

A MODEL OF THE VISION, MISSION, OBJECTIVES AND STRATEGIES OF THE HOTEL COMPANY THAT DETERMINE THE PROCESSES

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ABSTRACT— *The aim of the paper is to reveal a model that integrates the four main components of the strategic orientation of a company - vision, mission, objectives and strategies - with the processes composing its business activities and that is also adapted for companies operating in a particular sector of the economic activity - the hotel industry.*

Keywords: model, a hotel company, process, vision, mission, objectives, strategies

1. INTRODUCTUON

Scientific literature reveals the connections of some strategic aspects of a company (such as vision, objectives and strategies) with its processes. However, there is not a model that integrates the four main components of the strategic orientation of a company - vision, mission, objectives and strategies - with the processes composing its business activities. The aim of the paper is to reveal such a model, which is also adapted for companies operating in a particular sector of the economy - the hotel industry. However, first, it is necessary to explain some key concepts, namely: processes, vision, mission, objectives and strategies.

The provision of services is the result of the performance of hotel activities. In his book Watson presents the activities as "the set of sequenced tasks that transform inputs into outputs, consume resources, apply competences and capabilities, and respond to systemic signals for increased or reduced output production" (Watson 1994).

The overall activity of the accommodation could be divided into separate processes. The process is a relatively completed part of the activity, which result could be used (as a resource) by another unit/ department in the organization or by external individuals or organizations. Every process is characterized by an input - resources that are processed and an output - results that are achieved. The outcome is a product that meets customer needs. During the process resources change their shape or are physically moved. The identification of the process requires setting its beginning and end. Here are some definitions of the process:

"A business process is viewed as an ordered set of work tasks in time and space with an indication of their begging and end and a precise definitions of inputs and outputs..."; "Every business process is a set of different activities, starting with one or more inputs and finishing with a customer product or service that customer needs and that satisfies customer in terms of its price, quality, quantity, reliability, safety, comfort, durability, time and place of delivery and use"; "Customers are accepted as external (direct and indirect) and internal (from the company) consumers in the value chain of the business processes of the company" (Hadjiev 2007).

It is assumed that "a process is a set of linked activities that take an input and transform it to create an output. Ideally, the transformation that occurs in the process should add value to the input and create an output that is more useful and effective to the recipient either upstream or downstream" (Johansson, McHugh, Pendlebury, Wheeler III 1994).

Although in order to comprehend the activities of the organization they should be divided into separate processes, the system approach used here requires interdependence and interrelations of these processes to be established: "The establishment of the process concerns its nature, place, duration and interrelationship with the other processes..." We cannot talk about a good result if the processes are not considered in their entirety and interconnectedness" (Hadjiev 2000). The examination of the separate business processes and the relationships among them helps to gain an understanding of the state, condition and changes of the whole system of the hotel company.

Figure 1 presents a classification of the common exemplary processes of the hotel company. The processes are classified into several groups. The first group includes processes required for setting up hotel establishments. It includes processes related to: concept development, selection of land, design and construction of hotel facilities, categorization of the facilities and introduction of the hotel facilities into operation. The mere construction of the hotel facilities is an example of the production of a unique product and in this sense it consists of stages, which sequence should strictly be followed: excavation, rough construction, plumbing and electrical installations and finishing works. It is not possible to begin a new stage without the completion of the previous one.

The next group of the main processes is associated with the purpose of the accommodation, i.e. with the meaning because of which it exists, namely to provide basic and additional services to meet the needs and requirements of its guests. According to customers these are the processes that add value. The following processes are included here: development of product concepts (starting from the idea and ending with the design of the new product; an important part of it is the consumer survey); supply of resources; sales of goods and services (starting from the customer request and ending with the negotiation and payment for the service); production of goods; service in providing shelter in which back office operations relating to the cleaning of guest rooms and front office operations associated with customer service are performed. The cycle of customer service includes the following stages: service before arrival (e.g. reservations of rooms); check-in; service during stay; check-out and service after departure (e.g. subsequent correspondence with the guest concerning guest satisfaction surveys). The other main processes are associated with the provision of additional services in the accommodation and can again contain front and back office operations.

The group of supporting processes creates conditions and facilitates the performance of the main processes. They are not associated with the meaning of the existence of the hotel company but without their presence it could hardly function. Here processes are included in connection with obtaining, managing and efficiently using, maintaining and enhancing the quality and value of resources - physical, human, financial, informational and time. Some of the activities covered in these processes are maintenance of facilities and equipment, selection, recruitment and training of staff, maximizing revenues and minimizing costs, etc.

<p style="text-align: center;"><u>Processes required for setting up hotel establishments:</u></p> <ul style="list-style-type: none"> -Development of concept of hotel business - feasibility study -Selection of land and design of hotel facilities - an architectural plan and project -Construction/ building of hotel facilities, stages: <ul style="list-style-type: none"> =excavation =rough construction =plumbing and electrical installations =finishing works -Introduction of hotel facilities in operations - furnishing, equipment and supply of consumables, selection and recruitment of personnel -Categorization of hotel facilities
<p><u>Main processes:</u></p> <ul style="list-style-type: none"> -Development of product concepts -Supply of resources -Sales of goods and services -Production of goods -Service in the provision of the basic service - shelter: <ul style="list-style-type: none"> =Front office operations of sub-processes: <ul style="list-style-type: none"> ≡ service of guests before arrival; ≡ check-in; ≡ service during stay; ≡ check-out; ≡ service of guests after departure =Back office operations - housekeeping and laundry, stages: <ul style="list-style-type: none"> ≡ preliminary; ≡ actual operation; ≡ final -Service in the provision of catering: <ul style="list-style-type: none"> =Front office - waiter service in the trading hall =Back office - preparation of meals and drinks in the kitchen -Service in the provision of additional services: business and conference, medical, spa and wellness, sports, animation, etc.
<p><u>Supporting processes:</u></p> <ul style="list-style-type: none"> -Maintenance, security and supply -Human resources management -Financial management
<p><u>Management processes:</u></p> <p>Stages of the management process:</p> <ul style="list-style-type: none"> -Planning; -Organizing; -Directing; -Controlling.

Figure 1. Main, Supporting and Management Processes, Sub-processes and Operations of Activities of the Hotel Company

Last but not least, a group includes the management processes that coordinate the main and additional processes, i.e. the overall activity of the hotel company. These processes are carried out mainly by senior but also by medium- and low-level managers of the hotel company. Here included are the general policy and strategies development, the coordination of the activities of the employees of different departments, etc. Managers set objectives and prepare plans for the work to be done. They allocate the resources and the tasks among their subordinates; monitor and coordinate the performance of the operating procedures and report the results achieved. It is these actions known as planning, organizing, directing and controlling that compose the management process.

The vision represents the public image, which the hotel company strives to acquire and maintain. It determines where its future activities should be focused. In this sense, the vision is characterized as future-oriented.

The vision "should be an expressive view of a realistic, reliable and attractive future of the tourism enterprise" (Ribov, Stankova, Mileva et al. 2005). "We speak about "vision" only when both management and employees are won for an idea, believe in it and want to implement it" (Bankova 1993).

The managers of the hotel company may wish it to look like in a concrete, specific way in the long run. Thus the vision of the hotel company may address the sustainable development - simultaneously generating revenues for the owners and creating jobs for the local people but without harming the environment, i.e. achievement of economic, social and environmental sustainability.

Unlike the vision that is future-oriented, the mission of the company is focused on the present. Mission is very often "seen as the values and sustainable norms of behavior that influence the acts of people, the way the people work together and pursue the aims of the enterprise... However, mission is also seen as a strategic tool outlining the target market of tourism activity" (Ribov, Stankova, Mileva et al. 2005). "It promotes a sense of shared expectations in employees and communicates a public image to important stakeholder groups in the company's task environment" (Hunger, Wheeler 2011). The very word makes it clear that the mission "is seen as something to which we are committed, it contains a hint of something intangible, ideal" (Bankova 1993).

The mission expresses the purpose, the meaning of the existence of the hotel company as it answers the questions: what is the organization, what does it provide to others, to society, what activities does it perform, what products does it offer, which markets does it serve, etc. In this sense, the hotel company exists firstly to meet the needs of its customers of shelter and various additional services. The hotel organization also exists to provide jobs for its employees and finally its functioning is associated with generating revenues for the owners. It also exists to meet the expectations of its suppliers, investors, the public, as well as because of some higher ideals, such as environment protection, etc.

Objectives are desired, expected results, which the hotel company strives to achieve.

According to P. Drucker objectives are needed in every area in which the actions and the results are crucial for the survival and the prosperity of the organization. In this regard, every business organization should formulate objectives in the following areas: market position; innovation; productivity; physical and financial resources; profit; activities and development of managers; activities and attitudes of employees; social responsibility (Drucker 2010).

It is important that the objectives of the hotel company correspond to each other: on the one hand, the higher-level managers set objectives for their subordinate managers of lower-levels, who in their turn set the objectives of their departments and teams. Thus the general objectives of the company would correspond to the objectives of its departments and employees. Therefore when the employees achieve their objectives the general objectives of the organization would be realized. On the other hand, firstly long-term objectives are set and on this basis next the medium-term and the short-term objectives, which correspond to them, are formulated. Time and responsible persons for the achievement of each objective should be appointed. The objectives should be achievable, realistic and relevant to the actual situation. They should be achieved neither too easy, nor too hardly, since in both cases it would discourage the people charged with their implementation. The objectives should be measurable, i.e. measurable indicators and target values related to the achievement of every objective should be set.

The way of setting objectives is what would be measured in each area and what the benchmark for measuring would be (Drucker 2010).

Once it is decided what the organization should achieve, it should be determined how to achieve it. Therefore, strategies are developed.

"Strategy is a complex process of determining the actions that need to be carried out in order to achieve the organization's purpose" (Sadler 2003). "A strategy of a corporation is a comprehensive plan stating how the corporation will achieve its mission and objectives." (Hunger, Wheeler 2011). The strategy is a thorough project to achieve the objective...The role of the strategy is to establish the common approaches that the organization uses to achieve its objectives. The strategy includes the choice of the directions in which the organization takes actions in pursuit of its objectives (Donnelly, Gibson, Ivancevich 1994).

In this regard the strategy presents the main lines of action to achieve the objectives of the company. For example, if the objective of the hotel company is to increase its profit by 5%, room rates might be reduced, so that a larger number of customers would be attracted and therefore more revenues to be generated. Other options are a wider variety of additional services to be offered, the organizational capacity to be increased, facilities to be expanded, etc. The option that would be chosen by the management of the company is the strategy.

Some of the most significant questions that should be answered when choosing a strategy are:

- Whether the company should expand through vertical (by buying suppliers, customers or intermediaries companies) or horizontal (by buying competitors companies) integration;
- Whether the company should enter into an entirely new area of activity - diversification strategy;
- Whether the company should enter new markets or increase the sales of its existing markets. These strategies require a careful consideration. For example, if the hotel company serves high-income segments and wishes to attract medium-income segments, it should have to cut prices, which might lead to losing its actual customers, who could perceive this change as a decline in the quality of service;
- Whether to develop new products or to improve the established ones;
- Whether to spend funds for the introduction of new technique or for staff training;
- Whether to reduce prices or to highlight the unique characteristics of the accommodation. As already mentioned, the strategy of price reduction should be carefully considered, as the company may lose some of its actual customers, who may think that the level of hotel services is decreased. An alternative strategy is the introduction of temporary discounts. However, it should be borne in mind that customers who use these discounts would expect lower prices in the future too. Probably, they would be disappointed when the discounts are no longer available and they should pay more for hotel services. Therefore, when prices rise again, customers would be discontented. An alternative that is more suitable for the accommodation is different prices of various rooms to be introduced, e.g. of rooms with different views, on different floors, with different furniture and equipment and of different sizes, etc.
- Whether the quality and the attractiveness of the products should be enhanced;
- Whether new specific products and packages according to customer preferences to be developed or the existing products to be promoted more intensively;
- Whether to respond to changes in the environment or to cause such changes or to adopt strategy of "wait and see" (i.e. do nothing), etc.

The consequences of the optional strategies should be carefully considered. The final choice would depend on the particular hotel company, its vision, mission and objectives.

2. MATERIALS AND METHODS

The aim of the paper is to reveal a model that integrates the four main components of the strategic orientation of a company - vision, mission, objectives and strategies - with the processes composing its business activities and that is also adapted for companies operating in a particular sector of the economic activity - the hotel industry.

Existing models are integrated, further developed and applied to the hotel industry. Statements, presented in literature are examined and on this basis the model is developed.

3. RESULTS AND DISCUSSION

Relationship between the vision, mission, objectives and strategies and the processes of the company

The activities of the hotel company must comply with its vision, mission, objectives and strategies (Figure 2).

The vision, mission, objectives and strategies should be suitable for the hotel company and should match each other. In addition, they are also the foundation on which hotel processes are developed. The main processes are related to the purpose of the hotel company and therefore to its mission, vision, objectives and strategies. The supporting and management processes should correspond to the main ones and thus to the strategic aspects of the company that are expressed through its vision, mission, objectives and strategies. In turn, any change in vision, mission, objectives and strategies of the company would affect its main and the corresponding supporting and management processes.

The mission is related to the purpose of the hotel company or how it delivers value to customer and society through its processes. The formulation of the mission requires the company to answer the questions: what needs it would meet and to whom, what products it would offer and how. It is these needs that the organization strives to meet that determine the way in which its business processes would be developed, organized and performed.

It is considered that the mission should be associated with the final products and the needs that the organization meets and not with the characteristics of its activities. However, we believe that consumers would be satisfied if the processes correspond to their requirements. This is especially true for the service sector (including hospitality) where the end result (a product, service) could not be separated from the process of its "production" (service provision). In this regard, the mission shows how the services will be provided.

The vision is future-oriented and therefore expresses how the key processes of the company will look like in several years in order to provide value to the consumers.

The opinion that the vision should express the notion of the key processes of the organization is presented in a number of scientific literature sources (Hammer, Champy 1994; Jacobson, Ericsson, Jacobson 1995; Oyhman, Popov 1997, etc.). The vision reveals the nature of the future activities, the way in which the company will operate. According to Hammer and Champy the strong vision should be focused on the activities of the company. That is evident from the sense they are applying in the concept of "a vision":

"The vision statement, by that or any other name, is the way a company's management communicates a sense of the kind of organization the company needs to become. It describes how the company is going to operate and outlines the kind of results it must achieve" (Hammer, Champy 1994).

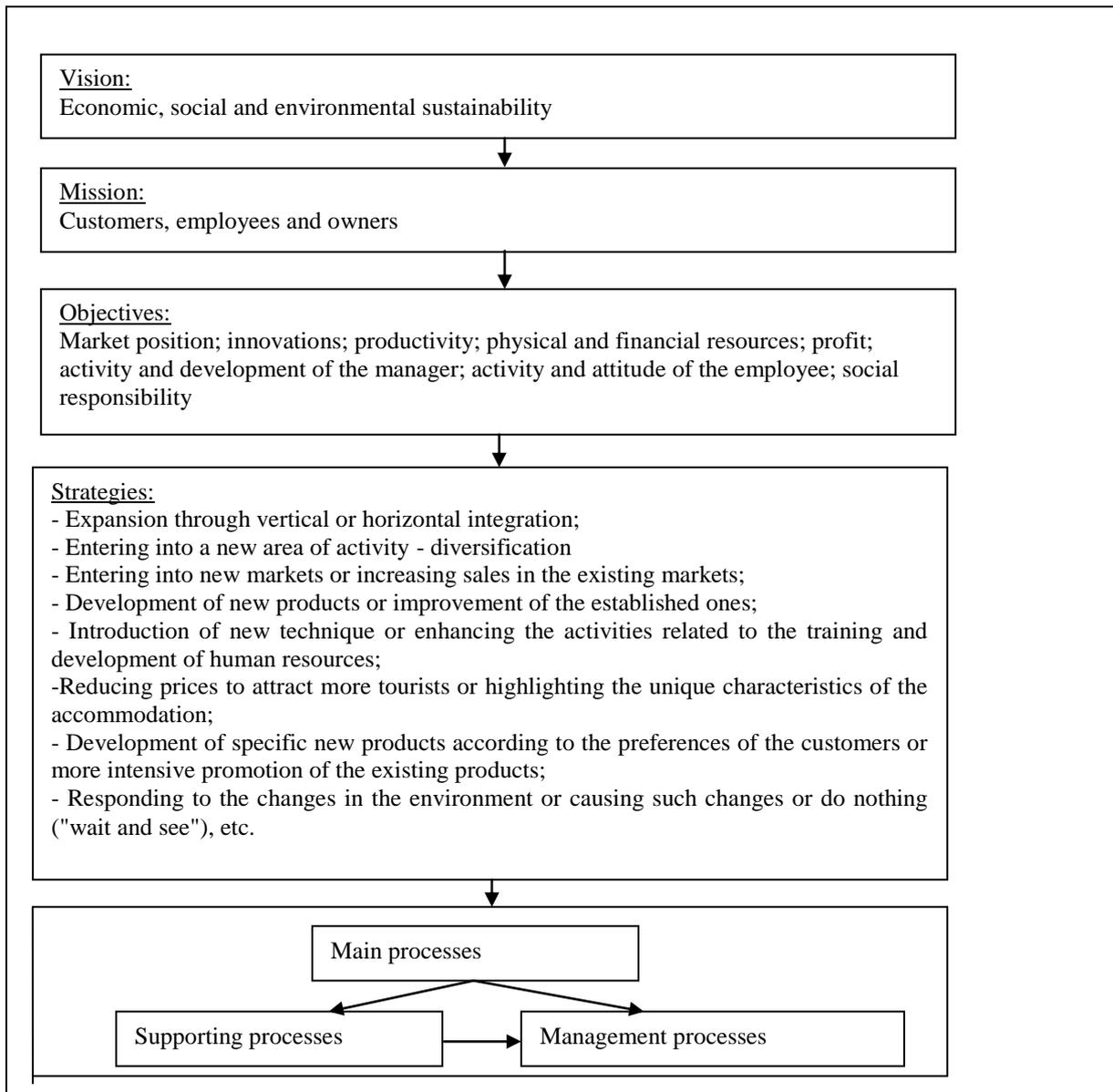


Figure 2. A Model That Illustrates the Relationship between Activities and the Vision, Mission, Objectives and Strategies of the Hotel Company

The objectives of the organization are desirable future results, that what they strive to achieve through their operations (Donnelly, Gibson, Ivancevich 1994). Therefore, the organization achieves its objectives due to the performance of its operations. That is why it would be appropriate the company objectives to express expected specific results that are achieved due to the performance of each specific process.

The idea to formulate objectives that are achieved due to the performance of each specific process is expressed in scientific literature (Jacobson, Ericsson, Jacobson 1995; Oyhman, Popov 1997, etc.). We support that view and consider that the selected objectives for each specific process may be associated with a reduction in costs and other resource consumption, time reduction, product quality improvement, value addition, enhanced consumer satisfaction, etc. The objectives could be formulated in any area proposed above. For example, objectives can be set

that are associated with the reduction in physical and financial resources of each particular process. They could be achieved through the restructuring of every process. Another example is to set an objective related to increase in sales of hotel services (and correspondingly customer satisfaction) due to an improved process.

The company strategies may be related either to preserving or to changing, improving and restructuring of its existing processes through the introduction of new techniques and technologies.

The relationships between strategies and processes are identified and expressed in opinions revealed in the scientific literature. It could be concluded that "the strategy corresponds to the long-run company objectives and orients the processes towards their realization" (Mileva 2002). The strategy of the company should correspond to the way of working, i.e. it is necessary that a strong connection between strategy and processes of the company exists. The strategy should correspond to the long-run objectives of the company and to orient the processes towards these objectives. The strategy should be consistent with the objectives that are coming from its priority processes (Oyhman, Popov 1997). In addition, the actual implementation of the strategy "is a process, which causes transformation of the inputs into outputs and by a specific product determines the corresponding relationship between suppliers and consumers" (Hadjiev 2007).

In this sense, the implementation of the strategies requires production of goods and services for the customers of the organization.

4. CONCLUSION

Through the approaches pointed above a better connectivity between the vision, mission, objectives, strategies and the key processes of the hotel company is achieved.

A summary of the statements presented in the paper is shown in Figure 3. It could be concluded, that the key processes composing the activities of the hotel company should be related to its vision, mission, objectives and strategies.

Strategic aspects	Relationship between the strategic aspects and the processes of the hotel company
Vision	Expresses the notion of the key processes of the company so as they will look like in several years. Reveals the activity, the way in which the company will operate and what results will achieve.
Mission	Gives an idea of how the activity is performed and what results should be achieved by the company, particularly: how the service is performed so customers are satisfied.
Objectives	Express the expected specific results that are achieved due to the performance of each particular process.
Strategy	It is related to the retention, or change, or improvement and restructuring of the existing processes of the company. It corresponds to the way of operation and orients processes to their implementation.

Figure 3. Relationship between the Processes of the Company and its Vision, Mission, Objectives and Strategies

The vision, mission, objectives and strategies of the company should be related to its main, supporting and management processes. The vision expresses the key processes of the company or how it should look like in several years. The mission gives an idea of what needs are met due to the performance of the business processes of the hotel company. The objectives express concrete results that should be achieved due to the performance of each specific process. The strategies are associated with preserving or changing the existing processes of the company in order its objectives to be achieved.

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