

## Albert Einstein – Management Rights Guru?

Most of us know Albert Einstein as the genius responsible for the equation that all of us have seen, but few of us can understand:

$$E = mc^2$$

It is not so well known that Einstein made some comments many years ago, well before the Management Rights industry even existed, that we can apply to our industry today.

Einstein was, if not an atheist at least an agnostic, but was a keen student of the meaning of life, the universe and everything! He believed we were all on Earth for just a short while, and none of us really knew why. There was one point, however, of which Einstein was certain, and I quote:

*"From the standpoint of daily life, however, there is one thing we do know: that man is here for the sake of other men – above all, those upon whose smiles and well-being our own happiness depends".*

Now, providing we can forgive the sexist reference to "man" and "men", we have a perfect Mission Statement for every Holiday Resort RUM to frame and hang on the wall of the front office!

It can be summed up by saying: "As a Holiday RUM you are here for the sake of your guests. Your own happiness (and profits) depends on the smiles and well-being of those guests! Look after your guests and your profits will look after themselves, because if your guests are smiling, so will be your bank manager; but if your guests are not smiling --- your problems are not far round the corner!"

Let me give you an example that is close to home.

My family is a close but extended clan not

unlike hundreds of thousands of other families in Australia. Each second year, we congregate, not unlike the seagulls on Adelaide Oval, to celebrate a big extended family Christmas. It would not be an exaggeration to suggest that this family would be part of the target market for 80% of the 4 to 4.5 Star holiday resorts in this country.

Why is it that for the last 12 years or so, this BIG extended family has always gone back to the same resort at Alexandra Headland? From memory, our record Christmas booking in this one resort is 15 apartments (the year of a family wedding) and our lowest-point is 7. All of these bookings were for a two week stay.

Is this the sort of repeat business that brings a smile to a manager's face? You betcha your sweet bippy it is! Seven to fifteen apartments let regularly to mature families who pay their bills and don't cause any trouble! Sounds to me like the sort of utopian vision you were sold when you joined the industry!

So why do we keep going back to the same place, year after year --- and putting all those dollars in the Manager's pocket, year after year?

Because, year after year, we are well looked after and go away smiling!

We always get the lowest available tariff --- not something ridiculously low; not something that is an insult to the owner of the unit (a discount is justifiable because we are repeat, good paying, well behaved, low risk tenants) but less than we would pay if we walked in off the street to some other resort; the management goes the

extra mile --- a couple of years ago, it was arranged we could be upgraded to the pent-house at a reasonable price so that we could accommodate an important family birthday party; thoughtful things happen --- when two family members chose this resort for their honeymoon mid-year, cold champagne and a fruit platter awaited their arrival (free of charge); when management was told last Christmas that a very important package was being delivered for someone's birthday, they made sure it was smuggled to the giver without the recipient knowing what was going on.

Now, before you think I am about to confer sainthood on this resident management team, I must admit that stuff-ups can still occur! Murphy's Law still exists. But as long as the minor problems are handled properly (go to [www.raasrights.com.au](http://www.raasrights.com.au) and look for The RAAS Report from April 2005), minor stuff-ups will never destroy the relationship.

The holiday/resort industry offers many alternative destinations if you, as the resort manager, give lousy service and a lousy holiday experience --- and once you lose those important holiday-makers, it is most likely you will not get them back! Be pro-active; turn first-time guests into repeat-business guests; and remember that it is infinitely cheaper to market another two week stay to a satisfied prior-customer than it is to find a whole new customer!

*If you would like to comment on anything you have read in The RAAS Report please write to us at PO Box 1325 Sunnybank Hills Q 4109 or send an email to [mike@raas.com.au](mailto:mike@raas.com.au).*



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