

REVOLUTIONWISE RETENTION

Malmaison and Hotel du Vin case study

The challenge

In October 2004, Malmaison Hotels (then nine properties) found itself faced with a unique challenge when Malmaison's owners MWB, a public company quoted on the London Stock Exchange, acquired Hotel Du Vin (then eight properties) and created a merger. As two distinct and successful brands operating in the same market, both now faced several, business critical people challenges:

- The need to preserve the separate brands whilst operating under the same leadership with many shared support services
- The need to exploit the opportunity of bringing together the two separate workforces, communicating with them and making best use of the talent within
- Merging the strengths of both without destroying their cultures
- Very challenging expansion plans (gearing up for the opening of six properties per year plus acquisitions)
- Engaging, retaining and motivating many employees used to an 'owner-culture' and lack of formal process / structure
- Putting development and succession plans in place to feed proposed expansion whilst preserving the distinctive Malmaison and Hotel Du Vin service offers, yet encouraging and facilitating cross-over of talent
- One of the greatest business challenges has been to retain key talent and grow the business, whilst ensuring the two brands could remain as distinct identities which continue to earn positive critical acclaim.

The solution

Head of People, Sean Wheeler, and Robert Cook, CEO, commissioned a bespoke talent toolbox which went live in January 2006. This web-enabled performance management and communication tool provides:

- Ongoing employee consultation
- Spot-on succession planning
- Robust performance management
- 100% accurate training needs analysis
- Risk analysis
- Employee opinion data capture

Plus

A range of reporting around business critical 'people indicators'.

This was a key strategic development for the group, as Sean Wheeler HRD or Robert Cook CEO will confirm. They can see at a glance the 'health' of the business in terms of its people and have touch button access to detailed succession plans.



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Return on investment using this approach

From a standing start with no formal talent management initiatives in place:

- Recruitment costs have halved saving the group approximately £125,000 pa
- HR admin time have saved the equivalent of one salary – approximately £30,000
- Management time saved at an estimated £26,000
- Labour turnover dramatically reduced to 30% (industry average is 65% according to the CIPD), saving, at the most conservative estimate, £270,000
- Improved efficiencies from accurately targeted and timely learning & development amount to over £9,000
- Incorporated employee opinion survey saving £40,000
- Robust succession plans and training needs analysis in place meaning that new properties are 80% staffed from within and people know where they are going six months in advance of opening
- Giving approximate total savings of £500,000 per annum

Also:

- Vastly improved employee survey ratings and knock on employee stability thus improving company's worth
- Supervisors to executive level regularly and robustly reviewed and all with individual career plans (roll out to floor staff January 2007)
- Revenue and profit targets for each hotel on target

Recent awards include:

- Springboard National Award for best Career Progression Programme
- Won 2006 HCPTA Excellence Award for HR
- Won 2006 HCPTA Excellence Award for Training and Development
- Shortlisted for Personnel Today HR Director of the Year Award 2006
- Shortlisted for 2006 Personnel Today Award for Innovation in Technology
- Won "Best Places to Work" Award for 2007
- CIPD People management award 2007 with learnpurple

"It's a fun, honest tool that will be the cornerstone of Malmaison and Hotel du Vin people development in the coming years."

Robert Cook
CEO – Malmaison and Hotel du Vin

Further information

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