

Assessment 2

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Module BMIH5007: Financial Management

Assessment 2

Title: Turnaround Strategy for The Seacrest Lodge

Report Structure

Abstract:

The Seacrest Lodge, a once-thriving vacation destination, has experienced a decline in revenue, occupancy rates, and customer satisfaction. This report aims to develop a comprehensive turnaround strategy to revitalize the lodge's financial health and restore its reputation as a premier vacation destination. The strategy includes operational improvements, cost-reduction measures, marketing initiatives, and customer experience enhancements. This report is based on an analysis of the lodge's financial performance, identification of key reasons for the decline in profitability, and insights from relevant literature and industry sources.



1. Introduction

Case study perspective

The Seacrest Lodge, known for its picturesque location and luxurious amenities, has faced significant challenges in recent years and is in dire need of a turnaround strategy to regain its competitiveness and profitability, in order to revive the lodge and restore its position as a premier destination.

This report outlines a comprehensive turnaround strategy to address the lodge's declining revenue, occupancy rates, and customer satisfaction. The strategy aims to revitalize the lodge's financial health and restore its status as a premier vacation destination.

purpose of introduction

2. Financial Performance Analysis

To gain a thorough understanding of the lodge's current financial situation, a detailed analysis of its financial performance over the past three years is conducted. This analysis includes an examination of revenue trends, cost structures, profitability ratios, and other relevant financial indicators. The findings provide valuable insights into the lodge's financial challenges and serve as a foundation for the development of the turnaround strategy.



3. Identification of Key Reasons for Decline in Profitability

Identifying the root causes of the decline in profitability is crucial for developing an effective turnaround strategy. This section analyzes both internal and external factors that have contributed to the lodge's financial challenges. Internal factors may include operational inefficiencies, inadequate cost controls, or a decline in service quality. External factors may encompass changes in customer preferences, increased competition, or economic downturns. By pinpointing these factors, the lodge can address them strategically.



4. Turnaround Strategy Development

Based on the analysis of the lodge's financial performance and the identification of key reasons for the decline in profitability, a comprehensive turnaround strategy is developed. This strategy aims to revitalize the lodge's financial health and restore its reputation as a premier vacation destination. It may include a combination of operational improvements, cost-reduction measures, marketing initiatives, and customer experience enhancements. The strategy will be tailored to address the specific challenges faced by the Seacrest Lodge and will prioritize the most viable financial outcomes.

This strategy encompasses several key areas, including:

4.1 Operational Improvements:



- Customer Experience Enhancement

Enhancing the customer experience is pivotal for Seacrest Lodge's success.

This involves training and empowering employees to deliver exceptional service, ensuring that guests feel valued and well-cared for during their stay. Implementing a guest feedback system will provide valuable insights for continuous improvement. Seacrest

Lodge should also focus on personalizing guest experiences by offering tailored packages, amenities, and activities that cater to individual preferences. By creating memorable experiences, Seacrest Lodge can build customer loyalty and attract repeat visitors.

To improve the customer experience, Seacrest Lodge should consider the following recommendations:

- Staff training: Invest in comprehensive training programs to enhance customer service skills, communication, and problem-solving abilities.
- Upgrading facilities: Conduct renovations, upgrade amenities, and improve cleanliness and maintenance to meet and exceed guest expectations.
- Emphasize personalized services: Provide tailored experiences that meet individual guest preferences and needs.
- Gather guest feedback: Proactively seek guest feedback to identify areas for improvement and optimize guest satisfaction.

Strategy query

-Operational Improvements

Operational Efficiency:

Improving operational efficiency is crucial for Seacrest Lodge to streamline its processes and reduce costs. Firstly, conducting a thorough operational audit will identify inefficiencies and areas of improvement. This includes analyzing staffing levels, inventory management, and maintenance procedures.

Implementing technology solutions, such as a property management system, can automate operations and enhance guest experiences. By optimizing operations, Seacrest Lodge can increase productivity, minimize waste, and ultimately improve its bottom line.

In addition to physical improvements, the lodge should also leverage digital marketing strategies to enhance its online presence and attract more customers. A well-designed website, active social media presence, and online booking capabilities are essential in today's digital age. By

Revenue Management

utilizing online platforms effectively, the lodge can reach a wider audience and generate more bookings.

Efficient and effective operations are crucial for the success of any hotel.

Seacrest Lodge can consider the following operational recommendations:

- Streamline processes: Identify bottlenecks and eliminate inefficiencies by adopting technology solutions and optimizing workflows.
- Quality control: Implement rigorous quality control measures to ensure consistent service delivery and guest satisfaction.
- Cost control: Conduct a thorough expense evaluation and implement strategies to reduce costs without compromising quality.
- Empower employees: Foster a culture of ownership and accountability to motivate and empower employees.



-Branding and Marketing

To regain its market presence and attract new customers, Seacrest Lodge must invest in a comprehensive marketing and branding strategy. This begins with conducting market research to identify target markets and understand their preferences and needs. Utilizing digital marketing platforms and social media will help increase brand visibility and engage with potential guests. Developing a strong brand identity that highlights the lodge's unique features and values will differentiate it from competitors.

Collaborating with local tourism boards and businesses will also help drive traffic to Seacrest Lodge, enhancing its overall marketing efforts.

Strong branding and effective marketing strategies are vital to attract and retain customers.

Seacrest Lodge should adopt the following recommendations:

- Rebranding: Develop a compelling brand identity, including a new logo and visual language that resonate with the target market.
- Digital marketing: Implement an integrated online marketing strategy, including search engine optimization, social media marketing, and online advertising.
- Targeted promotions: Design attractive packages, discounts, and incentives to attract guests during off-peak seasons.
- Collaboration with local attractions:

Forge strategic partnerships with local tourist attractions and businesses to provide guests with unique experiences.

-Financial Restructuring

Addressing the financial challenges faced by Seacrest Lodge is essential for its revival.

Consider the following recommendations:

- Budgeting and cost control: Develop a detailed financial plan, establish clear budgetary targets, and monitor expenses closely.
- Revenue management: Implement dynamic pricing strategies to optimize room rates and maximize revenue.
- Diversification: Explore alternative revenue streams such as hosting events, conference facilities, or wellness programs.

- Capital investments: Identify areas in need of capital improvements and allocate funds accordingly.

Financial Management:

Effective financial management is vital for the sustainability of Seacrest Lodge. Conducting a thorough financial analysis will identify areas of revenue leakage and cost reduction opportunities. Negotiating better supplier contracts and implementing energy-saving measures can significantly reduce expenses.

Additionally, implementing revenue management strategies, such as dynamic pricing and upselling techniques, will optimize revenue generation. Developing a detailed budget and regularly monitoring financial performance will ensure accountability and help identify potential financial risks.

5- Conclusion

Seacrest Lodge's turnaround strategy encompasses operational efficiency, marketing and branding, customer experience, and financial management.

By implementing these key initiatives, Seacrest Lodge can overcome its current challenges and achieve success. It is important to note that this strategy requires ongoing monitoring and adjustments to adapt to changing market conditions. With a focused and dedicated approach, Seacrest Lodge can reclaim its position as a premier coastal retreat, attracting guests and ensuring long-term profitability.

Seacrest Lodge has the opportunity to transform its operations and regain its competitive edge by implementing the recommended strategies. Enhancing the customer experience. By embracing these recommendations, Seacrest Lodge can revitalize itself into a thriving establishment within the hospitality industry.

6-Recommendation:

Based on the situation analysis and strategic initiatives, my recommendation for Seacrest Lodge is to focus on improving its online presence and customer experience.

This can be achieved by:

- Developing a user-friendly website with online booking capabilities
 - Implementing a comprehensive digital marketing strategy to increase brand visibility
- Implementing a turnaround strategy for the Seacrest Lodge requires a comprehensive approach that addresses various aspects of the business. By conducting a thorough analysis, redefining the target market, improving infrastructure and service, leveraging digital marketing, forming partnerships, and monitoring performance, the lodge can regain its competitiveness and ensure a prosperous future. With a focused and dedicated effort, the Seacrest Lodge can once again become a thriving hospitality establishment.
- Enhancing customer service through personalized interactions and prompt issue resolution
- To enhance the guest experience, the lodge should invest in infrastructure improvements and renovations. This could include upgrading the rooms, enhancing the facilities, and creating

appealing common areas. The goal is to create a welcoming and comfortable environment that exceeds guests' expectations.

- Investing in staff training and development to ensure high-quality service delivery

These recommendations aim to attract more customers, improve customer satisfaction, and ultimately drive revenue growth for Seacrest Lodge.

References

Format References/Works Cited

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Assessment 2

GRADEMARK REPORT

FINAL GRADE

GENERAL COMMENTS

25/100

PAGE 1



Report Structure

you need to ensure the structure is correct for a report



Comment 1

line spacing needs to be wider



Case study perspective

you have not considered the perspective of this case study, as was discussed in class



purpose of introduction

define the purpose of the assignment and how are you going to answer the question. think about using specific examples



Comment 2

there is no analysis, just a plan of what needs to be done!



Comment 3

again, this is just a plan without any actual content written on the topic area

PAGE 2



Comment 4

considering you have not discussed any of the required content, how are you able to produce a turnaround plan?

QM

Strategy query

is this possible considering the financial "health" of the business, taking into account the current economy?

QM

Revenue Management

Revenue management theory could have been applied here and explained a bit. Demonstrate your understanding!

PAGE 3



Comment 5

these are generic and not actually linked to what is really going on at the hotel in the case study

QM

Market Positioning Model

you should consider including a market positioning model to help explain what you want the hotel to do?

PAGE 4

PAGE 5

QM

Format References/Works Cited

The format of this reference list/works cited page is inconsistent (punctuation, alphabetization, and/or indentation). Revise this list so that all citations follow a consistent format.

QM

Referencing Material

any material viewed online needs links and accessed dates, including books and journals. For many of these references, you do not have access to the physical book/journal

PAGE 6

GRADING FORM: FINANCE AS2 SEPT '23

MOURANA YANSANE

ENGAGEMENT WITH LITERATURE /10

Your work must be informed and supported by scholarly material that is relevant to and focused on the task(s) set. You should provide evidence that you have accessed an appropriate range of sources, which may be academic, governmental and industrial; these sources may include academic journal articles, textbooks, current news articles, organisational documents, and websites. You should consider the credibility of your sources; academic journals are normally highly credible sources while websites require careful consideration/selection and should be used sparingly. Any sources you use should be current and up-to-date, mostly published within the last five years or so, though seminal/important works in the field may be older. You must provide evidence of your research/own reading throughout your work, using a suitable referencing system, including 20 in-text citations in the main body of your work and a reference list at the end of your work.



You have multiple sources that cannot either be found or verified. This is an integral part of referencing and should be a standard skill at this stage in your studies. References have been poorly formatted and are missing information. You have not included any citations in your work

1**KNOWLEDGE & UNDERSTANDING /20**

Knowledge relates to the facts, information and skills you have acquired through your learning. You demonstrate your understanding by interpreting the meaning of the facts and information (knowledge). This

means that you need to select and include in your work the concepts, techniques, models, theories, etc. appropriate to the task(s) set. You should be able to explain the theories, concepts, etc. to show your understanding. Your mark/grade will also depend upon the extent to which you demonstrate your knowledge and understanding. Guidance specific to this assessment: Display a clear understanding of the key reasons behind the decline in the business, along with the financial implications and create a potential solution/turnaround strategy.



You have provided a turnaround strategy without actually discussing the key reasons for the decline or performed any of the financial analysis, which was essential to completing this assignment.

6

COGNITIVE AND INTELLECTUAL /40

Guidance specific to this assessment: accurately analyse the financial performance of the business from the provided data and provide the financial ratios that will enable you to make informed decisions on potential turnaround strategies.



Your strategies need to be more specific and linked back to your analysis of the finances and the market. You need to be able to justify that you can do each strategy and it is the best option moving forward, especially when you consider what is happening in the real-world.

11

PRACTICAL SKILLS /20

Guidance specific to this assessment: you will need to consider contemporary trends and themes that are occurring within hospitality industry today, as well as demonstrating an understanding of current socio-economic realities which are currently impacting the UK.



You need to consider more current real-world factors and apply them. You need to be referring to concepts taught in class, such as supply, demand, market positioning etc and use models to help explain concepts or aid you with presenting your work, such as the Bowman's Strategy Clock for market position and a model on growth strategy, such as Ansoff matrix would be beneficial.

4

TRANSFERABLE SKILLS /10

Guidance specific to this assessment: You should write a report in a recognised format. All writing should be academic style, formal, focused, concise and subject specific. It should use a font of Arial 12 point or Times New Roman 12 point, and have 1.5 line spacing. All graphs, charts, and figures in the main body must be clearly referenced beside or beneath. Where possible they should not be on separate pages but should be incorporated within the text.



This work has been poorly presented and written. There should be full sentences rather than listing information.

3