

TURNAROUND MANAGEMENT THROUGH BUSINESS PROCESS RE-ENGINEERING FOR SBH HOTEL BANDUNG INDONESIA

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ABSTRACT

The fact that no company are immune against distress shows that business performs similar with product. Company failure or passive reaction in handling decline would cause the company down into crisis stage. SBH Hotel face continuous decline in occupancy rate since 2016 to 2019 from 70% to 51% even 27% after pandemic hit. Hotel's sluggish reaction towards increasing competition and small improvement management made since its establishment of 1998, are not strong enough to help them rebound and led them to face its crisis. Turnaround management that has been known as the best strategy to spare a company from crisis, will be used as the proposed solution concept for the issue. Through financial data collecting, interviews and author's observation in gathering the data, the usage of International Turnaround Management Standard framework by Lymbersky will be applied, due to its thorough coverage makes it suitable to guide the turnaround process. Sampling towards its main competitor with 100% response rate shows SBH's values has been declining. Business process re-engineering will help author for determining the change in management process required during developing turnaround management action plan. This research will be a development from previous research regard its marketing strategy. Turnaround management will be done through Business Process Re-engineering as a rethinking and redesign process. SBH Hotel expected to performed with better management process and provide customer with higher quality of services and products. SBH Hotel ability in earning outstanding guests' experience brought hotel more guests' loyalty and benefit hotel in securing profit.

Keywords: Decline, Turnaround Management, Business Process Re-engineering

1.0 INTRODUCTION

Indonesia's government that has been developing the tourism industry, have managed to increase the percentage amount of contribution in GDP. During the pandemic hit, vice minister of tourism stated that there is a maximized potential with equivalent of IDR 150 trillion if Indonesian people choose to travel within the country (CNN Indonesia, 2020). Bandung central bureau of statistics (Badan Pusat Statistik) from its website records the percentage changes of accommodations, rooms and beds development in Bandung in the year of 2012-2018 with the average each of 11.4%, 11.2% and 11.8% per year for Bandung itself.

SBH Hotel that has been built since 1920 converted from ladies' dormitory of Bandung Institute of Technologies into SBH Hotel on 1998. The hotel consists of 22 rooms and a restaurant. The restaurant, in 2020 has been rented by third party which its functioned as co-working space. Benefited from its strategic location and unique old

heritage design building, SBH Hotel is attractive to have for staying a night or two or even more nights, but recently the performance shows the other way around. The hotel has endured a declining room occupancy since the year of 2017, and kept on sinking.

Performing as product, Corporate Finance Institute, (2015) explained that business' do also have lifecycle that consist of five phases, which are, launch, growth, shake-out, maturity, and decline phase or lifecycle extended. Lifecycle extended has an meaning of the company or hotel ability in acknowledging the slightest decline issue after its maturity phase and overcome it to avoided the business incurring decline phase. In the other hand decline phase that hotel endured is because of the inability, such as passive reaction or failure of strategies applied by the hotel in surviving the business from decline (Shein, 2011).

From Shein's statement, it is understandable that the management sensitivity towards declining performance and acknowledgement in the early stage are important for hotel to curated strategies in supporting business avoiding further decline. In his book, Shein (2011) elaborated on how business could acknowledge and understand the early warning signs of decline through measuring from management analysis, trend analysis, and industry and product analysis that shows one business' performance further.

Management analysis done thorough analyzing the hotel internal condition, procedures and issues. Reflecting from its financial performance, management should be able to examine how the condition by the cashflow performance. SBH Hotel's cashflow in 2020, has a significant drop to surround IDR 5.000.000 and acquire loans from its owner (appendix 1). Covid-19 hit indeed worsen the situation of the hotel. Management analysis also developed towards its employee. From the results of the interview with SBH Hotel, the hotel that employed by long-term people and inexistence of training causes the lack of innovation and improvement from the people.

Trend analysis conducted through hotel profitability performance. Profitability indicators consists with the performance of gross profit, net profit, sales and expenses. Diagram on appendix 2 shows the constant decline performance from 2015-2019 for its sales. In 2016, a drop of expense caused gross profit in 2016 jumped but then continued decline. This might be a tendency of hotel incurring high occupancy that lead to bigger revenue and smaller costs, since costs for room is not as high as the food and beverage department's cost used to have. From these three indicators, net profit progressing below the axis indicate hotel has been running low profit or even more unprofitable.

Porter five forces analysis that has been well known in analyzing the business industry environment will be used in analyzing the performance of industry and product analysis. Product analysis will be enhanced through the comparison of average calculation for product quality indicator that exist in the online travel agent of PegiPegi among the competitor. PegiPegi chosen due to it comprehensiveness of requirement for guests to put a review regard their experience towards hotels. Competitor selection done through the criteria of, competitor that exists in near area of SBH Hotel and serves a similar environment and services, hotel that is currently in high demand among customer and applied similar range of prices.

The results of Porter five forces analysis for its industry and product analysis are:

- Buyers bargaining is high and getting higher, customers that come with vary

of purposes have digital platform that could help them in deciding and selecting the hotel based on review provided.

- Supplier bargaining is low, considering there are plenty of supplier that could provide hotel with supplies and equipment that SBH Hotel needs, then hotels could easily swift other supplier that serves a lower and profitable cost.
- Competitive rivalry is high and getting higher, the occurrence of hotels with the similarity of SBH Hotel is increasing providing more choices towards customer.
- Threat of potential entrants is high due to tourism development in Indonesia including Bandung causing the barrier to entry is low.
- Threat of substitute products and services are high. Non-star accommodation in Bandung has been increasing rapidly with a competitive price.

In regard of its product analysis, author analysis towards its average calculation of product indicator. Product indicator that is used by PegiPegi are location, service, price, cleanliness and comfort. From the table in appendix 3 could be analyzed that SBH Hotel earned the lowest score in all aspects, and cleanliness held the lowest score among other of SBH Hotel characteristics.

Shein, in his book mentioned that during decline phase, there are five stages to determine the severeness of hotel or company's decline, there are blinded, inaction, faulty action, crisis then dissolution (Shein, 2011). Blinded as the first stage of decline phase determine to be hotel inability to recognize its downturn and assuming that it was seasonal performance and will later on be back normal (Shein, 2011). SBH Hotel failure in understanding the blinded phase lead to bigger denial caused SBH to slipped further into inaction stage. Inaction stage, usually the condition where competitor of the company has started stealing the company's market share but company did nothing or less in strengthening their position (Shein, 2011). Reflecting the condition of SBH Hotel now, the percentage development provided by Bandung central bureau of statistics indeed slowly but sure, one of the reasons for declining movement in room occupancy.

Faulty action is the next stage in decline phase that hotel would endure if still SBH Hotel not rebound (Shein, 2011). This stage explained to be management recognition towards the decline and took a mislead action that not recovering the situation. Crisis is a stage if by any chance during faulty action, the hotel did not get a positive performance as expected. During this stage, hotel as a company has one last chance to help the business back to gain its profitability by doing turnaround or restructuring (Shein, 2011). If the effort of turnaround still is failed, then the company or hotels would be on its way to dissolution or bankruptcy (Shein, 2011).

From the analyzes above, SBH Hotel faces both business and organizational decline in crisis stage. Rapid development of accommodation in Bandung with each competitive advantage and digitalization exposure towards competitors has provided customers with huge amount of choices and variables that increase customers' consideration in selecting the hotel. Tight competition that exist, causing the declining of market appetite towards SBH Hotel due to the changes of market's need and wants resulting poor financial performance. SBH Hotel's team inability to acknowledge the change in the market, lead the declining performance to its crisis stage.

Andini & Koesrindartoto (2020) in their journal has discussed regard the issue and has developed a marketing strategy of new wave marketing to help SBH Hotel performed better. Acknowledging the massive issues that hotel has, the support in marketing only will not be enough in helping the hotel back to business. Lymbersky (2011) suggested that turnaround management to be done in a holistic way in creating harmonies in every aspect or department exists in the hotel to deliver maximum values towards guests and achieved

more customer loyalty. In this study, author will discuss and elaborate SBH Hotel's performance from holistic aspects to resolve the issues in every aspect of business by conceiving a turnaround management plan through International Turnaround Management Standard framework. The holistic review that author conduct in the discussion and exploration of SBH Hotel's performance for each aspects and department in SBH Hotel Bandung has not been considered in the study conducted earlier that is limited to marketing strategy aspect (Andini & Koesrindartoto, 2020). This is an appealing substance for the body of the research and highlight the originality value of this paper

2.0 LITERATURE REVIEW

2.1 Turnaround Management

Turnaround management has been known as the rescue plan for the business that is in crisis or has been underperformed in the market (Solnet , Paulsen, & Cooper, 2010). Turnaround management is an effort in making a clear change of the direction of a business that is in struggle (Shein, 2011). Any business is not immune to decline and crisis (Lymbersky, 2011), not to mention the economic crisis worldwide since the Covid-19 hit. Companies' ability to acknowledge crisis and decline in an immediate time manner is necessary for determining the strategy to help the business. If by any chance the strategy attempted shows a negative response in performing, turnaround management should be attempted and analyze the cause it happened. This activity is meant to minimize the company's chance of dissolution or bankruptcy (Solnet , Paulsen, & Cooper, 2010).

Turnaround implementation should be done holistically in the organization since it would serve more effective results understanding the high correlation between one department to others and have them harmonizing accordingly to thrives (Lymbersky 2011). In achieving a successful turnaround management process, Lymbersky explained that leader need to have an ability with educational background for finance, strategy, process optimization, marketing, sales and etc. (2011). Due to this might be hard and rare to find, the forming of team is encouraged to do. Slatter, Lovett, & Barlow (2006) explained what a successful turnaround management plan consists of:

1. Crisis stabilization discuss about the top priority of aspects due to critical role it held. Cash availability is important to provide an opportunity in developing turnaround
2. New leadership regard CEO or new leadership acquired that most of the time the new leader will be conducting turnaround management replacing the inadequate senior management. Though in fact the changes of senior manager could also be conducted
3. Stakeholder management is regard gaining the support from stakeholder with the situation and condition hotel has been facing
4. Strategic focus highlighted the possibility issues that hotel endure could be more than one strategic issue. Such redefining core business, divestment and asset reduction, product or marketing refocusing, downsizing, outsourcing and investment are the way for company to refocus its strategic decision
5. Critical process improvement regards the business done an analyzes towards its business process in delivering a better, leaner cost, quality and responsiveness in business' operation. The implementation of BPR (Business Process Re-engineering)

could be done for this part. Three types of business improvement that could be applied are, time improvement, cost improvement, and quality improvement.

6. Organizational change. Slatter, Lovett, & Barlow, mentioned that bad organizational is an absolute reason for business to decline. In handling organizational problem could be done through improving communication and building commitment that new terms condition of employment could be adopt to encourage organizational change.
7. Financial restructuring focused on cash-flow problem, balance sheet and debt structure. Since the importance of cash is high, hotel is suggested to do refinancing without causing more issue.

2.2 Business Process Re-Engineering

Business Process Re-engineering is a process of re-thinking, redesign, re-innovate that paying close attention to the organization process, in processing and delivering products with certain quality towards the customers. Hammer, (1990) mentioned in his article, that business process re-engineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed.

Bhaskar, (2015) in his journal describe that BPR begin from a vision or idea. The idea come from three resources, benchmarking, bought from IT company or consultant and original idea. Tools and technique that can be used in developing business process re-engineering are elaborated as below (Oneill, 2020):

- Process visualization, Oneill (2020), in his article mentioned "the key success for re-engineering lies in the development of the process vision" (Barrett, 1994)', instead of the need for developing the idea of 'end state' for process to be re-engineered.
- Operational research / method study conducted to gain idea and improving business process
- Change management tool that involved the management and organizational change that author will be using to proposing solution in this study.
- Benchmarking towards its competitor to understand the flow process, standard quality and other standard to improved hotel's quality and performance.
- Process and customer focus described as a tool in "improving performance quality of product and services from the perspective of customer's (Vantrappen, 1992)' (Oneill, 2020)

3.0 METHODOLOGY

SBH Hotel, one of the antique hotels that has been exist since Netherland acquisitioned in Indonesia has a distinctive value of beauty and location. Having the potential in reviving glorious time with such advantages, SBH Hotel is a highly interesting hotel that should be discussed for turnaround management. The methodology of this research conducted in qualitative. In dissecting the root cause analysis of SBH Hotel could be done with the information author get from interviews from its general manager and the owner of the property business which is done to gain an extended understanding towards the hotel situation in which later on the data collection (appendix 1&2) obtained from both interviewee sources. Interview that can be done by an individual have vary interviewee resources involving 1 person or more even up to 325 based on the scope of the business that interviewer obtained (Creswell, 1998) Other than interview, to obtain customer experience author did further data collection from travel agent review (Appendix 3) as well observation towards the hotel, and study literature. Analysis done to calculate the

performance quality of SBH Hotel among its industry through the average calculation based on the score given by customers. The selection to analysis of the competitor that has done through PegiPegi’s review based on the standard selection has been decided.

International Turnaround Management Standard developed by Lymbersky will be used due to its thorough coverage with the existence scope analysis of financial strategies, operational, marketing and sales, process improvement. The framework is easier for expert and stakeholder performing the turnaround management process for their company. Turnaround initiated with a corporate analysis to determine the crisis and causes for then to gain the results causes of crises to craft the turnaround planning (Lymbersky, 2011).

ITMS framework divided into four stages

1. Stage 1: Pre-Turnaround Stage – Starting the Turnaround Process – Diagnostic Review Stage
2. Stage 2: Crisis Stabilization Stage – Turnaround Stage – Planning the Turnaround – Change Management
3. Stage 3: Communication Procedures – Risk Management
4. Stage 4: Closing the Turnaround

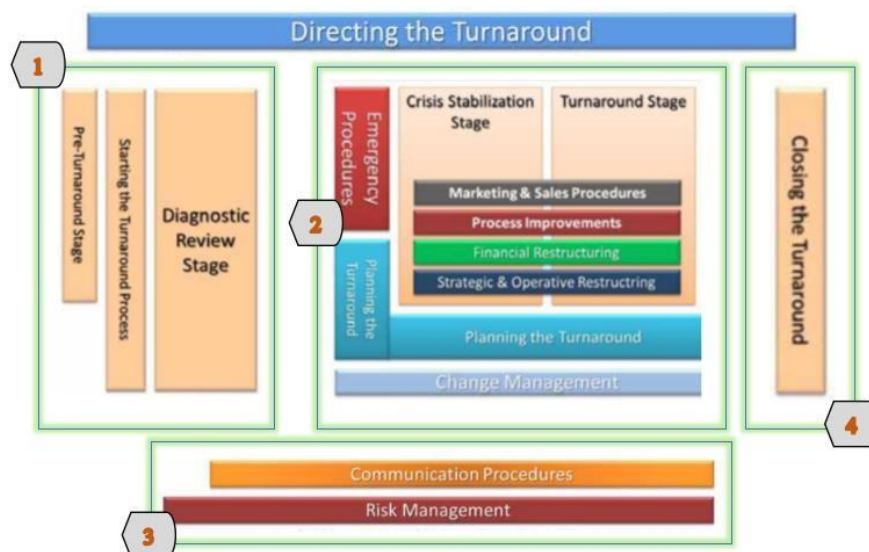


Figure 1. International Turnaround Management Standard Framework
Source: (Lymbersky, 2011)

4.0 ANALYSIS AND DISCUSSION

Reflecting the issues been discussed before SBH Hotel majorly shown the economic value and organizational value decline. The discussion later on will be developing ways to reconstruct the economic values of hotels product and services to generate revenues and organization value. Following the International Turnaround Management Standard Framework, the ITMS framework divided into four stages

1. Stage 1: Pre-Turnaround Stage – Starting the Turnaround Process – Diagnostic Review Stage

As the beginning step of turnaround management, this stage will be consisting of summarization from current situation that SBH Hotel endure with the alternative suggestions. Table 1 below shows the result of diagnostic review, and what alternatives author suggested for each of the issue situation.

Table 1: Diagnostic review and alternatives

Current situation	Alternatives suggested
Business model need more refreshment to stay relevant	- Business model canvas for more direct and clear business model rebranding
	- In rebranding, brand needed to build through digital marketing strategy
Hotel quality of services and product has been below standard among its competitors	- Benchmarking for service and product quality improvement in meeting customer needs
	- Service blueprint and TQM for service design
Mismanagement and difficult to be agile towards changes	- Organizational restructuring or hiring of person that could be a changing agent
	- Training conducted, followed up with Kirk Patrick model in measuring the success of training
Poor performance in finance and worsen with the emerging of Covid-19	- Retrenchment is necessary to have both asset and cost retrenchment
	- 13 Weeks cash flow allowed management to maintain cash-flow movement and availability in running the business
More competitive advantage to compete among its industry	-Water waste management

2. Stage 2: Crisis Stabilization Stage – Turnaround Stage – Planning the Turnaround – Change Management

In this stage, the discussion will be regarding the plan to do the turnaround. Change management will be related with organizational improvement.

a) Rebranding through business model canvas

Business model canvas as a comprehensive business model used to describe the development from previous business model. Rebranding strategy done to change current business model to stay relevant with current market situation in delivering a better direct values and quality of products, with a better way in reaching out guests to develop more occupancy rate and develop a better relationship with guests. This relationship expected to perform a long-term relationship as a loyalty guests SBH Hotel earned. Main concept that author suggested for SBH to have is Heritage Boutique Smart Hotel concept. Considering the heritage building that hotel has with a budget hotel set up matching up its targeted customers. Appendix 4 will describe the improvement from existing business model with bold writings to labelled the additional value SBH Hotel should be having.

b) Digital marketing strategy for marketing and sales improvement

Digital marketing has proven its useful function almost over a decade and the usage of digital marketing is increasing. Hotel business model projecting toward mass market B2C, Business to customer digital marketing implementation, that consider would be very profitable for the business (Kingsnorth, 2016). Acknowledging the performance of digital marketing, SBH Hotel is highly encourage to develop its digital marketing strategy. The only digital marketing that SBH used is the old website that also need some update. Targeted customer or SBH Hotel potential guests are the generation that highly uses digital platform. The usage such WhatsApp, Instagram, Facebook do also highly encourage to gain more coverage to potential customer and hotel is more approachable

by customer during day to day basis. Spending for influencer marketing is also suggested, remembering the wide media coverage one could perform, despite the costs it would spend.

c) Renewal and redesign for operative restructuring and process improvement

Renewal and redesign are meant to refresh and restore hotel property, regard its design of room, lobby or any public area in creating a positive environment vibe, instead of an outdated one. SBH Hotel that has never been being restored, still adopting huge furniture, wooden with outdated style and creating an image of hotel has been outdated. Improving its standard of cleanliness is crucial remembering hygiene and sanitation built the trust in guests. Benchmarking towards hotel which most likely be customers' favorite choice is encourage to have, and of course with a similar classification of SBH Hotel. Redesigning its services could be done through service blueprint by understanding its service gap. Total Quality Management is expected to have in developing a continuous improvement such cleanliness and services employees provided towards guests, and other operation matter.

d) Re-organizational improvement

As employee held the main role in service industry, quality of employees is necessary to be control. SBH Hotel that has never been conducting any training or done any improvement towards its employee causing the employee passive reaction towards rapid changes in market. The training that will be conducted should be improving the skill and employee performance towards guests. KirkPatrick model can be used to followed up the performance and development from training conducted (Kirkpatrick & Kirkpatrick, 2007). The hiring of a changing agent is encouraged to have if by any chance management find the organization resist to change.

e) Retrenchment

Retrenchment as one of the methods that is applicable in managing cashflow money. Retrenchment strategy expected to earn the company with higher return of investment and capital from a stronger market positioning in the market. By having this achievement, economic downturn could be avoided. Retrenchment that usually related to its cost, can also be done related to its asset.

Cost retrenchment that is discuss regard the costs spend. The strategy suggested that hotel can be uses during this pandemic is by having certain floor shut, due to low occupancy that hotel endured. By shutting certain floor, hotel could gain a lower cost for water, electricity and manning. SBH Hotel could also conducted a renewal and redesign for that floor.

Asset retrenchment regard how SBH Hotel should consider the selection of efficiency advantage hotel could do in acquiring new fixed asset, fixtures and other. This also could relate with the renewal and the redesigning activity for SBH Hotel. Divestment activity of old furniture, SBH Hotel could sell such wooden furniture and gains money for more cashflow or an additional of restoration. In the case of asset retrenchment, restoration efficiency is encouraged.

f) 13-weeks cashflow model

Acknowledging the existence of the surrounding amount IDR 5.000.000 for SBH Hotel in 2020 with an increase of loan to the owner, SBH Hotel is in a catastrophe situation in running its business. The essential of cashflow in business shows the importance of hotel to maintain its availability of cash. 13- weeks cashflow model is done to forecasting the

performance of cashflow for operating the hotel. The strategy of yield management and room pricing could help hotel to gain occupancy (Walker & Walker, 2014)

g) New additional value

Bandung Institute of Technology as the owner of SBH Hotel, planned to implement a water waste management in the hotel remembering its responsibility towards the environment. This implementation would help the hotel in leaning their cost and increasethe chance of higher profit margin. By having new value addition or local material could help hotel in deceasing their rates and make them more appealing towards customer (Walker & Walker, 2014).

3. Stage 3: Communication Procedures – Risk Management

Communication procedures related to the ability of management to communicate that SBH Hotel interfere. Communication is important to enlighten the idea of turnaround plan in gaining interest of stakeholders such, staffs, owner and other. Communication also done to build trust and support.

An effective risk management could help management anticipating the additional cost would occur due to risks occurrence. Quoting from (Brigham & Gapenski, 2000) companies usually adopt three stages of risk management, there are:

- Risk identification of possible risks that company might be facing
- Assessing the potential impact and occurrence of particular risk identified against the company performance
- Select then decide implementation for risk control

In appendix 5, we could analyze the risk that has been identified then the mitigate action to control. Risks that has been highlighted with creme color in the table determine to be the risks that could impacted the turnaround process. The appendix 6 is the picture of risk mapping used to map the risk based on the scale of its occurrence and impact. The mapping results is gained from the expertise that has been in the field for surround 5 years in managing the revenue of that similar hotel. The hotel that expertise worked for is the hotel that SBH Hotel suggested to benchmark for regard their quality of product and services also the renewal of the hotel.

Risk mitigation divided into two groups organizational and financial (Bednarska, 2004). Organizational type has risk avoidance is the act of not taking the risk due to unwillingness for the consequences, risk reduction is more practical used such preventive techniques, and transfer of operations burdened the risk activity transfer by another business unit. While financial type has risk retention regard company awareness in enduring financial consequences, liability transfer that is related to physical effectcompany would suffer and repartition which combination an intermediate method between risk retention and risk transfer (Bednarska, 2004).

4. Stage 4: Closing the Turnaround

Closing the turnaround is a stage where turnaround consider has been success ang it is necessary for SBH Hotel should be keeping a journal of how the turnaround process went, the strategies implemented both success and fail, issues that occur and etc. that related to turnaround process and during turnaround process. The journals could perform as a guidance for the hotel in the future for any decline or similar issues occur.

5.0 CONCLUSION

Business that perform similar with product makes it inevitable towards decline performance. Bandung rapid increasing development of accommodation resulting a tight competition among hotel entrepreneur. Market that provided with plenty of choices, unconsciously cause a rapid changes of market needs and wants. SBH Hotel that develop a passive reaction towards these rapid changes makes the hotel keep performing downward. Employee inability to recognize the changes and respond, driven by lack of training conducted to develop and improve employee's skills. Slowly but sure, the decline has turned into crisis stage. This stage can be analyzed on how the quality of service and product declining, marketing and sales strategy not improving since it was established resulting the performance of finance. These situations that SBH Hotel endures, in need of turnaround management strategy in saving the business.

Turnaround strategy that is required to be done in a holistic way through ITMS Framework by Lymbersky

1. Stage 1: Pre-Turnaround Stage – Diagnostic Review Stage

In this stage, management elaborate business situation and understand the severe situation hotel has developed due to management inability to acknowledge and adapt with current market situation.

2. Stage 2: Crisis Stabilization Stage – Change Management

Stage two discuss about a formulation for alternatives suggested for SBH Hotel up to change management. New concept of heritage boutique smart hotel is suggested by author considering the strategic location SBH Hotel has and the beauty of classic design of the building. Renewal and redesigning its product quality, services, and hotel's design interior is encourage to have. Organizational improvement done through training conducted and the hiring for a change agent. Retrenchment and 13-weeks cashflow are suggested to ensure a healthy cashflow.

3. Stage 3: Communication Procedures – Risk Management

Stage three explains the importance of communication among its stakeholder to gain their support and trust. SBH Hotel's management need to gain acknowledgement for its risk management that could incur costs.

4. Stage 4: Closing the Turnaround

Last stage is the act of the management to keep a journal of turnaround management process for future benefit

This study expected to create a clearer and direct framework in concepting turnaround management for hotels with similar classification or even in any classification. Remembering the steps and stages that management should be doing during this turnaround process can be implemented in general this method could be used to help hotels in surviving back to business from the impact of pandemic. Through this study, readers are expected to be able to understand and dissect their own hotel shortcomings for then gain acknowledgement and ideas of what turnaround strategy suitable the most for the hotel based on ITMS framework that author adopt.

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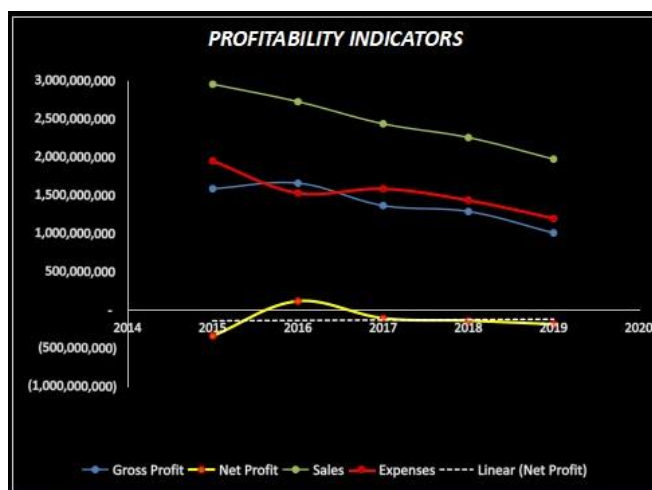
APPENDIXES

APPENDIX 1

LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL 31 DESEMBER 2020
(Dinyatakan Dalam Rupiah)

	TAHUN 2020	TAHUN 2019
	Rp	Rp
ARUS KAS DARI AKTIVITAS OPERASI		
Penerimaan dari pelanggan	501.896.180	1.995.481.169
Pembayaran kas kepada pemasok dan karyawan	(494.886.598)	(966.253.721)
Pembayaran untuk kegiatan operasional	(316.137.311)	(930.685.253)
Pendapatan jasa giro dan bunga deposito	1.799.500	2.367.763
Pendapatan lainnya	32.808.257	33.140.615
Pembayaran lainnya	(23.306.800)	(62.535.889)
Pembayaran pajak-pajak	(34.312.978)	(49.545.241)
Arus Kas Neto dari (untuk) Aktivitas Operasi	(332.139.750)	21.969.443
ARUS KAS DARI AKTIVITAS INVESTASI		
Perolehan aktiva tetap	(148.203.725)	(33.497.463)
Arus Kas Neto dari (untuk) Aktivitas Investasi	(148.203.725)	(33.497.463)
ARUS KAS DARI AKTIVITAS PENDANAAN		
Pembayaran bagi hasil kepada pemilik	-	(192.500.000)
Penerimaan pinjaman dari pemilik	275.021.433	-
Arus Kas Neto dari (untuk) Aktivitas Pendanaan	275.021.433	(192.500.000)
Kenaikan (Penurunan) Neto Kas dan Setara Kas	(205.322.042)	(204.028.020)
Kas dan Setara Kas pada Awal Periode	211.028.080	415.056.100
Kas dan Setara Kas pada Akhir Periode	5.706.038	211.028.080

APPENDIX 2



APPENDIX 3

	Locatio n	Service	Price	Cleanlin ess	Comfo rt	Avera ge
SBH Hotel	4.00	3.75	3.45	3.10	3.55	3.57
Hay Bandung	4.45	3.85	3.75	3.90	3.85	3.96
Ivory By Ayola	4.85	4.55	4.25	4.70	4.60	4.59

APPENDIX 4

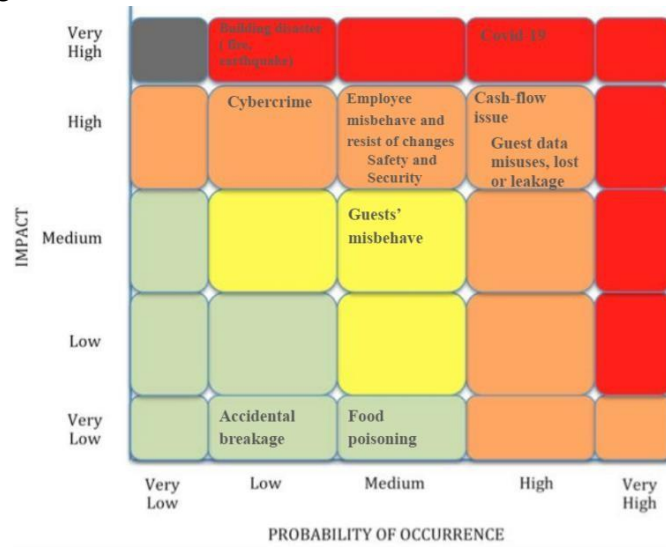
Key Partners Kong Djie Suppliers Employees Laundry Colleges Companies surrounding	Key Activities Room sells Develop loyalty program	Value Propositions Unique design Affordable price offered Customer Satisfaction Loyal Customer Comfortability Extensive Service High Speed WiFi Cost efficiency Eco-friendly	Customer Relationships Personal Engagement based on each preferences Usage of reachable platforms such WhatsApp, Instagram and Facebook Channels OTA Website and Facebook By phone or WhatsApp Instagram	Customer Segments Mass Market Young adult and family Low - Mid scale guests Business Travelers Leisure Staycation
Cost Structure Cost Driven Fixed Cost		Revenue Streams Room rent sales Individual travelers Group travelers		

APPENDIX 5

	Risk Factors Identified	Risk mitigations
1	Covid-19	Make sure sanitizer is everywhere and regularly sanitize public area Benchmark to increase of room sanitation quality Keep on record guests stay for trace purpose Training related to Covid-19 Create short term sale and attractive packages Loyalty program advantage
2	Cash-flow issue	Efficiency in cost Minimize capex expense Continuous restoration for one of conserving cash activity Apply tax refund and government incentive.
3	Employee misbehave and resistance of change	100% involvement of employee and transparency Redirect for any misleading through training Increase benefit and rewards Hiring a changing agent
4	Cyber crime	PCI DSS, antivirus, firewalls, anti-malware software
5	Building disaster (fire earthquake)	Building insurance for fire and earthquake
6	Guests data misuses, lost or leakage	Background check of employee before hiring, deliver the importance hotel to maintain trust from customer and what the impact if lost trust, punishment for employee, system needs to be secure periodically, data of guests input in the system immediately
7	Accidental breakage	accept the risk and spare some of the revenue for the loss and breakage account
8	Food poisoning	record guest's allergic or etc. upon acknowledgement, provide doctor in house service, trace the reason of food poison
9	Guests' misbehave	professionalism training conducted, set the limit of misbehaving
10	Safety and security	Security forces, alarm systems, CCTV installed, control of entrances, safes or safe deposit boxes, voice annunciation,

		fire extinguisher, smoke and heat detector, sprinklers, back-up power, emergency exits, and signages
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APPENDIX 6



ACKNOWLEDGEMENTS

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