Joie de Vivre hospitality: Case Study and Management Analysis

By Arturo Cuenllas
I learned about Joie de Vivre hotels and Chip Conley, its founder, when I first researched and wrote about Whole Foods. I was looking for new models of management and best practices outside our hospitality industry, and found this inspiring Hotel Company. Maybe Joie de Vivre hospitality is best known in the U.S., but it is certainly not well known enough in Europe and Asia. It is uncommon to find entrepreneurs like Chip Conley. In my career, I have never worked, nor seen people with such vision, ideas and mind-set in management.

Our hospitality industry is mainly a mature sector because of its management. We may see innovation in product development, or some technology improvements but we seldom see important developments in management. Few people, unlike Chip, will accept that, before profits, there are other priorities such as developing a strong company culture with proper and solid values; empowering employees; enhance leadership; provide higher value to customers; and reinforce the relationship between suppliers and the Community. In this case, changing the order of the factors does change the product.

On the contrary, the prevailing idea is profit maximization. Such idea has been planted in the unconscious business mind-set. As in the film *Inception*, by Christopher Nolan, this seed was planted in the businessman’s mind and changed everything. The way we understand the profit objective usually defines the way we will manage our companies. This basic approach is based on the uncritically adopted view that a company must be managed in the interest of shareholders, maximizing shareholder value. The trouble with this vision is that profits maximization is normally a misleading and dangerous path. Fredmund Malik exposes the effect of such well-planted idea in the business realm, and the inevitable and dangerous consequences of this exclusive shareholder orientation. It’s the temptation, even the pressure on managers to do anything to make the company look profitable, in particular when it is not.

Malik tells us there is only one right solution: to provide value to the customers.

What is inspiring in this Case Study is the simple logic for good corporate management. This logic is based on the idea that in hospitality serving customers better than competitors is key, and, as a consequence, providing them with higher value. In order to do this, Chip Conley knows that front-line employees must be the cornerstones of the entire system. So team members must be put in the same priority level together with customers, and both before shareholders. Then the rest follows as a virtuous circle: suppliers, community, knowledge, differentiation, collaboration, organizational learning, innovation, shareholders value and finally, sustainable profits—even higher profits.

This virtuous circle however is little understood. Hoteliers and managers will surely recognize the importance of this logic. But, immediately, the powerful idea about profit maximization in the short run will turn the order of priorities around. The myth of profit maximization appeared with the *Washington Consensus* prescriptions and Milton Friedman economic theories. This vision demands that companies focus on maximizing their profits. The major task of management is to provide more value to the company shareholders.

**Profits indeed are important and a major objective in management, the difference lies in how entrepreneurs such Chip Conley, John Mackey and many others chose their path to obtain profits. Profits are the final outcome. Before that, management priorities should be focusing on how to provide better value to customers’ and enhance employees’ strengths, which, as a consequence, will lead to obtaining higher sustainable profits.**

Inasmuch as other groups of interest, such as the employees, were supposed to be the responsibility of governments. John Mackey and Raj Sisodia in their book *Conscious Capitalism* remind us that the principle of profit maximization became codified into corporate law as the *de facto* definition of fiduciary responsibility. Then, economists and eventually business scholars integrated these ideas into their textbooks, shaping the thinking of virtually every student who pursued higher education thereafter. However, with few exceptions, entrepreneurs who
start successful business do not do so in order to maximize profits. Bill Gates did not start Microsoft with the goal of becoming the richest man in the world, nor did Ingvar Kamprad when he found IKEA.

Boutique hotels: concept and history.

Joie de Vivre is the second largest boutique company in the EEUU, a peculiar collection of boutique hotels his founder launched in his native California in 1987.

Chip Conley, 53, founded his company when he opened his first hotel, The Phoenix, at the age of 26. Joie De Vivre Hospitality is a San Francisco-based collection of 29 hotels mostly located in San Francisco and the West Coast. Merged with Thomson hotels, with a total of 41 hotels, the two brands are reunited under the newly created parent company, Commune Hotels & Resorts. Chip Conley retained an equity stake in the new company and remains involved as strategic advisor. Chip and his company have been constantly given awards: 2007-Most innovative Bay area CEO of the year by the San Francisco Business Times; in 2008 Chip was selected as a final candidate for Hotelier of the World, by Hotels Magazine. Joie de Vivre was awarded the 2nd Best Place to Work in the San Francisco Bay Area by the San Francisco Business Times; National Humanitarian Hospitality Company of the Year…etc.

Boutique hotels were developed as a response of an uncovered guest’s desire, as Chip Conley noticed. By the early 1980s many travelers were getting tired of the same hotel standardized products offered by the chains. These hotel groups were basically focusing on demographics segments of the market such as, age, gender, race or income; i.e., how guest’s looked from the outside. Then they categorized customers into segments within these specific classifications. In contrast, entrepreneurs such as Ian Schrager and Bill Kimpton started their boutique hotels as a disruptive innovation. They were the first who saw a potential opportunity focusing on psychographics aspects such as customer’s personality, values, and attitudes. They were more concerned about those intangible aspects of customers, that is, how guests see or aspire to see themselves and their life styles. These Boutique hotels were created on the premise that just meeting customer expectations wasn’t good enough for many hotel guests.

There are different definitions of boutique hotels. For example, in Europe, boutique hotels are known to be smaller and well located in the city centres, luxury districts or exotic destinations. However, boutique hotels in the U.S are not necessarily seen as smaller hotels in primary locations. Although no standard definition of boutique hotels has been adopted, and the sizes of these types of hotels vary considerably, most boutique hotels do share some common aspects based on the trendy atmosphere, décor and personalized serviced. In Europe, it is more common to see a traditional architecture with the comfort and luxury of modernism, without losing the personality of the local community. Inasmuch as boutique hotels were seen as high end product exclusively, Joie de Vivre spotted a business opportunity within the midprice and hotel mid-category.

Chip writes: “What are the best and worst things you can say about the hotel industry’s best-known midprice hotel chains like Holiday Inn and Radisson? These are not the typical questions you ask your customers. But the answers to these questions helped Joie de Vivre realize that there was a huge market of middle-income Americans who were looking for a moderately priced boutique hotel product that was both stylish and functional. It gave us confidence that, unlike some of our boutique hotel competitors who were developing only high-ends hotels, we should continue to create midprice boutique hotels for the masses”.

Identity refreshment and strategic marketing

Maslow’s pyramid hierarchy of needs always inspired Chip Conley. He perceived Maslow’s humanistic psychology also as a strategic model of application to his company management. Chip, very cleverly, reminds us that it is not enough to satisfy guest’s basic needs. Just as the higher experiences can only be obtained at the higher levels of the hierarchy of needs, only if we have fulfilled the lower levels, guest satisfaction does not lead to customer loyalty. Satisfying customers can be considered as a basic need. Indeed, it is a common strategy in our industry, and one of the reasons that explains why many hotel brands are commoditized products. Instead of focusing on simple guest satisfaction, companies should rigorously track customer retention and customer “evangelism” (how your customers are using word-of-mouth and word-of-mouse on the Internet to spread the word about you, your product, or service). Yet most of the hotel brands basically find themselves struggling to just satisfy the basic expectations of their guests. Hotel management then monitors guests’ feedback through conventional surveys based on common quality performance metrics, such as quality of the food or services, room comfort, maintenance, property conservation, staff efficiency and friendliness, etc. Without underestimating the importance of these variables, what matters most and differentiates hotels from competition is fulfilling unrecognized needs. Chip called this exercise: “identity refreshment”. In Chip’s words, “you do not only get inside the customer’s head, you get inside his heart”. Somehow, by staying in one of his hotels you feel renewed and refreshed as though the hotel helped reconnect you with who you are (or who you aspire to be). It is not just about “selling sleep” but also to “delivering dreams”. Today we talk about delivering unique experiences to our guests, but this objective can only be accomplished at the highest level when he has fulfilled the basic aspects of quality and service.

So Chip’s Customer Hierarchy of needs -following Maslow’s hierarchy of needs- starts at the bottom of the pyramid with the basic needs such as comfortable bed and a clean room –still something not very obvious to some. In the second level, customers would demand for Safety needs such as Well-lit Parking, Electronic Doors, and lock, etc. Then, climbing to the upper levels we would address social and belonging needs; how friendly and professional the hotel staff is in delivering service. Up to this point, we would still be meeting the average in the hotel industry. Commoditization still occurs in these first levels.

Differentiation may happen once esteem needs are met; this is the second higher level, and it occurs when guests feel like VIP because of a personalized service and treatment. However, it is only at the top when we may generate guests who are passionate about our brand. Chip called this level “identity refreshment”, which corresponds to the self-actualization level of Maslow’s hierarchy of needs.

Joie de Vivre business model is based on strategic marketing. This marketing is more powerful because it is reached after a deep understanding of the needs and desires of the existing and potential customers, and designing the business model (products, services, delivery mechanism, customer experience, branding, outreach, etc.) to meet and exceed customer’s needs and desires.
How is this “identity refreshment” delivered in Joie de Vivre hotels? Chip Conley saw in magazines a model to meet lifestyles and fulfill uncovered niches of the market. Chip declares: “Joie de Vivre hotels started growing by imaging new niches in the market that were underserved, finding a magazine that defined that segment, creating a unique boutique hotel, and then tapping into this psychographic population and letting them evangelize about the product. We have hotels based on a wide variety of magazines and personalities from Wired to Town and Country to the New Yorker. Some of our most interesting hotels are based on a hybrid of two magazines like our Galleria Park Hotel, where Business Week meets Vanity Fair, or our Hotel Vitale, which goes after the post W, pre-Four Seasons guests by marrying Dwell to Real Simple, creating a hip yet holistic and mature ambience”. By using that distinct magazine personality, Chip and his development and design team could articulate a clear vision of how this personality could relate to the guest room design, the type of staff hired, the unique service and amenities that would be offered and even the kind of community philanthropy the hotel might pursue.

The best example for this niche-magazine approach can be better seen in the development of his first hotel: The Phoenix. The Phoenix is a Case Study of niche marketing. Chip writes in his book Rebel Rules: “Niche marketing works well when you have a limited budget […] I dreamed about the great parties I could throw and the sense of community celebration we could create around the pool, paying no attention initially to the potential hotel market. I ran no focus groups or feasibility studies. I simply knew I was creating a niche product that my competition would never imaging copying”. This hotel is away from the common concept shared for a boutique hotel: it’s neither a high end product, nor it could be considered a luxury hotel and classical architecture. Contrary to this, The Phoenix can be classified as a midscale hotel in a suburb location away from the Center of San Francisco. However, the hotel had historically a higher ADR and Occupancy Percentage than competitors. Why is so? Because of the “identity refreshment”. The Rolling Stone Magazine was chosen to be the personality of The Phoenix. They also introduced the practice of using five words to define the kind of hotel they wanted to create: "irreverent, adventurous, cool, funky, and young at heart ". So by staying at the Phoenix guests feel funkier, cooler, and more irreverent. Identity refreshment means that his core customer will pay a premium for the experience. Rock stars have long made this quirky converted motel their San Francisco crash pad. The long roster of rockers who have stayed at The Phoenix since the hotel opened in the late ’80s includes Joan Jett, Keanu Reeves, David Bowie, Moby, Little Richard, the Red Hot Chili Peppers, Pearl Jam, and the Shins…and many others.
Culture and complexity.

Peter Drucker, the greatest and pioneering management thinker, wrote once: “Culture eats strategy for breakfast”. What he wanted to say was that it doesn’t matter if you have the brightest idea and plan for your business, if you lack the proper company culture. Right management is developing the right culture. Nevertheless, developing a strong culture is frequently the least of the priorities when managing. Why is this happening? Because of the priority given to shareholders in business. Professor Malik stated very sharply that neoliberalism led to the economization of society, hence to a primitive form of economization; one in which everything is perceived, measured, and judged in monetary terms. Thus, quick money used to be the highest value and so the reason why many companies cannot sustain strong cultures is because of the monetary objective of maximizing value to shareholders. If only short run profits matter, then there is no way to develop competitive values like trust, empowerment, integrity, transparency, justice, egalitarianism, accountability, sincerity and commitment. Such powerful values do not thrive in Excel spreadsheet, charts, or Power Points. The reality is that these values are always affected because managers, inevitably will have to face trade offs. As long as one group of stakeholders—in this case shareholders—is overly dominating, the whole system will be threatened.

A strong company culture can only be crafted if managers understand complexity instead of reductionism. Every company is a complex system that needs to be understood in a holistic manner. The more complex a system is, the greater its range of behaviours or the more varied the ways in which it is possible to respond to changes in its market environment, such as in customers, suppliers, economy, technology or competition. As Mackey and Sisodia stated: “No complex, evolving, and self-adapting organization can be adequately understood merely through analyzing its parts and ignoring the full system”.

There are companies, such as the one we are analyzing that can be considered to be healthier, which means, in this context, that shareholders’ value and profits are in balance with other fundamental stakeholders’ values, such as customers and employees, suppliers and communities. However, in these companies everything starts with the customer. Customers are the reason for any company’s existence. Such companies also have a higher purpose or meaning.

Higher Purpose.

Meaning was the highest form of realization according to Victor Frankl. This Austrian neurologist and psychiatrist was a Holocaust survivor. In his very harsh and matter-of-fact book Man’s Search of Meaning, he mentioned that happiness cannot be pursued; it comes up as a consequence of living a life of meaning and purpose. “Meaning in work”, at Joie de Vivre, relates to how an employee feels about the company, their work environment, and the company’s mission. Meaning in work relates to how an employee feels about their specific job task. In this way Joie de Vivre mission is “developing dreams”; a purpose that certainly inspires employees.

Joie de Vivre’s Dreammaker program encourages above-and-beyond commonplace service solutions delighting customers with the unexpected. Dreammaker services are meant to meet a guest’s needs or desires even before they are articulated. Employees are encouraged to pull a “dreammaker” act for a loyal, repeat guest or one who would seem willing to spread the word.

Joie de Vivre Strategic Heart

Chip mentioned in his book Peak that, “successful companies create a culture of capability in which employees are well prepared to be empowered. Thus employees feel a deep resonance with the company culture, and they also appreciate the ability to influence that culture”. Joie de Vivre created the heart diagram (see picture below) helping employees and managers to better understand the causes and effects of everyone behavior. Joie de Vivre’s heart could be considered as a much more simple and clear approach than Norton and Kaplan’s Balance Score and Strategy Map.
First step: creating a unique corporate culture.

It starts by creating a unique corporate culture. This is the first step, which ultimately will provide outstanding and sustainable profits. Or at least maintain them. Southwest Airlines competitive advantage it’s been always been considered to be its powerful working culture. Chip Conley often quotes from his role model and inspiration CEO, Herb Keller, founder of Southwest Airlines. Herb said: “Culture is not the same thing as a technique. Culture is a framework of values and meaning. It is not a system of specified processes geared specially to efficiency and results. Culture is authentic and often nonlinear. It doesn’t fit into a simple box or some equation. You can’t be guaranteed that by taking steps one, two, and three, you will automatically produce a certain result. Yet, when it’s incrementally planted, pruned, and harvested, culture develops into a dense and fertile system that yields more than any one leader could have imagine alone”. Creating a culture is a tremendous task for managers. But it is always easier to create a strong culture from scratch than to change an existing one.

Second step: building up an enthusiastic staff.

So if the first step it to create a unique corporate culture the second is to build up an enthusiastic staff. Front-line employees are key to deliver the highest service. These front-line employees represent our product to our customers. In the most realistic sense, they are the product itself. So Joie de Vivre recognizes the importance of service employees to be empowered, constantly enhancing “Moments of Opportunity”. Chip refers to his company strategic program, as “I feel powerful at work”. This program has a significant impact on his employees’ sense of esteem and engagement. “Years ago, we realized that if we truly wanted to empower our employees as entrepreneurs, we needed to include our front-desk staff, bartenders, and bellmen in an annual off-site retreat for each hotel so that they could have a voice in where their hotel was going in the next year with respect to customer service initiatives, capital improvements projects, and enhancements to the employee work environment”.

Trust must be established as a core value in order to sustain empowerment; with higher levels of trust, both vertically (between the leadership and front-line team members) and horizontally (within the leadership team as well as within and across teams at all levels). Trust is more important than motivation. Trust does not replace motivation and it is not the same as motivation but it is the key prerequisite that enables motivation. Trust is the basis of any reasonable form of management.

Third step: Developing Strong Customer Loyalty.

We have already referred to this goal before. Creating loyal customers nowadays is much more complicated than it was before. Guests are constantly evolving. As Gilles Lipovetsky -an important French sociologist- illustrates this by saying that guests, at present, are more changing, and, of course, have less loyalty to brands. Customers are more unpredictable.

In the recent past it was much easier for hoteliers to keep customers coming back to their hotels. Hotel management was more predictable and the causes and effects of management actions were more straightforward. We used to listen and read about the simple cause-effect that, by providing a good service and a good product we could maintain our guests’ loyalty. But this is no longer true. Developing strong customer’s loyalty now has to do with providing more value to guests than we used before. It is not an easy task. Joie de Vivre does this by “refreshing identities” focusing on niche markets, delivering a different product, and providing higher levels of service because its very committed team members.

Fourth step: Maintaining a Profitable and Sustainable Business.

The unqualified economic law of maximizing profits is focused on the short run. But this objective alone is never sustainable in the long term if it forgets about the other leading indicators that managers should strive to improve, such as: reinforcing company values; empowering staff; seeking to provide higher value to customers; developing a strategic partnership with key suppliers; collaborating with local communities; making innovation happen as a consequence of improving operations and the shared responsibility among team members; decentralizing and collaborating more efficiently among teams. All these will ultimately make a given business more
adaptable and competitive to changes in the business environment. In this sense, John Mackey at Whole Foods refers to profits as follows: “Just as people cannot live without eating, so a business cannot live without profits. But most people don’t live to eat, and neither must businesses live just to make profits." Although he also states “Without profits, entrepreneurs cannot make the necessary investments to replace their depreciating buildings and equipment or to adapt to the always evolving and competitive marketplace. The need for profit is universal for all businesses in a healthy market economy”.

Profits are a lagging indicator, the outcome of the business equation. Today, it is a more complex equation since hyper-competition and hyper-consumption have given the bargaining power to the customers—and distribution channels. Hence, Joie de Vivre and Chip Conley’s understanding that there will not be sustainable profits if they do focus only in the short term. Indeed, short and long runs must be put in balance. What do we have to do today to achieve sustainable profits? As Drucker said, “the best way to predict the future is to create it”.

Customers’ feedback: word of the mouse. Online reputation.

Internet, and especially the Social Media provide wide-open hotel visibility. Not so long time ago, it was very easy to camouflage any hotel shortcomings by having a good department of marketing or public relations. It was relatively simple to sell, let’s say an old-fashion and decadent hotel, as an elegant, comfortable and beautiful property. Today, this is not possible anymore: guest comments and pictures are very clear.

Although Joie de Vivre sales strategy is very focussed on how to increment direct sells from its brand.com, online distribution channels are still very important and hotels still depend heavily on them. OTA’s sharing room night grew substantially in 2010-2011, as figures from a report conducted by the HSMAI Foundation clearly show. OTAs are gaining market share; all three models (ie.merchant, retail and opaque). The retail model (i.e. Bookin.com) had the fastest growth in 2011—in Europe it used to be the top. In the new scenario, prices and guests’ opinions become crucial. The fact is that potential customers will look to other guests’ online opinions. Even those hotel guests who may book direct to the properties have analyzed Joie de Vivre hotels online reputation in TripAdvisor together with other hotel groups within the same hotel category. These other samples are very interesting for our purpose of analysis because of their different strategy and type of management.

(I) The first chain in my analysis is Marriot, specifically, AC hotels by Marriot. Recently in joint venture. AC hotels are a very standardized, customized and mechanical management model hotel group, in which every step in operations has been thought of in corporative offices. In this company, empowerment is limited, even to hotel directors. The levels of company service could be considered to be within industry standards. AC hotels major value proposal equates its outstanding hotel product - comfort and decoration.

(II) The second hotel group is also a fast growing hotel group in Spain called Eurostars. This hotel chain offers good products, yet not as good and standardized as AC. It clearly has a vision of maximizing profits negatively affecting hotel service and employees’ morale. So, for instance, if “n” is supposed to be the minimum number of employees needed to sustain hotel operations, they would work on an n-1 basis. Eurostar strategy is to sell at lower prices because of its lower costs.

**TripAdvisor.com**

Although Joie de Vivre’s ADR is higher, the average score for its 27 hotels (excluded hotels in Hawaii) in TripAdvisor is not affected by value for price. The average score in TripAdvisor is: **4.14** (out of 12.5K opinions). AC by Marriot has a score of **4.09** (10K), and Eurostars hotels **3.97** (7.1K).

**Booking.com**

In Booking.com I have only analyzed Joie de Vivre hotels, still it is interesting to see scores in quality and guest’s value. Thus, the average for Joie de Vivre is **8.49** (out of 3K opinions). Clean: 8.92; Comfort: 8.53; Location: 8.68; Facilities: 8.27; Staff: 8.81; Value for Money: 7.79.

My opinion is that although it offers a distinctive design for each property, Joie de Vivre hotels does not have a better product than AC hotels overall. However, what guests value the most in Joie the Vivre are the staff. Among thousands of comments in TripAdvisor and Booking.com, Joie de Vivre customers point out to this “can do” attitude, which has been encouraged by Chip and his management team. What Joie de Vivre customers are valuing most in front-line staff service is: efficiency, friendliness, empathy, attentiveness, and professionalism. Through comments it is possible to quickly identify Joie de Vivre distinctive culture; notwithstanding its midscale size or category, what best defines this hotel boutique company is its service. Value for money, and product, not service, is what prevents Joie de Vivre from obtaining an
average of 4.5 (out of 5; in Trip Advisor) or over 9 (out of 10; in Booking.com) on the same level with hotel companies like Four Seasons or Ritz Carlton. Certainly, regarding service, there is always a difference in the final outcome between a midscale and a luxury hotel, but in essence, the behaviour, vision and attitude toward guests in this case is basically the same.

It is not that easy to make a hotel company stand out based on of its team members and higher levels of service. The axiom that states that providing an excellent service is key, sounds logic in hospitality, but it is always far from being easily sustainable in practice, much less making it to be a differentiating factor to gain a competitive advantage. There are countless other factors that will always affect this purpose: rigid company rules, lack of talent, short-term profits, trade offs, low employee morale, poor management and leadership, wrong values and belief, to name only a few. Management should never assume that providing good service is effortless, let alone providing an outstanding service.

will stop by TripAdvisor or booking.com to examine: reputation patterns, prices, customer’s more realistic pictures and comments. Furthermore, a thorough analysis in Trip Advisor or Booking.com can easily portray how the hotel is managed.

I would not be sure whether Chip’s opinion about the nature of OTA’s customers is still the same as when he published his book Peak in 2007. At that time he stated that the nature of his guests was starting to change because online guests were focusing more on price. This was probably the reason why their satisfaction scores started to plummet; because they were more price oriented. They wouldn’t value Joie de Vivre, as it deserved. But the reality is that OTAs came to stay and became more powerful with time; customers found in OTAs new sources of value. Nowadays, not every customer booking through OTAs are price oriented -yet lower prices is always guaranteed. The reason why OTAs are so valued is due to the purchase experience; convenience, security, visibility, usability and service, and of course the BAR (best available rate). As a consequence, online reputation becomes more relevant.

**Review of the Theory and conclusions**

Even role model and inspirational companies are not perfect. In order for excellence to exist, it must be achieved through constant job improvement and company knowledge. Indeed, because Joie de Vivre model of management and culture is above the average in our hospitality industry, I dare to be more critical in my conclusions. We must be more demanding concerning further improvement with those that have already reached higher levels of accomplishment. Which is the case for this stunning company.

1. **Chip’s use of Mallow’s hierarchy of needs** is brilliant. In his book “Peak”, he also applies it to shareholders and employees. However, my viewpoint regarding customers is that nowadays such pyramid could be reduced to three levels: basic, esteem, and self-actualization). Quality issues such as security, comfort, cleanliness and –average- service, can all be at the bottom level. Today, new hotel facilities such as high speed and free Wi-Fi Internet connexion is considered by guests as a basic need. Another important feature that Chip didn’t mention and its seldom-fulfilled in hotels is soundproofing in rooms. Although the fact that many hotels fail to provide soundproofed rooms in our industry, may affect its consideration as a basic need, customers continue to complain about this issue. The same is true for room and bathroom space; there are minimum dimensions to be expected.

What about architecture, decoration, atmosphere and trendy designs? At present these are normal features in product development, and routinely improved in hotel properties and markets…are they still top differentiators? I suppose the answer depends on the specific market we are considering.

2. **Company know-how knowledge.** Without having conducted any on-site research –I have based my research on Chip's books and the internet, I still perceive that Joie de Vivre has room for improvement regarding its model of management to enhance knowledge; brainworkers or knowledge service workers. The axiom goes: “providing good service by focusing on employees”, but what about boosting the company’s knowledge? Improving service is also about applying knowledge to operations, analysis, collaboration, process monitoring, improvements, in-group collaboration…and this must happen as a normal job competence and responsibility from the bottom-up, not only top-down. In this 21st century it should become clear that management is the transformation of resources into value. In developed economies, the most important resource today –if not the only one- is knowledge. So we might say –with Malik, that management is the transformation of knowledge into value. Thus, any advanced system of management in hospitality should strive not only to provide higher levels of service but also to boost knowledge in operations –and innovation. For this purpose, front-line employees, and other team members together with managers are key. Joie de Vivre has made important improvements in this respect, yet Whole Foods Case Study and its
management model is the best role model.

3. Guests’ feedback survey and working systems.
I am sure that Market Metrix provides an outstanding tool regarding guests’ opinions analysis. This company analysis is key but should be considered only as 50% of the job. Every hotel and group should also encourage front-line workers to collect personally feedback direct from guests in the moment of service. It can be done by (1) asking at the moment of service “how is service going?” (2) Solving problems if necessary, (3) recording the feedback collected from guests (4) and finally, analysing in-group together with managers: results, suggestions, problems arisen, the actions that front-line staff took to solve problems…It’s obvious that this working method will not be possible before fundamental company values are firstly well established. Values such as trust, sincerity, transparency and recognition of mistakes…this is the hardest part. However, Joie de Vivre already has it!

4. Open Book Management. Chip states that he has applied an OBM philosophy and working method. However it is not very clear how far Joie de Vivre hospitality goes with this philosophy and working method. Open Book Management does not imply only sharing financial information, but also encouraging employees’ commitment to improve economic results: (1) increase revenues or (2) save cost by making hotel processes more efficient —without, of course, affecting guest’s value. This working method ideally should be a responsibility at all levels including bottom line employees. Do Joie de Vivre encourage also all front-line employees to accomplish these purposes? I am not sure how far they go...

5. Merge Strategies, Innovation, company knowledge and best practice sharing. If a company it close to establish such ambitious method of working that will be Joie de Vivre, but throughout all information I have analyzed, I have not found an efficient model of best practices sharing among properties, nor how the purpose of innovation —and job improvements, it is established.

Merge strategies start from something small such as a job improvement best practice, to become bigger after it’s been shared. Once, it has been proven to be a success and implemented elsewhere we may end up with a global strategy also involving top management. This small and merge strategy did not come from a logical approach, but instead from a sudden surprise: “Suddenly, the opportunity is there!” Of course we made that opportunity happen, the difference is that we never thought it was going to be that successful; our knowledge service workers made it happen. It wasn’t upper management.

Does Joie de Vivre consider innovation to be also as a responsibility of team members like in Whole Foods? How are best practices from team member’s initiatives improving operations? How are they shared? Technology is available through the Company’s Intranet to share company knowledge and information. Is this technology used to boost company knowledge and innovation? Does innovation rise bottom-up? Are front line employees encouraged to “do it better (faster) and cheaper to better control costs like in Southwest Airlines? If so, how are improvements and best practice shared among team members within the group?