

## Real Time Strategic Change Marriot Hotels – Case Study

Rick Goldstein, Vice President of Organisation Development, describes the issues that prompted the use of Real Time Strategic Change throughout Marriott worldwide:

“The world was changing for us after many years of success and continually improving performance. We had talked for some time about doing more with quality, and our performance challenges led to these discussions taking on a new sense of urgency. We were faced with the question of how to get an organisation of 100,000 people to think and act differently – and quickly. I felt this process might have the potential to do that, so I went and watched how another organisation was using it. Then I began looking for opportunities to test it out in Marriot.”

“First, I designed and facilitated a 150 person event for our corporate staff and it turned into a very successful event. The real breakthrough in our company came when, for the first time ever, we brought together all 450 senior managers to begin implementing our company game plan. I had been working for some time with the top management group, which wanted the organisation to embrace Total Quality Management. The leadership group agreed to change their own behaviour and practices, so that they could lead the way, not be part of the problem. We started with building that team and articulating a new vision for the organisation. As a result of this work, they made significant progress and developed real excitement for the vision. They had an urgent desire to communicate the emerging strategic direction to the rest of the organisation and to rally people behind them.”

“We decided to pull together the entire leadership group in the division – every single general manager with a Marriot name, all corporate and regional staff groups, even owners of franchise hotels. It was a chance to get the same message out at the same time and was clearly a turning point for Marriot. We were in the midst of a cash flow crisis because of a downturn in the real estate market, but the event was held anyway. Coming together to plan for the future helped bring us through a significant turnaround. People saw it as a way out of our present problems. This large scale approach enabled us to make a breakthrough.”

“Now that we had the senior leadership on board, the next step was to take the message to the individual properties. We had been working for 3 years or so figuring out how to make TQM work in our business and to train people in 240 hotels in this business approach. We thought it might be possible to use some of these same methods that had worked so well with his senior leaders to deliver training. It would have taken a long time to get the skills and tools in people’s

## *Creating Change in Whole Systems*

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hands in traditional seminars of 25 people. After getting the big picture view of why quality mattered, General Managers didn't want to wait. Based on several tests, this approach seemed to make rapid and powerful impact on getting TQM tools into the hands of many people at one time. The general managers involved in tests told us they believed it was an effective means to accomplish our goals."

"Faced with rolling this message around the world, we trained 60 people from our operations so that we could work our way through all 240 hotels in 1 year. Because Marriot had very few people in full-time training jobs, we used these cadres of trainers to design and facilitate the large group events. The willingness of the organisation to take people out of their regular jobs – that in itself was revolutionary. In this industry that represents an unprecedented commitment to training and development. We targeted a minimum 25% of a hotel's staff for any one event and some of the smaller hotels had close to 100% of their total employee population involved in these meetings."

"The overall goals of the events were to change the way people thought and saw the world, and as a result, to start changing their business practices. By taking this process right into each hotel, we wanted our associates to create changes around their own units to improve the quality our guests experienced. For part of the agenda, we had a home made movie videotape shown that illustrated what our hotels looked like through the eyes of our guests from the moment they walked into when they left. Different groups then analysed these *moments of truth* using the basic quality tools as a way to directly apply what they were learning to, live customer issues in the hotel.

"As I look back on the massive change effort we're still very much in the midst of, I see one primary issue we never fully solved. It had to do with follow up and what happens after you unleash the power and excitement in these large group events. You really need a level of organised follow up and, on their own, many leaders struggle with this task. In hindsight, we needed to focus them on picking three major projects in their hotel and sticking with them to make sure they got done. Some hotels have put together guidance teams made up of cross sections of different levels and departments to co-ordinate follow up efforts."

"There are, however, many examples of success throughout the company. I went to one hotel recently and sat in a group of lounge employees who were tackling some issues about how to increase their sales and the number of people who came into the lounge. They had tracked when people came in most often and which hours the bar should be open to maximise their sales. The end result of their work is that they are taking responsibility for making their lounge more profitable and giving our guests better customer service."

"There is still more fruit to be harvested from the investment we made and we need to keep our follow-up efforts going. However, I am convinced that we have changed the thinking and behaviour of a substantial number of people in our organisation around the world in a very positive way."

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