

A value stream map was created in the "Brainstorming Team room" displayed for all to see and add to. A time line of a typical 24 hour day was set up with opportunities for staff members to document issues, add data, question processes and gain a better understanding of work flows.

Creating an Action Plan for Change

This analysis and involvement from staff led to action plans relating to monitoring of daily sales, documenting waste, upskilling staff for enhanced flexibility, analysis of work patterns and rotas and making the whole process more visible to empower decision making.

The variance charts continued into month 2 however as this was the Edinburgh Festival month it was agreed that this would not represent a realistic measure for like for like improvement. The team will be monitoring progress over a further 3 month period as actions and improvements begin to take shape.

Business Benefits

The new ways of working are being embraced positively with a new culture linked to lean management more evident. Business benefits are

being monitored with the potential to eliminate the £73.5K negative variance to budget.

As of November 2017, cost of Labour % has dropped from 34% to 24.5% in the bar area, which is hoped to continue in this trend as the hotel strives to achieve COL % of 19%.

"The Business Improvement Academy has enabled myself and Carmen to change the way we think about staffing within the hotel. There was always a concern that cutting staff can be detrimental to the service the guests receive, as well as the moral of the team, however by driving revenue, we create the necessity of higher staff levels to deliver. By using techniques learned throughout the course, we are now starting to reap the benefits of visibility, awareness and understanding of revenue with the whole team, rather than only Supervisors and Shift Leaders.

I genuinely feel there is something for all sectors of business in the Business Improvement Academy and being able to openly discuss ideas and initiatives with likeminded individuals from different business backgrounds was hugely beneficial."