

In my opinion...

## Sandals Resorts International: The quality advantage

by Ben Henry

*Founded in 1981, Sandals Resorts International is now 17 properties and 3,880 rooms, and also has become a world-class success story with one of the 10 most recognizable brand names in the international hospitality industry, according to the author, group director for human resources development and training for Sandals.*

Sandals aims to succeed in one of the most logistically complex service businesses, pursuing the distinction of being the very best in the all-inclusive sector. Eleven of its properties are located in Jamaica, one in Antigua, two in St. Lucia, one in Turks and Caicos, one in the Bahamas, and one in Cuba. For the past seven years in a row, Sandals has been voted the World's Best All-Inclusive Hotel Group, the Caribbean's leading hotel company. Sandals Royal Bahamian Resort and Spa has been voted the world's leading spa resort, while Sandals Antigua the world's leading honeymoon resort.

Beaches, the family all-inclusive brand, has been voted the best in the sector three years in a row.

I think we are doing very well as a group. The Sandals name has become synonymous with quality service. Some 450,000 guests visit our 17 properties annually. If Sandals were regarded as a country, it would be in the top 10 of stopover visitor arrivals in the Caribbean.

We are a successful company because we are always listening to our customers. Over the years couples have come to Sandals, many have married and honeymooned there. They start families. When they wanted an all-inclusive to bring the kids to, we listened – and opened Beaches Resorts in Negril and Turks and Caicos to accommodate the kids. Those kids are now grown and we are welcoming families with children over the age of 16 at Beaches properties in Cuba and Ocho Rios.

### **Early days set model**

Sandals evolution as a quality service company began in 1981 when the company's founder, the Honorable Gordon Butch Stewart, communicated his desire for Sandals to be a quality organization to the brand new management team. The chairman established a reward system to reinforce his desire. What the general manager and his team did to ensure that Sandals became known as a quality organization would become part of their annual evaluation.

Stewart's mandate to management was: "Give the customer more than he or she expects." Armed with the chairman's verbal and financial commitment to quality, the Sandals management team focused on a number of objectives:

- goal setting to achieve product quality and service quality
- development of performance standards to achieve the goals
- development of criteria for recruitment and selection
- development of a customer-driven company charter
- development of training programs designed to train the newly-hired employees into the newly-developed standards
- development of monitoring and evaluation mechanisms
- development of recognition mechanisms

The goals and objectives set by the Sandals management team were designed to ensure that all Sandals customers leave feeling that their expectations were met and exceeded.

Performance standards were written for all departments within the hotel. These standards relate to technical skills, called hard skills, and to attitudinal and customer service skills, called soft skills.

### **Hiring involves attitude**

Criteria for recruitment and selection focused on hiring people with the right attitude and a service orientation. Bill Marriott's advice to "hire friendly and train technical" was adopted by us. Later we changed this to "hire the smile and train the skill" and "hire for attitude and train for competence." For each job category, we identified service-oriented characteristics and hired by that standard.

A customer-driven company charter was developed consisting of the following elements, and everyone was mandated to follow it:

- an error prevention philosophy
- customer satisfaction
- quality orientation
- the voice of the customer is important
- professional treatment and attention to customers
- courtesy, responsiveness, empathy, and respect for customers

- quality products and services provided according to customer requirements and need
- people orientation – the employees are the company's greatest asset
- a continuous improvement philosophy
- teamwork
- a focus on the bottom line

### **Employees matter**

Training programs for employees involved technical skills training to reflect Sandals standards in the technical area, as well as customer service skills training. We recognized early on that good service is a function of technique and attitude, so focus was put on both areas in the training of employees.

The monitoring and evaluation of employee performance with regard to the standards became a regular feature. More importantly, our customers evaluated our product and service quality through weekly guest comment cards. What our customers thought about us was the first item on the agenda at the weekly heads of department meeting. The Sandals general manager adopted the MBWA (Management By Wandering Around) process long before it became fashionable. The general manager wandered with the customers to get their own feedback; listening and talking to

customers became an obsession at our place.

We recognized from the beginning that employees who performed well should be rewarded, so we established an incentive program for them. We were the first hotel company in the Caribbean to set up a Monthly Smile Award Program. Other awards included Employee of the Month and of the Year, Courtesy Award of the Month, Most Improved Award, Supervisor of the Quarter and of the Year, and Manager of the Year.

The management team should show commitment to the quality process by deliberate role modeling, teaching, and coaching. Their visible behavior had great value for communicating assumptions and values to our employees. Regular meetings were held to communicate the chairman's philosophy of giving the customer more than he expects, and the company's values about quality.

The chairman and the management team had lunch with employees on a regular basis, thereby sending a powerful message. The chairman encouraged a competitive spirit among his general managers by evaluating them on three criteria – customer satisfaction, employee fulfillment, and profit. In turn, general managers encouraged a competitive spirit among their heads of department on the same three criteria.

Sandals management also committed to a new organizational structure geared to the company's

customer and market-driven philosophy. The customer is regarded as the most important person in the company because he pays the bills and creates paydays for all of us at Sandals. So he is at the top of the organizational chart, followed by Stewart, Sandals' founder and chairman.

### **Quality is blueprint**

The concept of the Sandals Quality Advantage (SQA) is an important blueprint for quality management at Sandals. SQA is not just a method of training employees to think and behave a certain way; it is also an effective way to improve the quality of management and leadership.

SQA is a philosophical approach to management that requires total commitment and involvement from all managers at all levels. The Sandals Quality Advantage is a strategic approach toward improving customer satisfaction and the overall performance of both management and team members.

The significance of aligning the corporate culture of an organization with its strategy is of paramount importance. One of the strategic focuses of the Sandals Quality Advantage is helping to build and nurture the values and culture of the company, which is strategically marketed as the only "ultra all inclusive" resort chain in the world. This means there will have to be a defined path and strategy to ensure that a strong ultra culture is nurtured and sustained at all

times. The very nature of the SQA has certainly enhanced a strong, adaptive, and supportive culture.

The Sandals Quality Advantage starts with the corporate mission statement and what it means to all of us. This is spelled out on the Sandals Quality Advantage Card (SQAC), which will also reveal the following:

- **House that Butch built:** a model which depicts the integration of the five organizational values which have made Sandals what it is today, the most admired hotel group in the Caribbean and one of the 10 most recognizable brand names in the international hospitality industry. The five organizational values are: total customer focus, total commitment, job knowledge, teamwork, and continuous improvement. These values are underpinned by the chairman's philosophy of "giving the customer more than he/she expects."
- **The Sandals promise:** consists of 10 promises to the customer. One reads like this: "Every time I see a guest I will smile and offer an appropriate hospitality comment."
- **Sandals customer service checklist:** highlights the three components of good service – greeting the guest, making the guest comfortable while he is with us, and saying goodbye to the guest.

- **Sandals customer service basics:** comprises 30 basic customer service skills employees must know and practice in order to deliver exceptional customer service consistently. Every day for 15 minutes, the head of the department or designated person is required to choose a customer service basic and talk about it to employees in the department.

of the company's human resources. We truly believe that happy employees make happy customers. Sandals is fully committed to the idea that terrific teamwork is the foundation for the quality, consistency, and great customer service practiced at all the company's hotels. A focus on continuous improvement at Sandals tells the world that we are always aware of our potential to do better.

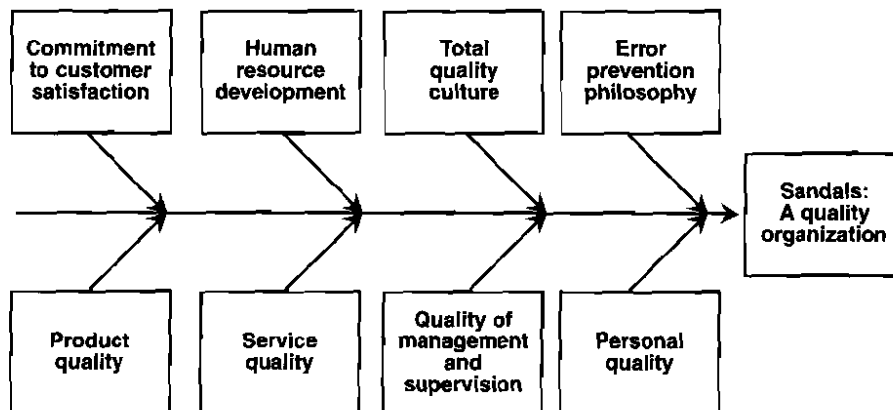
The implementation of the Sandals Quality Advantage continues to bring measurable quality improvements within our reach. The company is able to contain costs while increasing customer satisfaction and improve the bottom line while becoming more competitive in the marketplace.

The focus elements at Sandals continue to be commitment to customer satisfaction, human resource development, total quality culture, error prevention philosophy, product quality, service quality, quality of management and supervision, personal quality, service

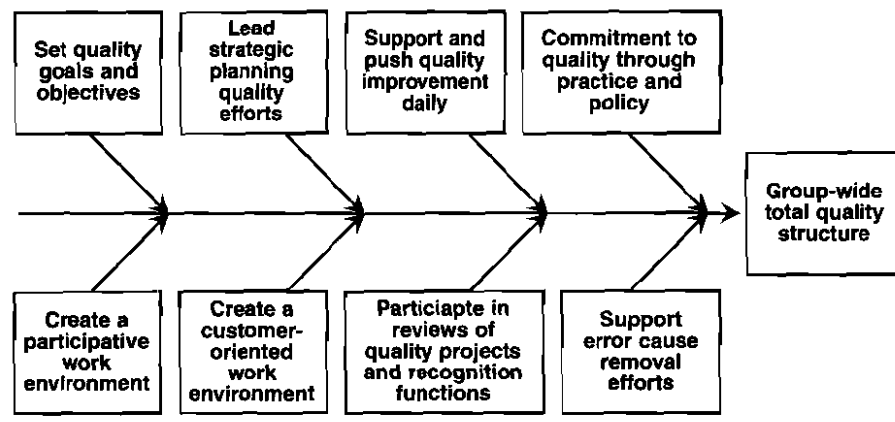
### Customer comes first

The Sandals Quality Advantage begins with a shared dedication to quality in every employee, from top to bottom, in all functions. Total customer focus means that in order to produce high quality products and services at Sandals everyone in the company must first commit to meeting customer needs. Total commitment means total involvement. Improving quality at Sandals is everyone's job. Job knowledge means the development

**Figure 1**  
**Focus elements at Sandals**



**Figure 2**  
**Top management role in total**  
**quality management at Sandals Resorts**



quality, and quality personal quality (see Figure 1).

Top management at Sandals continues to play a pivotal role in the quality process. They continue to set quality goals and objectives, lead the strategic planning quality effort, support and push quality improvement daily, commit to quality through practice and policy, create a participative work environment, create a customer-oriented work environment, participate in reviews of quality projects and recognition functions, and support error cause removal efforts (see Figure 2).

Market-driven professional career development is a Sandals specialty. The company creates an environment for personal growth and provides training and development opportunities for employees. The support structure includes professional certification of employees, the establishment of the Sandals Training and Development

Institute in 1995, and the development of partnerships with academic and training institutions in the region as well as internationally. (see Figure 3). There are presently 500 Sandals employees doing tertiary level studies, something of which we are justly proud.

#### **Quality is maintained**

To maintain our quality advantage at Sandals we do a number of things. We make it clear by our actions that quality service is the primary force driving our organization by having a quality assurance program in place. All employees know about our written quality standards and are thoroughly trained in them.

At Sandals we actively listen to our customers. Our managers and supervisors have regular contact with them and we take proactive approaches to customer contact. Our general managers spend at least 25 percent of their time

talking and listening to our customers to get their feedback. At the weekly Managers' Cocktail Party, the general manager and heads of department get the opportunity to interact with customers. Similar contact is afforded our managers at the weekly Returning Guests Dinner. Focus groups allow for discussing customer compliments and complaints and allow customers to openly discuss their changing needs. In new product development, customers are sometimes involved early in the design process. There are also customer representatives on quality improvement committees to ensure the voice of the customer is heard.

At Sandals we also actively listen to our employees. Weekly departmental meetings are held by heads of department and monthly general staff meetings are conducted by the general manager, or, in his absence, by the resident manager. Employees are

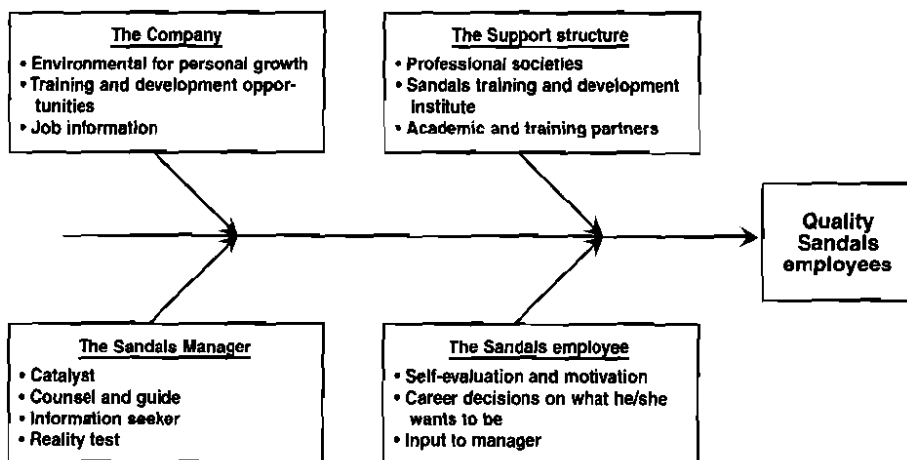
actively encouraged to suggest areas of improvement. Town hall meetings are held quarterly for employees to air their concerns and make suggestions and employee satisfaction surveys are conducted twice a year.

We conduct systematic customer surveys; findings are discussed and analyzed throughout the organization. For example, we conduct weekly customer surveys, and discuss results at the weekly heads of department meeting.

Based on what we know about our customers' needs, we spend time and money in the areas necessary to meet those needs in ways superior to our competition. Once service and product improvement needs are identified, they are immediately addressed. Our focus is more on providing what our customers want rather than on cost control.

At Sandals we have identified the customer satisfaction compo-

**Figure 3**  
**Market-driven professional career development at Sandals Resorts**



nents of all our service jobs and have set standards of performance in all job descriptions. Employees understand that customer satisfaction is the primary reason for the existence of their jobs. Furthermore, each employee understands his or her specific contribution to providing customer satisfaction.

We have in place a very effective service recovery program. When our organization breaks its service promise to a customer, and it happens sometimes because we are not perfect, we have a plan for putting things right again. Our service recovery program is designed to turn "oops!" into opportunity. It is about keeping customers coming back after the worst, or at least something very annoying, has happened. It saves "at risk" customers for the organization and becomes a Sandals hallmark, a way to distinguish the company from its competition. Our program is a planned, systematic process that includes the following:

- a problem resolution process
- a complaint and problem-capture-and-analysis subsystem
- a way to feed back information on systemic problems

The three major outcomes of our service recovery system are as follows:

- identifying service problems
- resolving problems effectively
- learning from the recovery experience

At Sandals we clearly include customer satisfaction standards of performance in our performance appraisal system. The employee's ability to meet set standards is an important part of performance appraisal.

We continuously monitor progress in improving the quality of service we provide to our customers. We constantly listen to customer needs.

Sandals constantly seeks new and better ways to enhance its relationship with its customers and provides easy access to customers who seek assistance, wish to comment, or wish to complain. We have a hotline for such situations. Our employees are trained to be totally available to the customer at all times.

Sandals provides its customer contact employees with extensive training that includes knowledge of products and services, instruction on listening to customers and anticipating and handling problems or failures, skills in customer retention, and skills in managing customer expectations.

Sandals constantly creates and enhances employee value. We empower, recognize, and reward employees for high performance and monitor their attitudes, morale, and attrition.

Finally, we regularly engage in competitive benchmarking. Being strategic in the marketplace means being different from the competition, not trying to catch up to them or emulate them. What we do at Sandals are some things that will

be perceived as unique by our customers. We determine what our competitors do, then determine what we can do differently that will give us a competitive edge.

### **Loyalty is objective**

Sandals is a commitment-based company. We are entirely customer driven, proactively approaching customers. We are strategically directed toward keeping customers, with attaining commitment and loyalty of both staff and customers a paramount objective. The company's focus is continuous improvement in all activities: understanding and serving customers, creating knowledge, and identifying information flow around customer needs.

We view customers and their intended market action (commitment to continue buying the Sandals product) as one of the company's greatest assets. Virtually as important is the loyalty, commitment, and proactive attitude toward customers. Education and change are catalysts for the continuously evolving company culture.

Because long-term relationships with our customers are emphasized, we support our staff by investing in their training and skills enhancement. Since 1994, we have spent \$28.158 million on training and development. This present financial year we are spending \$5.75 million.

Staff at all levels have roles in serving both internal and external customers. Consequently, turnover

and related costs are significantly reduced, allowing the company to operate as a strategic entity.

The entire organization is immersed in the marketplace, with all customer needs, problems, expectations, and complaints fully inventoried and understood. Customer contact at Sandals takes place at all management levels. Information is shared by everyone in the company and frequently with customers.

We constantly benchmark and measure our effectiveness relative to competitors and other "best in class" companies, irrespective of industry. We benchmark best practices at the Ritz Carlton, Nordstrom, and Norwegian Cruise Lines, among others. Within the next three months, we will be benchmarking best practices at Stu Leonard's Supermarkets, and the Fish Place in San Francisco.

At Sandals there is a passion for continuous improvement. The chairman, managing director, group directors, and general managers of the company visibly live as well as verbally support the company's mission. We are a "can do" company. We believe we are the best in the all-inclusive business. We are not perfect but we are better than the competition. We provide reliable, responsive, assured, and empathetic service consistently. In all the determinants of service quality we are way up there. How do we know that our company is the leader in the all-inclusive sector? We ask ourselves the following questions all the time:

- What is our company's meaningful point of difference?
- Why does our company offer the service it does?
- How is our company perceived vis-à-vis the competition?
- Why do customers come to our company rather than go elsewhere?
- Do our employees feel well trained and supported?

We believe that the people who work for us – our team members – are at the heart of our success as a company.

Providing seamless service is what Sandals is all about. It is service which is simultaneously reliable, responsive, competent, and courteous, and the facilities and tools necessary for it are all put into play smoothly and without glitches, interruptions, or delay. We are a successful company because we set goals, meet goals, then raise the goals and meet them again.

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