

# Why Strong Hotel Sales Leadership is Imperative

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*By Stanton D Jacobs, CHA, President of Hospitality Performance Systems, Inc.*



**The need for strong sales leadership** has always been imperative to a hotel's success. The Director of Sales and Marketing is responsible for leading a team that generates sales for all revenue streams, and effectively creates awareness and value for the hotel through their marketing expertise. Additionally, this individual ensures that the hotel is positioned and priced correctly within its respective market, while continually reacting to supply and demand changes.



**The arrival and long-term impact** of the COVID pandemic, accelerated perceptions of how hotel owners and operators valued their sales leaders. Some viewed their Director of Sales and Marketing as a high-salaried sales manager and deemed them expendable, given the sharp decline in business. Others chose to reduce or even eliminate their sales team and have the Director of Sales and Marketing, shift from a leadership role to selling/support position. At that point, they truly became a high-salaried, and now over-worked, sales manager. This article will explore the impact of these decisions and offer support for maintaining strong sales leadership, especially in a recovery market. Strategic leadership and clear and effective direction will be imperative as hotels begin the path to recovery.

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**The decision to eliminate** the Director of Sales and Marketing position during one of the most challenging times for hotels, in recent history, assumes that tiered levels of management are only necessary during thriving markets. Ironically, the opposite is true. This assumption may be related to the following series of events:

- Hotels have emerged in response to strengthened demand generators in target markets. The hospitality industry has enjoyed a long run of success enabling hotel sales offices to yield out placement of the best pieces of business. The need for leadership was always there, but some owners regarded the business as reactionary.
- During this same period, some hotel leaders allowed their sales managers to retreat from their daily prospecting and proactive sales efforts, since the business was readily coming to them. They qualified their achievement by historical performance, rather than market potential.
- From an operational perspective, sales managers started being perceived as order takers. Decisions on rate and availability were no longer decided by the Director of Sales. Regional Revenue Management offices emerged.
- Over time, the perceived value of the Director of Sales and Marketing became further diluted, when marketing and advertising expenditures were deemed unnecessary. Brands were able to provide more far reaching, marketing support by tapping into Online, less expensive resources. This prompted hotel operators to question if the Director of Sales and Marketing role should be re-purposed.
- During 2018 and 2019, we saw larger full-service hotels eliminate their Director of Sales and Marketing role. The decision was often made to promote a more senior sales manager that could retain a deployed segment to help with the incoming flow of business. The new philosophy being, more individuals directly selling with a general disregard for needed training, coaching and supervision.
- The COVID pandemic and the sudden loss of business simply accelerated the decision for these hotel operators with these perceptions, and the Director of Sales and Marketing was laid off, primarily as a cost-cutting measure.

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**Conversely, the decision to retain** the Director of Sales and Marketing has also been a strategy deployed during the Pandemic. These operators chose, instead, to reduce or eliminate the rest of the sales team. It might have seemed like a better decision initially, but it also presented the following challenges with potential long-term consequences:

- The hotel may have kept its strongest and most experienced sales professional on board, but the decision to reduce the team to save payroll, required this sales leader to assume the day-to-day duties of multiple sales managers previously under their direction.
- Sadly, most of the sales leader's time has been spent dealing with the cancellation and rebooking of existing group functions, with little to no time to proactively secure new business.
- The work has been exhausting for most sales leaders in this situation. They have been the sole sales representative for the hotel for a duration now approaching 12 months, with an undetermined end-date.
- During a time when client relationships should have been nurtured, those communications were multi-tasked under an overworked Sales Director. This further diminished their ability to build a future base of business.

**What we have learned** from a review of these two sales staffing scenarios is that neither option was probably as effective as hoped.

- The decision to eliminate the Director of Sales and Marketing and utilize a senior sales leader, placed the hotel in a weakened position for post-COVID recovery, and lacks the strategic leadership needed to move forward.
- Conversely, the decision to retain the Director of Sales and Marketing, without their sales team, also left the hotel vulnerable within a post-COVID recovery market. The sales leader, with limited or no staff, has had little opportunity to conduct proactive sales efforts, or even consider what their staffing needs might be moving forward. And there is the strong possibility that a burned-out sales leader will emerge! Turnover is inevitable, further slowing the recovery process.

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**Looking ahead**, we at HPS, feel it is imperative that each hotel have strong sales leadership as the world starts its slow and progressive recovery from the effects of the COVID pandemic. Consider this analogy - a ship never reaches its destination unless it has a capable captain and the ability to navigate the rough waters ahead. Increased competition for business in a market with less demand generators is one example of a storm your hotel is likely encounter. Key questions a hotel owner or operator should ask:

- Do you have the right sales leader on board now to handle the hotel's recovery while building a future funnel of business?
  - If this position was eliminated, consider if the individual laid off is the right fit to return or if a new candidate should be hired offering a different perspective on the challenges that await.
  - If this position was retained, consider the present mental state of the leader. Have you equipped this individual with the tools and training to manage their returning team effectively?
- What factors need to be considered in determining what your sales staffing needs will be moving forward?
  - Consider what changes in market segment demand could affect your hotel's mix of business, and what adjustments in the sales deployment will be needed.
  - Evaluate what changes will be needed to target more business directly, with less dependence from third-party suppliers.
  - In the event, your sales team was substantially reduced during the COVID pandemic, what immediate actions are needed to re-establish relationships with these past clients?
  - Develop a plan to quickly train a new and potentially inexperienced sales team, in the event some or all of your past sales team members do not return when called back.

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**In conclusion**, leadership is required during this challenging time to effectively train, manage and coach whatever team you have chosen to deploy. New, inexperienced staff will launch more effectively under an environment of support. Additionally, a sales leader will need support to market and position the hotel optimally within its' competitive set. During this transition time, consider the benefits of using a third-party vendor to rebuild your position. Services needed will include re-establishing client relations, group lead generation, sales training, and targeted sales promotion. Hospitality Performance Systems (HPS) is ready to assist your sales leader with the development of sound marketing strategies and can provide qualified specialized vendors as needed.

## **About Hospitality Performance Systems, Inc. (HPS)**

*Hospitality Performance Systems (HPS) was created to provide operational and sales support to the hospitality industry globally. Founded in 2009 this enterprise takes advantage of its founder and President, Stanton D Jacobs, CHA, with over 30 years of proven success in the hospitality industry and strategic relationships globally, HPS is affiliated with a wide array of professionals specializing in their respective disciplines, enabling HPS to provide a wide range of services. <https://www.hps-strategic.com> <https://www.linkedin.com/in/stantonjacobs/>*