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Avoid revenue loss with the implementation of a preventative maintenance program

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If a room is out of service due to a leak you are losing revenue that cannot be recaptured. If the covered pool cannot be used because the glass roof is failing dissatisfied customers will abound. Both scenarios can be avoided via the implementation of a preventative maintenance program.

Forward thinking hotel owners know that it is crucial to maintain and care for their valuable hotel assets in order for them to maintain their value. Failure to do so often results in declining revenue and free cash flow due to rooms being out of service and increased operating costs, customer dissatisfaction and a much larger renovation price tag when a renovation is no longer avoidable.

A preventative maintenance program helps to preserve the condition of a hotel. The benefits that result from maintaining a property before elements within it deteriorate or even fail are numerous. They include:

- *Longer Asset Life: Hotels that are kept in the best possible condition maintain their value.
- *Increased Profits: Well maintained properties result in the maximum number of rooms being in service at all times, lower operating costs, significantly reduced need for emergency repairs and lower major renovation costs.
- *Better Guest Experience: The ability to make all areas of a hotel - the pool, fitness room, conference rooms etc. - available to guests leaves a positive impression.
- *Reduced Liability: By ensuring hotel safety - no loose mortar, tightly sealed windows, secure balconies, properly aligned steps, preventing mold and mildew contamination etc. - liability risk is reduced.
- *Happier Employees: Employees who are proud of where they work tend to be happier.

Preventative Maintenance and ROI

How preventative maintenance provides hotel owners and investors with a greater ROI is worth further exploration.

If you were asked to choose between spending \$10,000 to \$15,000 every year for seven years for a total cost of \$70,000 to \$105,000 in order to maintain your hotel's envelope or spending \$650,000 at the end of seven years in order to replace its envelope, which would you select? The annual expenditure of course. The problem is that many hotel owners don't realize that if they annually engaged a preventative maintenance inspector, who as part of his process would provide a prioritized list of problematic elements that their hotel's envelope has, that the probable cost of the repairs would be between \$10,000 to \$15,000 a year instead of hundreds and thousands in major repairs that would be required if it had not been annually maintained.

In addition, a poorly maintained envelope, ultimately results in interior damage. The renovation of rooms that suffer from water damage, mildew or mold issues can add a minimum of between \$250

to \$400 per room in renovation costs before accounting for the time delays in the renovation process that result in valuable rooms being out of circulation. As mentioned earlier, the revenue lost to rooms being out of service can never be made back.

The above is simply one example of how preventative maintenance, which ensures that not only a hotel's envelope, but also its interior as well as drives and walkways are kept in good condition, helps to preserve and grow hotel owners' and investors' assets.

What is the process?

The first step of an effectively implemented preventative maintenance program is to have a hotel and its surrounding property inspected by a preventative maintenance inspector who understands hotels. Such a professional, due to his knowledge of how hotels wear both internally and externally, will know exactly what to look for and be able to provide a detailed final report of his findings.

An experienced preventative maintenance inspector will not simply make cursory assessment of a hotel property. Instead, he will physically evaluate its exterior and interior looking for any possible red flags and provide, upon completion of his analysis, a detailed report that includes priority actions and the estimated cost of repairs. A preventative maintenance inspection will typically take three days for a four story hotel. The detailed inspection entails carefully evaluating the following three areas:

*Building envelope:

- Exterior surface systems
- All roof systems
- All joints and caulking
- All doors and windows
- Drainage systems

*Building interior:

- Condition of major operating systems including HVAC, hot water systems
- Interior finish damage
- Mold and mildew issues
- Window glass failures
- Air leakage
- Noise control

*Property issues:

- Quality and condition of drives and walkways
- Safety and trip hazards

Once hotel owners have the preventative maintenance inspector's report in hand it is crucial that the action items it details be addressed, starting with priority ones, within a timely manner. Depending on the findings, a combination of maintenance staff and outside contractors can typically address issues.

Preventative maintenance is an affordable and worthwhile investment. It is advisable to have a preventative maintenance inspector inspect your property annually if not bi-annually, particularly if your property is in an area that experiences extreme temperature swings. There is no better way to increase the reliability that you will have the majority of your rooms in service, control construction costs and leave guests with a good impression.