

*Revaz Lordkipanidze*

## **The Strongest Key to Global Hospitality**

**Tbilisi**

*Philanthropic Research Academy named after Economist A. Gunia*

*for the Georgian Parliament Digital Library*

**2018**

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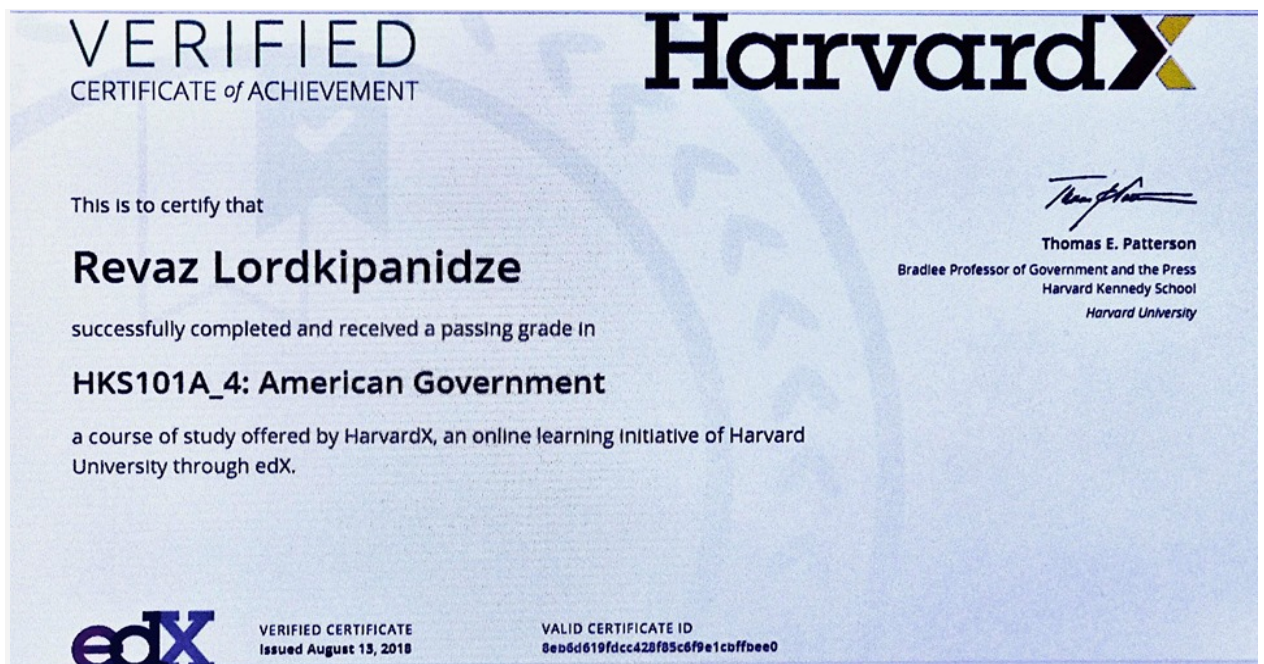
For the strengthen of researches to peaceful economic relations, after of long American Studies, Doctor of World Economics R. Lordkipanidze completed the very interesting and difficult course at the Harvard University "U.S. Public Policy: Social, Economic and Foreign Policies" and received 95% assessment of testing. As result, He prepared this new scientific work about American and other reforms and we are sure, that World scientific kinship (Naturally, on Spiritual and Physics-technical basis of Economy and Law) will support each other with the objective love of all Science. Now our Academy offers to readers scientific work of R. Lordkipanidze "The Strongest Key to Global Hospitality".

Edited in the Academy named after Economist A. Gunia

## The Strongest Key to Global Hospitality

With the sincere love of science and particularly my profession, we must note that, in the shortest possible time of working in an 18-20-hour day, I completed the Harvard course “U.S. Public Policy: Social, Economic and Foreign Policies” and got 95% of the scores during testing, so I earned the noblest grant from the American Government and the Harvard University course on politics and international relations for a Certificate and subsequent fruitful actions.

As a result, we believe, the Peaceful Policy with mutually beneficial economic relations is the best powerful key for resolving politico-military conflicts. According, we think, that Global Hospitality that is essential basis of such effective economic relations.



Dear colleagues and readers of our works, from the experience of American researches [1][2][3][4][5][6], we mainly work on issues of competition and efficiency [8][9][10][11][12][13][14], which naturally affects many industries of the economy. This time, by the request of time, I study a very interesting closed course (without Certificate) of Global hospitality [7], which are recommended from me to You - Please, read and mail me (revazlordkipanidze@gmail.com) a review of Your opinions (if You think about it).

Thanks so much - all Your interrelated topics were very interesting for me. I found out, that Hospitality is a very, very capital intensive industry. It takes about 6 dollars of capital to generate 1 dollar of airline revenue. About 3 to generate 1 of hotel revenue. And about 1 to 1 in the restaurant industry.

In my opinion, franchising is one of the most clever economic mechanisms which allows You to use the best experience and offer the consumer the best quality. I want to say to future businessmen - use wisely franchising, do not be stingy, especially in innovative-intensive sectors of the economy, like hospitality and its sub-industries. Revaz Lordkipanidze

CornellX: HOSP.101x**Introduction to Global Hospitality Management**

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[Ask the Expert About Franchising](#)

Franchising is an example of a popular strategy in the hospitality industry. In this video, Professor Cathy Enz speaks to Bill Minnock, Senior Vice President and Managing Director Asia Pacific, Marriott Vacations Worldwide. Find out what he has to say about franchising.

What is strategy and why is it important in the hospitality industry? This section of the course explores the definition of "hospitality industry," showing that this one industry is actually a composition of many sub-industries. You will find out what makes the industry attractive and why strategy is essential to the success of hospitality organizations globally. You will learn about franchising, a popular strategy in the hospitality industry, when Professor Enz interviews industry expert Bill Minnock of Marriott International.

When you have completed this topic, you will be able to:

- Define "strategy"
- Describe the hospitality industry and what makes it attractive
- Explain why the franchising option is important to strategists

Discuss: Franchising in Your Part of the World

Bookmarked

Discussion topic:

In this discussion, consider the franchising strategy as it is used in the hospitality industry in your region. Is it popular? What factors make it more or less desirable to operate as a franchisee rather than independently? Do you anticipate that the prevalence of franchising (or the "asset-light" strategy) will change over time and, if so, in what way?

Instructions:

When you are finished with your entry, click "Submit."

We encourage you to read and respond to at least one other student's discussion post.

This is a professional forum; courtesy and appropriate tone and language are expected.

Type your answers to the discussion topic questions in the text box provided.

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Topic 2.2: Corporate Strategies

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Corporate Strategies

There are many different types of strategies. Business-level strategies focus on how to compete in a particular business. Corporate strategies focus on how to create a portfolio of businesses. This topic covers corporate growth strategies such as vertical and horizontal integration. It also covers value creation, which is central to any strategy.

When you have completed this topic, you will be able to:

Provide examples of different approaches to value creation

Compare business-level strategies to corporate strategies

[Course](#) [Module 2](#) [Topic 2.1: The Role of Strategy in the Industry](#) Watch: A Strategic View of the Hospitality Industry

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**Watch: A Strategic View of the Hospitality Industry**

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A Strategic View of the Hospitality Industry

In this video, Professor Cathy Enz explains why it's important to analyze the structure of an industry. She shows that a strategic view of the hospitality industry, for example, is useful in determining how attractive and how profitable that industry is.

**Video: A Strategic View of the Hospitality Industry**

Press UP to enter the speed menu then use the UP and DOWN arrow keys to navigate the different speeds, then press ENTER to change to the selected speed.

Click on this button to mute or unmute this video or press UP or DOWN buttons to increase or decrease volume level.

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Ask to Experts about Synergies:

In this video, Dan Coleman of Walt Disney Company's Grand Californian Hotel and Spa talks with Professor Enz about corporate synergies.

One of the most vital questions management can ask about the organization is, "Who are we?" A clear understanding of the firm's identity is the starting point for all strategic planning and management. Creating a mission statement allows the firm to answer three critical questions: Who is being satisfied? What is being satisfied? And what are our distinctive competencies? Learn more about strategic direction setting in this video.

Join Professor Enz in a conversation with Sandeep Bhalla, the Hotel Operations Manager at the Berkeley Hotel in London, England. They discuss the critical role of the mission statement at Mr. Bhalla's hotel.

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**Topic 2.4: External Analysis Tools**

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## External Analysis Tools

One of the key activities in strategy is to analyze both the "broad environment" and the "operating environment." The broad environment is the context in which the organization exists, including economic, political, sociocultural, and technological factors and trends. The operating environment includes individuals and groups that have a direct impact on firms in the industry such as competitors, suppliers, and financial intermediaries. Strategists look at these aspects of the external environment in order to determine profit potential and, ultimately, to create strategy.

In this topic, you will examine two powerful tools that business analysts use to evaluate the external environment for their organizations. These tools are the PEST analysis, which looks at the political, environmental, social, and technological aspects of the external environment, and the hospitality competitor analysis tool, or HCAT.

When you have completed this topic, you will be able to:

- Use an analysis tool to evaluate the competition
- Use an analysis tool to select the best strategic option

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**Activity: Perform a PEST**

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Perform a PEST

Are you wondering how you might use a PEST analysis in your career? Let's see how it is used in the following case study, and then test your understanding by answering the questions at the end.

### **CASE STUDY: PDC's Analysis of the Spanish Playa in 20**

By February 2007, Lupe Morano, President of PDC, had reached some conclusions about his company's strategic direction and had given his team the task of developing those ideas further. This freed up some of his time to look at several interesting investment opportunities PDC was considering. He was interested in one hotel project in particular, and he had met several times with Ananda Perez, the current assistant general manager at one of the company's most successful upscale hotels, to discuss it. The new project was a beach-side hotel development that some Americans on the team had nicknamed "The Spanish Playa Hotel."

The Spanish Playa was envisioned as a three-star hotel near the commercial area of Blanes with meeting space, a restaurant, and two bars, one of which was poolside. The land owner was willing to sell directly to PDC. Morgan Avnadi, PDC's Development Manager, was "running the numbers" to determine whether acquisition of the property made sense. Meanwhile, Lupe wanted to get input from Ananda because he was considering asking her to be the General Manager of the hotel if acquired. To determine how to position the hotel for success in the Blanes market, Lupe asked Ananda to prepare a PEST analysis.

[Download Ananda's PEST analysis notes.](#) (they will open in a new window)

Your Assignment

1 point possible (graded)

Now that you have read Ananda Perez's notes for her PEST (political, economic, socio-cultural and technological) analysis, take a few moments to think about the opportunities

and threats she identified. Which trends are most important and will have the greatest impact on the proposed hotel development?

Based on Ananda Perez's PEST analysis and your view of the importance and impact of these trends, which of the following options would be the best fit for the Spanish Playa Hotel?

- Branded luxury hotel with a traditional look that would appeal to older, retired customers
- Branded economy hotel offering few amenities in order to keep prices low. Designed to appeal to both Millennials and older, retired customers
- Unbranded luxury hotel with strong emphasis on technology, designed to appeal to both Millennials and older, retired customers
- Unbranded modest-cost hotel with strong emphasis on technology and service, designed to appeal to Millennials

unanswered

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unanswered

### **Explanation**

Ananda came to the conclusion that the greatest opportunities existed in positioning the Spanish Playa as an unbranded, modest-cost (three-star) hotel for young Millennials looking for high-tech but also high-touch service. She believed that being unaffiliated with a brand would save costs and give PDC greater flexibility to continuously evolve the concept and

introduce service innovations. And focusing on Millennials seemed like the best option. Sociocultural trends highlighted both Millennials and older customers, but she knew that attempting to please both markets would be difficult at the start.

Given the focus on Millennials, state-of-the-art technology seemed less a choice than an obvious consequence. High-touch service would mean friendly and customized attention with a strong reliance on using social networks and mobile technologies for connectivity. Community and connection were key. Given the positioning as a moderately priced hotel for value-conscious guests, the energy costs in particular needed careful management from the start. Rooms needed to be modern, tasteful, and design conscious but also reflect a commitment to environmentally sustainable practices.

Ananda believed the hotel would not be like the big resorts or large and crowded tourist properties. She advised that by leveraging the hotel's small size and by appealing to discerning Millennials, PDC could avoid the challenges of seasonality that plagued the larger competitors.

Submit

You have used 0 of 2 attemptsSome problems have options such as save, reset, hints, or show answer. These options follow the Submit button.

### **Topic 3.1: The Structure of the Operation**

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#### The Structure of the Operation

This topic introduces three fundamental decisions in the lodging and restaurant industries: whether to own or lease real estate, whether to self-operate or hire a third-party operator, and whether to open an independent operation or a brand-affiliated operation.

These fundamental decisions are relevant to lodging and restaurant operations alike. However, the own-versus-lease question is more common for restaurants, so we will consider it in the restaurant context. And the question of whether to use a third-party operator is more common for hotels, so we will consider it in the hotel context.

When you have completed this topic, you will be able to:

- State some of the reasons why hotel and restaurant owners invest in hospitality businesses
- Explain why the own-versus-lease question is important to restaurants
- Explain why the question of whether to use a third-party operator is important to hotels

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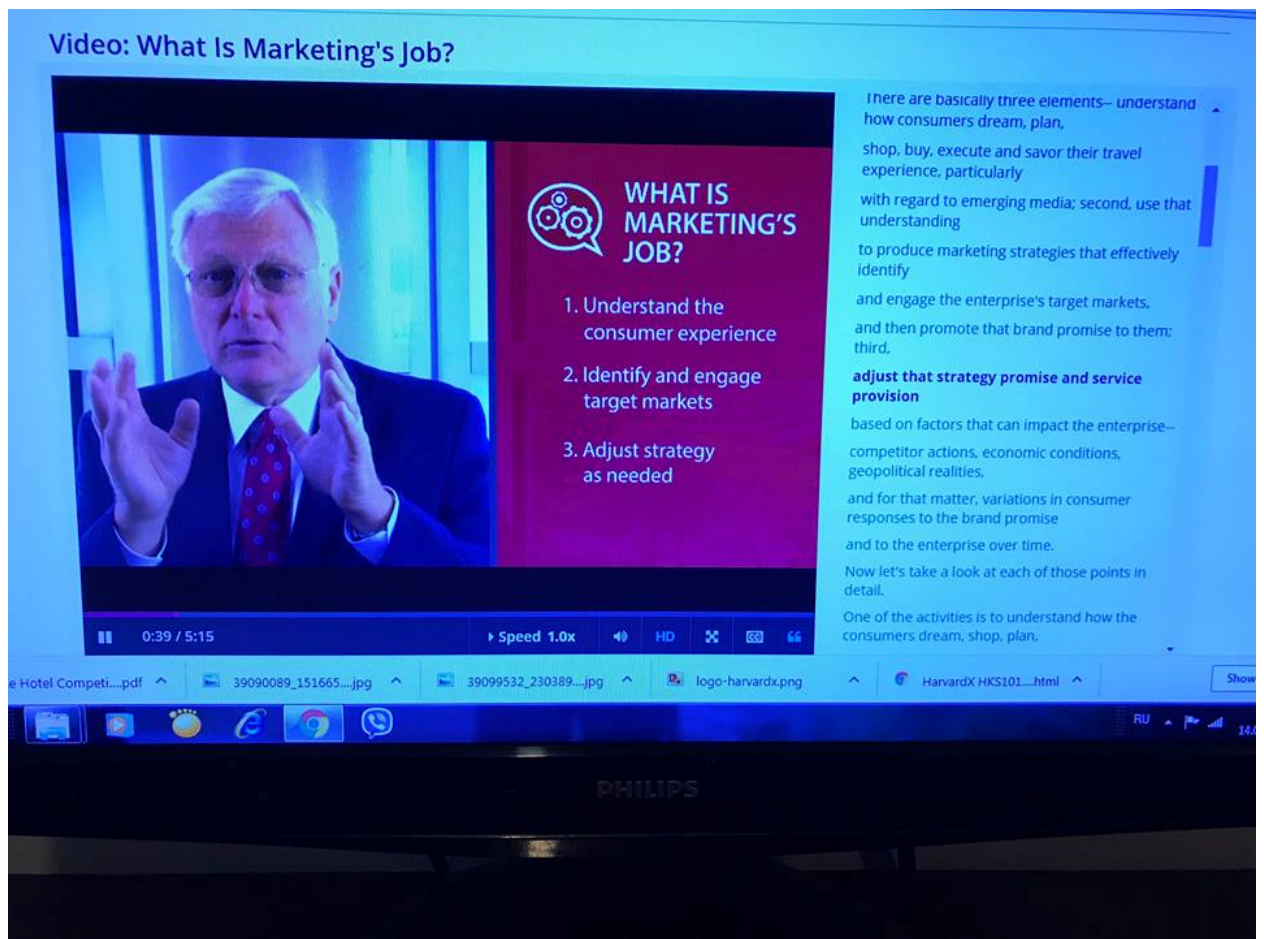
**INVESTOR'S DECISIONS**

1. Own or lease?
2. Operate or hire operator?
3. Independent or franchise?

The video player interface includes a progress bar showing 1:09 / 4:59, a speed control set to 1.0x, and various playback controls. Below the video player, there are tabs for "Video" and "Transcripts".

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