

The Hotel Yearbook 2023
The Uncertainty New Normal



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‘LIFT’ Leadership - Navigating the Permacrisis and a Rapidly Changing Landscape

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Synopsis

Leadership capabilities in the hospitality sector must focus on four areas to navigate current disruptions and shifts, according to futurist Rohit Talwar. The four areas are learning at speed, innovation, foresight, and transformational thinking, or LIFT. Leaders need to adopt a human-centered approach, which includes adopting learning-led approaches to projects, team learning, and AI tools like ChatGPT. For innovation, leaders need to acquire facilitation skills and a tool box of processes to drive meaningful innovation. Foresight requires leaders to manage the present from the future and to regularly scan and develop scenarios. Transformational thinking requires leaders to unlearn old assumptions and embrace new ideas through zero-based thinking.

What leadership capabilities do hotels and hotel groups need to navigate through current disruptions and major shifts on the horizon?

FROM RECOVERY TO FUTURE PROOFING

For many in hospitality, 2022 was a year of rightful celebration – their occupancy, revenues, and profitability reached or surpassed 2019 levels. To achieve this, leadership priorities were rightfully skewed more towards bringing back customers than preparing for the future. However, there's now a growing sense that rapid changes of approach are required to navigate 'next' and lay foundations for the next five years.

BEYOND TECHNOLOGY – HUMANS AT THE HEART OF THE FUTURE

Some may see the emphasis shift as an easy transition, requiring minor adjustment to current strategies. However, for others, far larger scale change processes or fundamental transformations are required. Of course, it is easy to point to the technology roadmap filled with projects such as upgraded revenue management and booking systems, chatbots, and back of house automation. Some may be going even further – with greater adoption of artificial intelligence (AI), and more widespread and accelerated engagement with Web 3.0, NFTs, metaverses, and social platforms like TikTok.

History shows that technology can bring significant benefits. However, systems rarely get used in full, and the benefits often fall short of expectations. The real challenge is not a technology issue. The (not very) secret ingredients are mindset change and adopting more human centred approaches to drive the organisation forward. This requires a combination of incremental innovation, broader organisational change, and large scale organisational transformation.

LIFT LEADERSHIP

For leaders globally, four common sets of capability emerge as critical enablers of the rethinking, redesign, and ultimate reinvention of our businesses. Those critical leadership capabilities are learning at speed, innovation, foresight, and transformational thinking (LIFT). While we are familiar with the individual terms, let's explore what they mean in a hospitality context.

Learning at Speed – From front line hotel management to hospitality group leadership, there's often a sense that we just don't have time to attend training courses.

Equally, many struggle to invest the effort required to keep up with emerging sectoral and wider world developments and shifts. However, the scale of change taking place require us to rethink how we can use our time to learn what we need at speed and several valuable strategies are emerging. The first is embracing accelerated learning techniques which can then be used in multiple contexts. The second is adopting a learning-led approach to conducting key projects so all involved are learning together.

The third is a simple continuous individual learning approach of making sure that every day we watch two or three relevant 90-120 second short videos. These can cover developments in the sector such as the use of TikTok by hotels, and broader changes – for example understanding metaverses.

Strategy four is continuous team learning - turning all team members into part of the organisation's radar for collecting external signals. Initial questions might include *What standout features of other hotels have friends and families highlighted? How has your approach to shopping changed and what could we learn from that? Who in your family has the greatest influence when booking hotels, and what are their key selection criteria?*

A fifth strategy is making use of emerging AI tools like ChatGPT that provide near instantaneous, condensed format responses on demand. E.g., *What are the most common features that customers highlight for the five highest TripAdvisor ranked hotels in our location?*

When asking such questions, ChatGPT offers answers in seconds – less than the time it would take to organise an initial meeting to discuss our needs. The real power of such tools is that we can continue to broaden or deepen our enquiries over the course of a few minutes as the answers come in. This removes concerns about the time and cost of conducting more formal research – which carries the constant risk of misinterpretation of our requirements or that we asked the wrong questions initially.

Innovation – A major shift is taking place in project management, with leaders getting more involved in conceptualising, designing, and delivering innovation. Hence, leaders are acquiring both facilitation skills and a tool box of processes to drive meaningful innovation. Facilitation skills are foundational to most innovation initiatives. These include problem framing, brainstorming, conflict resolution, group discussion, and consensus approaches for teams that include participants ranging from housekeeping to IT. Key process tools include staged approaches for conducting different scales of projects, design thinking, visualising solutions, iterative development, prototyping, and design dashes.

Foresight – A challenge with many business and technology change initiative is their focus on solving yesterday's problems and addressing today's challenges.

However, during the journey from identification and initiation to implementation, the world has often moved on - rendering the solution outdated. Hence, there's a growing understanding that we need to look ahead, managing the present from the future. This helps ensure we future proof decisions against the key forces and factors shaping the future and the scenarios that could arise.

At the individual activity and project level this can be as basic as asking people to state the assumptions underlying their thinking and to test them against emerging trends, developments, and possibilities. Web searches on hotel sector trends and scenarios can provide such information at speed. Strategically, deeper horizon scanning and scenario development can help sense check strategies, highlight risks and blindspots, and surface opportunities.

Key future factors and scenarios might differ quite dramatically between the global outlook and local property perspectives. Hence it's essential to build into every manager and leader's training this capacity for rapid and regular scanning and scenario development. Operationally, organisations must then ensure that planning and management processes require leaders to use these capabilities on a regular basis.

Transformational Thinking – All of the elements outlined above feed into the continuing process of stretching leaders' mindsets and reframing their thinking. The pandemic highlighted how uncertain, unknowable, unthinkable, unbelievable, and uncontrollable changes and disruptions can happen and that they can be repeated – albeit in a different form. Indeed, many argue that environmental pressures, global conflict, economic volatility, and technological advances could all have an even more devastating impact on the hospitality sector, among others. Hence, the drive for survival, recovery, and growth requires us to unlearn many trusted assumptions and ways of thinking that served us in the past.

Learning to compete in a rapidly changing and uncertain future makes unlearning and a willingness to let go imperative traits for leaders. One of the most powerful tools to open the door and allow in new ideas is 'zero based thinking'. This means asking the question, *how would we do this if we were starting from nothing?* Whilst the answers may not be implemented in full, this is a powerful technique to generate new ideas ranging from cleaning a hotel bedroom to construction of new properties or rethinking of the entire business.

Clearly there are many other aspects that form part of an excellent leader's toolbox. However, it is the elements of the LIFT framework outlined above that are becoming central to developing leadership capable of driving our organisations to a viable and sustainable future.



Rohit Talwar — Global Futurist and CEO of Fast Future

Rohit Talwar is a leading global futurist, strategist, and advisor and an award winning speaker who has worked with clients in over 70 countries on six continents. He advises clients in sectors such as hospitality, leisure, retail, tourism, travel, aviation, retail, financial services, and government. Rohit help clients both to understand and prepare for emerging uncertainty and to use rapid learning, innovation, foresight, transformational thinking, and digital advancements to drive their organisations into the future.

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