

Project Management of Hotel Opening Processes
By Gert Noordzij
(A book review by R. Max Wideman, FPPI)

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Introduction

In his introduction to this First Edition of *Project Management of Hotel Opening Processes*, Gert Noordzij makes it clear that "this book is a working document".¹ Nevertheless, it has been translated into multiple languages. For example, simplified Chinese and Spanish are done; proof reading of Japanese, Korean, and Indonesian is ongoing. Translation into Portuguese is work in progress.²

In fact the copy we reviewed was not complete by virtue of missing the contents of the Index.³ Indeed, one of his very first comments is that "The author welcomes corrections and comments on this book."⁴

So here goes.

As a backdrop to the contents of the book, the back cover boldly claims:⁵

"The Chinese hotel industry has started the steepest new hotel development curve the world has ever experienced. By 2039 China is expected to reach 9.1 million hotel rooms, four times its current number."

This book was first published in 2014 and certainly there is no harm in being optimistic. That's good news for project managers and their associates in the hotel development industry or who are aspiring to join it. However, since then the Chinese economy has slowed down considerably in 2015 so one must wonder just how realistic that forecast can be.⁶ Nevertheless, author Gert Noordzij presents compelling evidence from his experience that the Chinese hospitality industry faces serious difficulties in achieving its rate of expansion at whatever level that might be.

In his introduction, Gert observes:⁷

"This book was triggered by a research project to benchmark what is *perceived* to cause new-hotel opening delays against outcomes of a root-cause analysis. The results revealed that what the hospitality industry perceives to be the cause of new-hotel opening delays are actually symptoms of more deep-seated systemic problems. The causal chain analysis clearly demonstrates that the origins of the problem lie in the absence of a project-management culture in the hospitality industry. This logically leads to two questions: Can this be fixed? If so, how do you go about it? These questions are answered in this book."

Well, maybe.

The reality is that if the main obstacle to better performance is the prevailing culture, in whatever form, then culture change in an organization, let alone a whole industry, is the most difficult to achieve. Serious organizational culture change often requires layoffs on a significant scale and the rehiring of young minds that are amenable to adapting to a new attitude. Doing so on such a large scale simply makes it worse. Indeed, as the author notes: "Culture itself is extremely difficult to change and requires a long term strategy and time frame."⁸

Having recognized this, Gert narrows the problem down by identifying the most obvious adverse outcome, i.e., seriously delayed opening of newly built hotels. He then tackles the intermediate or direct causes and their corresponding impacts, of which there seem to be many.⁹ Having identified the problem, Gert briefly considers published plans for future new-hotel openings in Greater China to explain the scale of the problem. He analyzes why traditional approaches to opening new hotels do not work efficiently and cannot be scaled and hence why project management methodologies are the best way forward.¹⁰

Thus, Gert concludes that introducing project management is the answer, and cites a variety of references to demonstrate that this path is a viable route to take. It is not quite clear at what point project management should be introduced, but to reduce the delays in construction completion in the first place, most likely at least at the start of construction. However, for purposes this book, Gert sees the effort involved in **opening** a new hotel is, in fact, a project in itself, quite distinct from the work of construction and hand over.

This approach is a good idea because the completion, acceptance and transfer of ownership of the building is one thing, while the furnishing, staffing and marketing of the facility and services ready for "go live" is quite another. It involves a different set of stakeholders, a different style of management, greater coordination, and typically a tighter schedule.

However, Gert's solution is to take the Project Management Institute's *Project Management Body of Knowledge Guide* ("PMBOK") and customize it as an official extension to the PMBOK. This would make future versions officially available as "a working document for senior hotel executives involved in new-hotel opening projects (who may be new to a high-growth region, new to a hotel opening project-related position, and new to project management.)"¹¹

About the author

Gert Noordzij, MBA, CAPM, FAIQ, is an international hotelier and Organizational Project Management subject matter expert. He has over 20 years of professional experience in Greater China and South East Asia and has been involved in opening over 30 new hotels. Gert first started researching hotel opening processes in 2008. His personal objective is to help the hotel industry transform itself and embrace project management as a strategic competence. All of that is a vital background to the proposal we shall put forward at the end of this review.

Book Structure

The contents of this book are set out in seven sections including a set of eight Sub-appendices as follows:

1. Introduction
2. Causes of New-Hotel opening delays in Greater China
3. Preparing your organization for New Hotel opening projects
4. The Feasibility of a how-to manual
5. Conclusions
6. Appendices (8)

Continued . . .

7. References

Glossary

Index (Not available in this book sample)

Gert Noordzij's book is well written and well presented. The text is well supported with figures, tables and informative bullet lists. It is printed in 8.5"x11" format and has a total of 160 pages of which the Appendices occupy 74 pages and the References another 10. The Glossary of Terms contains a brief list of eleven terms specific to root cause analysis.

What we liked

It is evident from the data quoted by Gert Noordzij that the opening of new hotel facilities, especially in China, and likely in other Asian countries, is a significant area of potential application for project management. The essential goal of new-hotel opening processes is, obviously, to have everything ready for the first guests to arrive and have a comfortable stay supported by excellent, incident-free service. However, according to Gert's information, this special industry is riven with problems that together result in major delays in arriving at opening day.

As Gert says:¹²

"In view of the anticipated phenomenal growth in China, I asked the question: 'How can hotel operators open new properties (under executed management and franchise agreements) on this scale effectively, efficiently, and in a consistent and predictable manner?' In my view, the traditional approach alone cannot meet the challenges and dynamics of new-hotel development on a large scale and will contribute to delays in the technical, operational, and commercial readiness of hotel projects.

It is interesting to note that there is no conventional literature on new hotel opening processes. Very few independent articles and reviews on the subject are up to speed. This fact contributed to the decision to publish this book, which explores better ways of managing new-hotel opening processes, issues and opportunities for improvement."

To answer Gert's question, a "root cause analysis" was conducted on the results of a survey in 2009. In this survey well over 100 hospitality professionals were asked a set of identical questions on what they perceived as the causes of new-hotel opening delays in Greater China.¹³ According to the survey, the top five perceived causes (i.e. most frequently mentioned in the responses) were:¹⁴

1. Construction delays
2. Facility licensing delays
3. Complying with fire safety requirements
4. An unrealistic opening date, and
5. Delays in the procurement of fixtures, fittings and hotel operating equipment.

In Root Cause Analysis it is typical to trace an adverse outcome back up the ladder, so to speak, to its **root** cause, though it is often difficult to tell at what point you have actually reached the **real** root cause. Gert presents one such example shown in Figure 1 below.

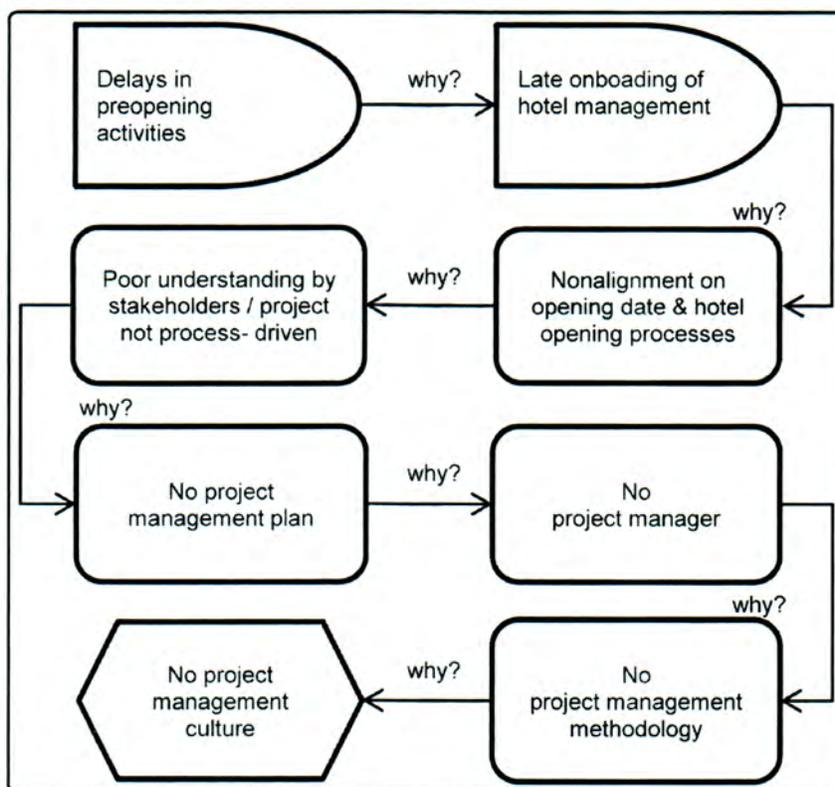


Figure 1: Intermediate causes of new-hotel opening delays¹⁵

Note: "D" box = consequence; Rounded box = result; and Hexagonal box = root cause

Then there were a variety of other perceived causes, such as: Cash flow interruptions; staffing; last minute changes; lack of staff training, and so on. In addition a number of other problems were identified that do not necessarily result directly in delays, but are serious enough to affect the subsequent running of the hotel. These include: lack of market research into potential demand; corruption; and poor construction quality.

All of these will no doubt be familiar to those already working in the new-hotel opening industry. Note, however, that the chain illustrated goes back to the absence of a project management culture that, as already noted, is the most difficult to fix.

Downside

In his summary of Section 2 - *Causes of New-Hotel Opening Delays*, Gert Noordzij says:¹⁶

"The preceding root cause analysis highlights the root causes and direct causes that can be influenced realistically in an effective and efficient process within a reasonable time."

His answer to the problem is to introduce project management to the industry at large by adapting the PMBOK Guide structure and contents to the features and challenges of the new-hotel opening industry. In the following four sections, 3 through 6, he then proceeds to illustrate what a corresponding guide for the new-hotel opening industry might look like by quoting extensively from the Project Management Institute's original document with a few editorial changes.

We think this is a bad idea for a number of reasons.

1. All of the project management processes identified by the Project Management Institute are described in the Project Management Body of Knowledge Guide "The Guide". This guide is available to anyone who is willing to buy it. There is no significant benefit to reproducing it with a few editorial changes. Such changes could easily be called out in a separate document.
2. The Guide is a description of the body of knowledge that represents project management as a standard professional discipline. It is not a methodology, even though many people try to make it so. It is a book describing a set of project management processes and their interactions. Indeed, The Guide, Fifth Edition, explicitly states that: "this standard is a guide rather than a specific methodology."¹⁷

And goes further with these observations:¹⁸

"The project processes are performed by the project team with stakeholder interaction and generally fall into two major categories:

- **Project Management Processes.** These processes ensure the effective flow of the project throughout its life [span]. These processes encompass the tools and techniques involved in applying the skills and capabilities in the Knowledge Areas (Sections 4 through 13)
- **Product-oriented processes.** These processes specify and create the project's product. Product-oriented processes are typically defined by the product life [span] (as discussed in Section 2.4) and vary by application area as well as the phase of the product life [span]. The scope of the project cannot be defined without some basic understanding of how to create the specified product. For example, various construction techniques and tools need to be considered when determining the overall complexity of the house to be built

The PMBOK® Guide describes only the project management processes." (Emphasis added.)

3. If the intended audience of this book is as naïve as the author suggests, then they are unlikely to take to a tome like The Guide and be willing to spend time on digesting it. In any case, quoting large sections of The Guide together with its very generalized illustrations results in a very one-sided document.
4. What readers will most likely be looking for is a "How to" manual applicable to the New-Hotel Opening industry rather than a general "What is" project management book. Hopefully, that interest would come later.
5. That means that what is required is a book that focuses on the "Product-oriented processes. And that starts with identifying a typical "**Product Life Span**" design for a typical hotel-opening project.

Conclusion

Given Gert Noordzij's extensive experience, it should not be difficult to identify and display a typical project life span for a typical New-Hotel Opening. If there is no specific project documentation available, then it would be quite acceptable to "construct" one from several personal or documented experiences. It could be rather like the [Woody 2000 Case study](#) that is offered on this web site and which has attracted a large audience.¹⁹

The book as a whole requires substantial upgrading and with an improvement in content should prove a valuable asset for the New-Hotel Opening industry.

Footnotes

In his *Introduction to the First Edition*, the author presents the following Figure 2:²⁰

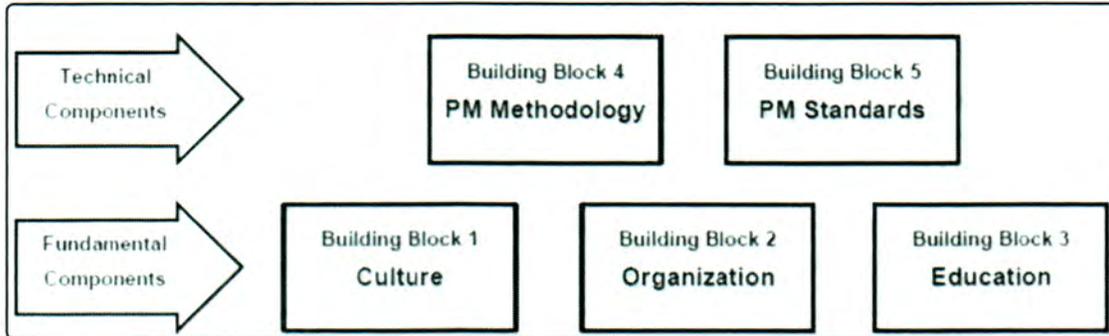


Figure 2: Five building blocks to improve project performance effectively

In our view, there should be a very important fourth block along the bottom representing the knowledge and skills required to actually produce the end product, namely, a successfully accomplished New-Hotel Opening. A manager without this knowledge would be completely "at sea" in trying to run such a project, and would likely be "sunk" by his or her own supporters, regardless of any project management skills they may have. Another block in the top row might also be added to represent the standards for the "New-Hotel Opening industry".

Under the subject of Root Cause Analysis, the author attempts to illustrate the *Root cause analysis and causal chain for New-Hotel Opening delays* described in the text.²¹ This illustration provides valuable insights, but unfortunately, the figure in the book is not legible, and the link provided to access a full size replica is no longer active. Not to worry, you can get a full-sized PDF copy by contacting the author directly.²²

In Section 6.5, the author replicates The Guides' Table 3-1 Project Management Process Group and Knowledge Area Mapping.²³ Unfortunately, this table is badly flawed because to the uninitiated it tends to imply that the five process groups are equivalent to PMI's generic project life cycle. It also implies that out of the ten knowledge areas listed, only two have any Initiating Processes, and only two others have Closing Processes.

Also in Section 6.5, the author shows "Examples of Project Schedules". However, this too has been copied from The Guide and is not actually legible. In fact a couple of examples taken from a real New-Hotel Opening project would be most valuable, even if they have to be drawn up after the event.

The references in Section 7 only list the authors and their publications. They do not take you to the actual source of material quoted.

Finally, we think that 26 "Accolades" is a bit of overkill, considering the foregoing. Three or four would be ample.

We look forward to a much-improved Second Edition of this book.

R. Max Wideman, Fellow PMI

References

¹ Noordzij, Gert, MBA, CAPM, FAIQ, *Project Management of Hotel Opening Processes*, published by CreateSpace Independent Publishing Platform, North Charleston, South Carolina, USA, 2014, p xxiii

² Additional information sent by Email 11/13/15

³ *Project Management of Hotel Opening Processes*: As identified on p159.

⁴ Ibid, p ii. The author may be contacted at hotelopeningprocesses@hotmail.com

⁵ Ibid, see back cover.

⁶ According to Investopedia: "For the past 30 years, China has grown at a rate of 10% per year, with annual peaks of 13%. A large part of China's rapid growth is owed to its 1970s economic reform. . . . However, it seems that even China's rapid growth couldn't last forever. Over the past five years, its growth has slowed to 7%. Still, to put this in perspective, the U.S. economy grew 3.7% in second-quarter 2015 while the IMF projects global growth at 3.1% over the course of 2015." See <http://www.investopedia.com/articles/investing/091515/chinas-economic-collapse-good-us.asp> accessed 11/5/2015.

⁷ *Project Management of Hotel Opening Processes*, Introduction to the First Edition, p xxiii

⁸ Ibid, p15

⁹ Ibid, see extensive discussion in Chapter 2.

¹⁰ Ibid, p xxiii

¹¹ Ibid.

¹² Ibid, p2

¹³ Ibid, p7

¹⁴ Ibid, p9

¹⁵ Ibid, Figure 3 on p12

¹⁶ Ibid, p21

¹⁷ PMBOK Guide, Fifth Edition p2

¹⁸ Ibid, p47

¹⁹ See the Introduction on this page: <http://www.maxwideman.com/papers/woody2000/intro.htm>

²⁰ *Project Management of Hotel Opening Processes*, Introduction to the First Edition, p xxiv

²¹ Ibid, p10

²² Contact Gert Noordzij by Email at <mailto:gert.noordzij@hotelopeningprocesses.com> for a full scale printable version" of the *Root cause analysis and causal chain for New-Hotel Opening delays* described in the text.

²³ The Table referred to is presented as "Table 4, Mapping of the forty seven project management processes into the five project management process groups and ten project management areas" on page 87