

Transforming the Hotel Industry for Sustainable Growth

Singapore, 21 Nov 2016 – The Hotel Industry Transformation Map (ITM) was launched today by Mr S Iswaran, Minister for Trade and Industry (Industry).

Four strategies were identified to transform the hotel industry for sustainable growth. They are: building manpower-lean business models; developing new solutions through innovation; growing businesses through internationalisation; and building a strong pipeline of quality talent.

The [Singapore Tourism Board \(STB\)](#) developed and will implement the Hotel ITM, in partnership with the Singapore Hotel Association (SHA), Food Drinks and Workers Allied Union (FDAWU), the Hotel Sectoral Tripartite Committee as well as other agencies such as Workforce Singapore (WSG) and International Enterprise (IE) Singapore.

“The Hotel ITM is key to ensuring that Singapore’s hotel industry stays abreast of consumers’ changing needs and sustainably thrives amid our manpower-constrained landscape. It is also an example of how the government, industry and its stakeholders can achieve more when we work together. We strongly encourage the industry to participate in the initiatives under the ITM,” says Mr. Lionel Yeo, Chief Executive of STB.

Build Manpower-lean business models and innovate to develop new solutions

One key strategy for transformation is to develop manpower-lean business models that are productive. To support hotels which are constrained in adopting productivity solutions due to building legacy infrastructure, STB launched a time-limited hotel retrofitting grant this April. Hotels can apply for

this grant to redesign their premises to unlock productivity gains. One such case study is Shangri-La Hotel Singapore (see Annex B).

Hotels should also build up capabilities in lean operations and measurements. A Lean Hotel Initiative developed by STB, WSG and McKinsey & Company will guide hotels to identify and implement productivity initiatives as well as build capabilities towards manpower lean operations. It is expected that 16 hotels will embark on this programme early next year.

Additionally, the government, industry and solution providers will develop solutions to transform guest experiences and business processes. One example is the use of RFID technology in hotels to manage uniform and linen, which has led to average man hour savings of up to 60 per cent.

The industry is also taking the lead to find new solutions to overcome industry pain points. To ideate and develop solutions, the Hotel Innovation Committee (HIC) led by SHA was set up in February this year. The HIC will look into piloting industry wide initiatives that leverage on economies of scale.

Grow Businesses through Internationalisation

The outlook for global travel and tourism continues to be positive. Between 2010 and 2030, it is forecasted that international visitor arrivals globally will grow at 3.3 per cent per year, and at 4.9 per cent per year¹ within the Asia Pacific.

To capture these growth opportunities overseas, the Hotel ITM will support Singapore hotels in their internationalisation efforts. As Singapore hotels develop lean business models locally, their ability to operate with lower cost and manpower can become a source of competitive advantage overseas. The hotels' internationalisation efforts will in turn generate economic linkages and

¹ UNWTO 2016 Tourism Highlights

more good jobs in Singapore in the hotel industry and other adjacent industries such as F&B and Retail.

Build a strong pipeline of talent and Deepen Skill workforce

To build a strong pipeline of talent and a future-ready quality workforce, several initiatives have been rolled out, including the Professional Conversion Programme for Professional Executives (Hotel Industry), the Skills Future Earn and Learn Programme, and most recently, the SkillsFuture Study Awards for the hotel industry.

A Hotel Career Campaign will also be carried out to galvanise awareness of good hotel jobs and careers. It is slated to start in the first quarter of next year. The SkillsFuture Leadership Development Initiative will also be launched to support aspiring Singaporeans in acquiring leadership competencies and critical experiences.

“Today, the hotel industry employs about 33,000 workers. The transformation of Singapore’s hotel industry is critical to ensuring that it will continue to grow and offer quality career opportunities for all,” says Mr Yeo.

Refer to Annex A for more information on the tourism growth forecast.

Refer to Annex B for a case study on Shangri-La Hotel Singapore.

Refer to Annex C for press quotes from hotel employers and employees.

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About the Singapore Tourism Board

The Singapore Tourism Board (STB) is a leading economic development agency in tourism, one of Singapore's key service sectors. Known for partnership, innovation and excellence, STB champions tourism, making it a key economic driver for Singapore. We aim to differentiate and market Singapore as a must-visit destination offering a concentration of user-centric and enriching experiences through the "YourSingapore" brand. For more information, visit www.stb.gov.sg or www.yoursingapore.com or follow us on Twitter @STB_sg (https://twitter.com/stb_sg).

ANNEX A

Tourism Growth Forecast

The long term global tourism outlook remains positive. The United Nations' World Tourism Organisation forecasts 3.3 per cent growth a year for international visitor arrivals between 2010 and 2030. Growth in the Asia-Pacific region is estimated to be even higher, at 4.9 per cent a year. The Asia Pacific accounts for 24% of worldwide tourist arrivals and 33% of tourism receipts. The OECD Development Centre also projects growth of the middle class between 2009 and 2030 at approximately 5 per cent globally and 9 per cent for Asia, fuelling demand for travel.

Singapore's key source markets of China, India and South-east Asia are expected to continue to drive tourism growth.



ANNEX B

Case Study: Retrofitting of Shangri-La Hotel Singapore

Shangri-La Hotel Singapore is the first hotel retrofitting project supported by STB. To redesign work processes at its Horizon Club Lounge, the hotel will centralise its kitchen and lounge, and retrofit the lounge's area.

The hotel expects to enjoy man hour savings of up to 45 per cent in the service and culinary functions, from the introduction of self-service options and the redesign of back of house processes.

ANNEX C

"A manpower-lean business model is not a choice, but rather a move ahead of the curve given the current business climate. At Marina Mandarin Singapore, we adapt by using technology and innovation, along with enlarging employees' job scope and multi-skill training to raise productivity and mitigate challenges. It is important for us to strike the right balance between improving productivity and maintaining service standards."

Melvin Lim, General Manager, Marina Mandarin Singapore

"Job redesign is the way to go to attract the right talent into the industry given the manpower growth challenges. Redesigning jobs will help the hotel to achieve maximum output, increase employee engagement, efficiency and productivity, as well as improve quality and organisational branding. For example, our Lobby Ambassador serves as a VIP Relations /Front Office/Restaurant ambassador all rolled into one."

Gino Tan, Area General Manager, Singapore & General Manager, Pan Pacific Singapore