

*W*

THE WHYTE SERIES

# MANAGING YOUR BED & BREAKFAST

A companion booklet to:  
**"STARTING AND RUNNING A B&B  
IN AUSTRALIA AND NEW ZEALAND"**



**BB**  
&

Stewart Whyte with Dr Rita Helling

**First Published 2003 by  
Market Probe Australia  
13 Hannan St  
Maitland NSW 2320**

**Copyright 2003 Market Probe Australia**

**This book is copyright. Apart from any fair dealing for the purposes of private study, research, criticism or review, as permitted by the Copyright Act, no part may be reproduced by any process without written permission. Inquiries should be directed to the publishers.**

**Edited by Suellen Harwood**

**Cover design by Suellen Harwood**

**While we have put in as much effort as possible in ensuring accuracy, and believe this publication will be of assistance to those in Bed & Breakfast, it should not be relied upon as a substitute for obtaining professional advice on particular matters. The accuracy of each statement is not guaranteed, nor are any of the contacts mentioned endorsed, and accordingly, Market Probe Australia and the authors disclaim any liability for errors or for any loss or other consequences which may arise from any person relying on any information in this publication.**

**Printed in Australia by  
Software Publications Pty Ltd.  
17th Reprint 2012**

**ISBN: 0 9579563 2 0**

# Foreword

**This companion book describes in detail, the importance of managing your business with appropriate people skills.**

The first and most important thing you need in order to succeed in running your bed & breakfast or guesthouse, is knowledge.

Recent research conducted by Dun & Bradstreet; show that 90% of all small business failures can be traced to poor management resulting from lack of knowledge.

Many bed & breakfast hosts struggle to succeed, not because they weren't talented or smart enough, but because they were trying to re-invent the wheel rather than rely on proven, tested methods that work.

If you are really serious about succeeding in bed & breakfast and want to avoid the common mistakes, then the contents of this book will assist you in acquiring the right knowledge so that success is assured.

Consider that word *blame*. As someone once said, "It's just a coincidence that the last two letters spell the word *me*". But that coincidence is worth thinking about.

**It is important to remember, however, that knowledge is not an end in itself. You must use the knowledge gained from reading the roadmaps that appear throughout this book.**

**This book will help you to:**

- **Better manage your contact with guests**
- **Manage process development**
- **Manage staff and recruitment**
- **Manage time**
- **Manage money**
- **Maintain support structures**
- **Manage yourself**

**All of these issues are significant, but professionalism over all, is the most important.**

**This publication is the third of a series of companion booklets to the title: 'Starting and Running a B&B in Australia and New Zealand – A practical guide to setting up and managing a Bed & Breakfast business, by Stewart Whyte.**

**As with other companion booklets, I carefully select people who have particular knowledge on the subject matter to contribute their expertise. To that end I asked Dr Rita Helling to contribute her expertise to this publication.**

**For ongoing information on Bed & Breakfast, see our site at: [www.bnb-central.com](http://www.bnb-central.com)**

**Until next time**

**Stewart**

# Acknowledgements

This book would not be as comprehensive without the wonderful contribution of the following people:

This book is easy to read due to the editing expertise of Suellen Harwood. For this I thank her.

I would like to acknowledge that many of the principles included in this publication have been developed from the management models contained in the title 'Roadmap for Effective Management' by Dr Rita Helling.

I would like to dedicate this booklet to all the Bed & Breakfast and Tourism Associations worldwide, whose commitment to excellence in hospitality is ongoing and professional.

To Leisa & Steven for the cover photograph

Stewart

# CONTENTS

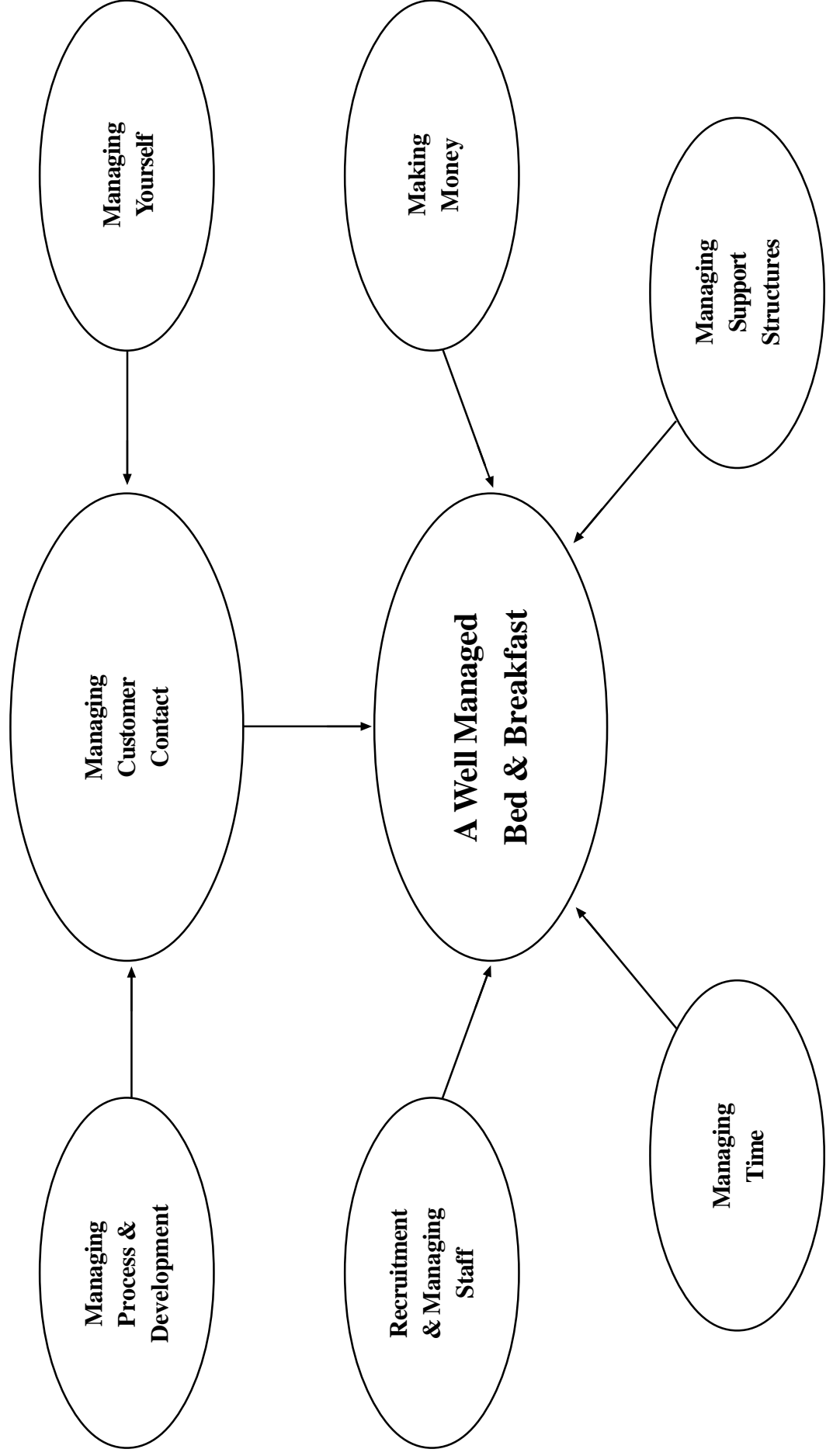
<b>Foreword</b>	<b>3-4</b>
<b>Acknowledgements</b>	<b>5</b>
<b>Contents</b>	<b>6-7</b>
<b>Components of Roadmap</b>	<b>9</b>
<b>1 Managing customer contact</b>	<b>10-18</b>
- Road Map	10
- Dealing with Problems	11
- People Skills	15
- Children who Misbehave	16
<b>2 Managing Process Development</b>	<b>19-27</b>
- Road Map	19
- Stress Symptoms	21
- Identifying Needs	22
- Doing things Differently	23
<b>3 Recruiting, Skilling &amp; Managing Staff</b>	<b>28-36</b>
- Road Map	28
- Recruiting	29
- Developing Skills	30
- Managing Staff	32

# CONTENTS

<b>4</b>	<b>Managing Time</b>	<b>37-41</b>
	- Road Map	37
	- Understanding Time	38
	- Planning & Prioritising	40
<b>5</b>	<b>Managing Money</b>	<b>42-50</b>
	- Road Map	42
	- Why are our Finances in a Mess?	43
	- Are you Managing your Profit & Loss	46
	- Do you have a Business Plan	47
<b>6</b>	<b>Maintaining Support Structures</b>	<b>51-55</b>
	- Road Map	51
	- Different types of Support Structures	53
	- Sharing Information	54
<b>7</b>	<b>Managing Yourself</b>	<b>56-64</b>
	- Road Map	56
	- Personality Analysis	57
	- Introversion & Extraversion	58
	- Sensory Based & Intuitive	59
	- Thinking & Feeling	60
	- Judgemental & Perceptual	61
	<b>Checklist for Employing Staff</b>	<b>65</b>
	<b>Checklist for Supervision &amp; Development</b>	<b>67</b>

# Management of Bed & Breakfast

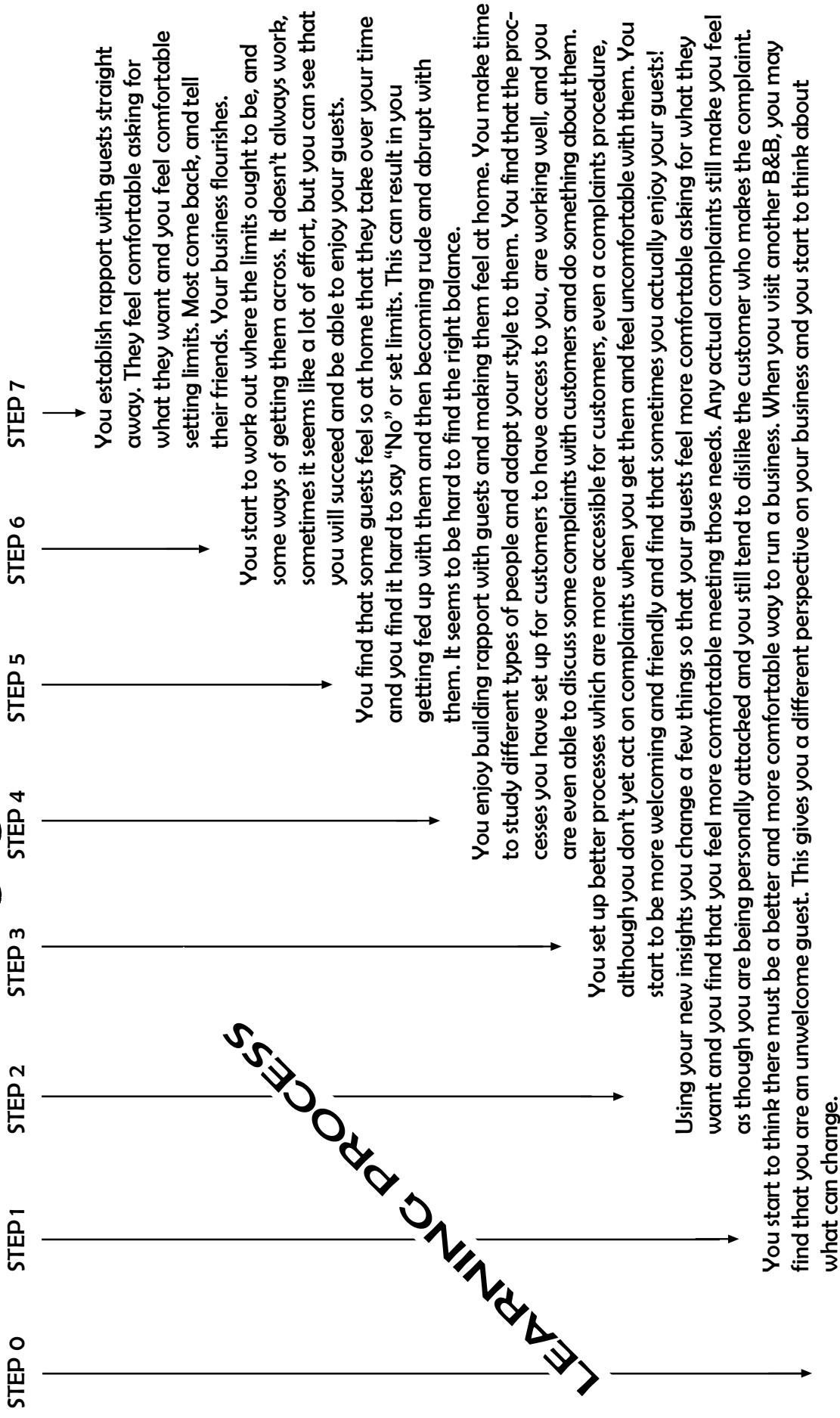
Roadmap for a Well-Managed Bed & Breakfast Business





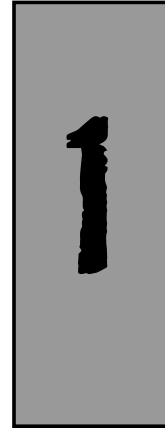


# Managing Customer Contact



You really don't like your customers, and regard their requests/needs as an intrusion on your time. If you bother to have a complaints system you find you get a lot of complaints. Most people stay only once, and you don't care as long as you get the money. You don't like to think about the future and you wonder why you ever got into the B&B business.





# Managing Customer Contact

The main ingredient for successfully managing a B&B is to manage people. This is the emphasis of this book.

If you manage contact with your customers really well, you need never have difficult guests. As we know, there are many styles of people management and many situations to be aware of.

Some people may have problems that they have brought with them and this may affect their behaviour. Others will perceive problems when they are in a given situation that you may not have been aware of. However well you manage your business, you will find yourself dealing with the occasional person with problems.

## **Building Rapport**

One method that has proved to be highly effective in managing people and situations is that of building rapport.

Build rapport with each guest, taking the time to find out how each one needs to be treated, how much conversation they prefer to have with you, how much attention they would like.

**It isn't about how you like to relate, it's about how your guest needs to relate. You have to put yourself in their shoes.**

If you are naturally an extravert, friendly and outgoing, and enjoy most of your contacts with people, you have to assess whether your guest is also as outgoing.

An introverted guest will not wish to share a great deal of information, or even spend much time with you. When an extravert shares too much information and energy with an introvert, the introvert becomes nervous about how much they are expected to share in return. It's not comfortable for them and you need to be sensitive to their needs. It's best to start being friendly, but not effusive, and allow your guest to set the level of interaction.

On the other hand, if you are an introvert, you will be comfortable giving other introverts the space they need. You may find extravert guests a bit of a trial and may need to set personal limits, for example, time constraints in order to handle them in a friendly and professional manner. If your partner is your opposite in personality type, you may be able to share the guests accordingly, and thus avoid the stresses that can occur.

B&B is not just about enjoying social contact with your guests, but about taking care of their needs in an unobtrusive way.

You can ask the usual questions about their needs, how do they feel, do they need information, is their room to their liking, etc.. If you have set a high and professional standard most people will be quite happy at this stage and extroverts will have no hesitation in making any suggestion that they feel is relevant.

Keep in mind that the less extroverted will feel uncomfortable letting you know if anything is wrong and will need a truly accessible way to approach you about any concerns they have. You can provide a written feedback form – with a very simple layout and only a few questions.

Or a whiteboard can be provided in the hallway, with a pen of course! And the heading: “Any Suggestions?”

You can bypass potential trouble spots initially, by asking guests to let you know if there is anything else you can help them with.

**The complaints procedure has to be easy to use. Remember, you do want to know if there are any problems.**

Problems will occur when your guests behave in a way you didn't expect, or don't welcome, or when what is said is misinterpreted or misunderstood.

You will have an uncomfortable time running your bed & breakfast or guesthouse if you find it hard to set limits and let your guests know in a clear way what behaviour is acceptable and what is not.

There have to be limits, and they will vary from place to place. One thing you can't assume is that people will know the rules.

You can have a list of do's and don'ts placed in the rooms, or in a prominent place in the entry area. In the room is often more effective because guests can take their time to absorb the information, rather than trying to take it in when you are greeting them.

This method is especially good for regular behaviours, which might be expected, such as where one can and cannot smoke, or what to do with the rubbish. Areas of difficulty will arise, such as how much noise is it reasonable, especially where children are involved.

You will still need to be assertive at times, and set limits in a way, which feels comfortable for you and your guests.

You may find it difficult to believe, but if you establish rapport well enough, you can say anything you need and have your guest feel comfortable with it.

You can establish rapport in a number of ways:

- Match body language (not imitate, but match). Do not try and mimic body language, especially the position of arms and legs, but simply use a similar pattern or position.
- Use similar language, even sometimes repeating words that the other uses. Try and match the voice tone and the speed of speech.
- One of the simplest ways to relate on the same level as the other person is matching their position. If they are standing, stand up, if they are sitting, you should sit also.
- For most people in our society, having lots of eye contact shows that you like someone. Naturally this doesn't mean staring fixedly, as this is aggressive!

If you have taken the trouble to establish eye contact and then have to ask someone not to smoke in the lounge, or keep their children under better control, it will be much more readily accepted because the person will already believe that you like them and are trustworthy. It also helps for you to take some ownership of the problem, e.g. "I'm sorry, I obviously wasn't clear enough about this before, but we need to work out how we can....."

# Other Skills

Other people skills, which are an important part of establishing and maintaining good customer relations, include:

reading people: so you know what they need from you,

noticing reactions: so you can tell if you've got it right,

and communicating clearly and assertively, that is, standing up for your own needs as well as respecting theirs.

There are a number of ways you can learn these skills. You can go and do a course, you can observe someone who does these things well, you can read a book on the subject and try and apply the skills, or just try a few things out as you think of them.

However you decide to improve your skills, the important thing is to give yourself time to assimilate them into your ordinary behaviour. We all have skills to relate to others, because we are a social species. We all build rapport with people that we know and like without even thinking about it, but we need these as conscious skills to use with people that we don't know and/or don't like, as may be the case with a number of guests!

When we first try out something a bit different it can feel strange at first (like a pair of new shoes). Familiarity makes new things comfortable. This takes some time and concentration, so it's useful to practice with people who are less directly involved in what you are doing professionally.

Practice one new element at a time. You may find that you miss half of what people are saying when you are focussing on the process of communication rather than the content, but this passes as your skills improve and increase.



Sometimes you can be so successful at building rapport with people that they want to spend lots of time with you and you can't get rid of them! In a way this is a good sign, but you also need to be able to regulate the contact with your guests, so that you can get your own work done, and feel comfortable at the same time. Once you've developed your skills at building rapport, you then need to know how to break rapport.

Breaking rapport can be accomplished in a number of ways:

- Break eye contact
- Turn away, and make sure your body language does not match that of the other person.
- Say "I'm sorry, but I must go and ....." in a slightly louder voice than you have been using.
- Look at your watch. As we all know, this is a very common strategy, and very effective.

Even the highest level of skill may not equip us to deal with the rare event of a guest being totally out of order. Prevention of problems is obviously best, followed by the ability to be able to reason with a person while they still have some use of reason. You can't always see a problem coming, and having a contingency plan in the event of an emergency, such as calling on a neighbour for help, is a good idea. The local police station and hospital numbers should always be readily accessible.

Children who misbehave in a B&B can be a problem. Their parents may have different standards from you, or interpret your guidelines more generously. One effective strategy for this is to use bribery! While this is probably not a good long-term strategy for raising children, it may be very useful for keeping some control in the short term.

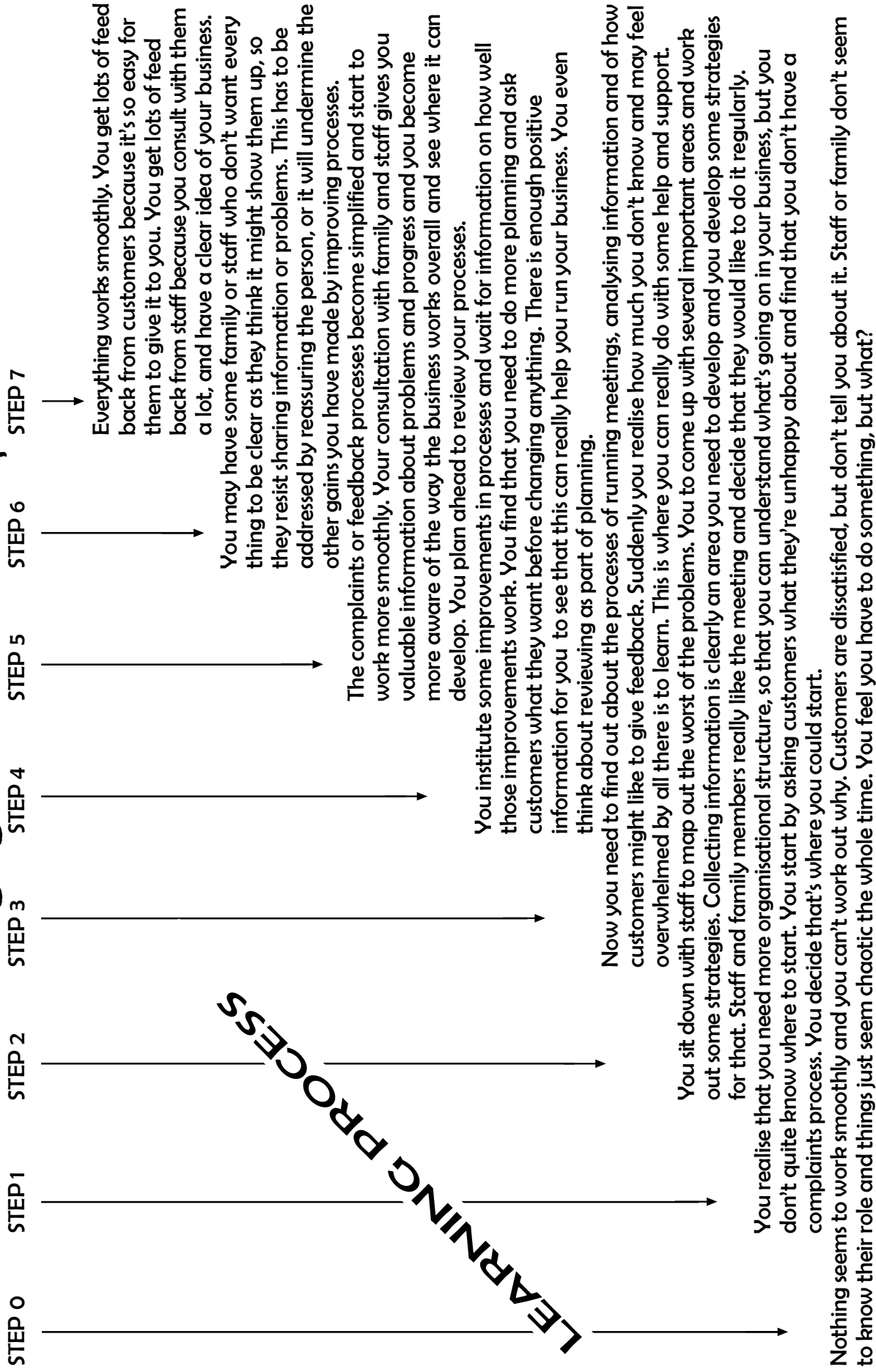
With good management, and skill in reading people and assessing their needs, awkward situations will be very rare - hopefully you will never encounter one that you do not have the skills to manage.

With good people skills and good support you will be able to enjoy the social aspects of your bed & breakfast and come to like and respect your guests and enjoy the way you are able to relate to them.

**People come to a B&B for their own reasons, but the comfort they feel in relating to you makes an enormous difference to the enjoyment of their stay and to the chances of them coming back.**



# Managing Process Development





# 2

## Managing Process Development

Most process improvement is simple, straightforward common sense, so why doesn't everyone do it every day?

The answer is that we get stuck in a pattern of thinking and that pattern is reinforced by most of what goes on around us.

For example; how events are portrayed in the media, the thinking patterns of others, and the way we reinforce ourselves by automatically doing the same things over and over.

We assume that we know what's going on, so we tend not to question anything. We don't even think about things until something is going wrong. You don't know what it is that you don't know until you ask some different questions.

**Don't assume you know what the problem is – collect the data and analyse it.**

There are two types of processes – capable and incapable. A capable process is one that fulfils the objectives set out for it. So you might set as your objective for your business to make \$30,000 for the year. As that's a modest objective, you are likely to achieve it, so you can say that your business is a capable process. Or on a smaller scale, if you have three guestrooms, you might make your objective to clean those

three rooms in two hours. This also is a modest objective, and you would find quickly that your cleaning process is capable in that respect.

However, people often have wildly inflated ideas of what can be achieved. So if you say that those three bedrooms can be cleaned in 20 minutes (assuming they have been used the night before) then you are likely to find that is not a capable process. Or if you think that you can earn \$100,000 a year from your small B&B, then that also is not likely to be a capable process.

When processes are incapable, we tend to blame someone individually, e.g. the cleaner wasn't working hard enough.

People often overestimate their own personal processes in terms of how many hours they can work, or how much stress they can take, or how much responsibility they can take on.

Stress symptoms (headaches, lots of colds and flu, irritability, indigestion, fatigue, loss of sex drive, inability to concentrate or remember, etc.) are a clear sign that you have an incapable personal process. You need to review how much you are trying to achieve and work out some more reasonable expectations of yourself. The most effective way to achieve this is to have a break and then reassess your position.

When thinking about improving processes you do need to deal with the details, so if you're not a details person, you might need someone to help you. It's really not a difficult task once you are motivated and realise that you will be dealing with *ways of doing things* rather than being overwhelmed by *how much* you have to do.

If you are motivated to work towards solutions and concentrate on the **process** rather than the **content**, it's much more interesting for you and you will realise it's an achievable way to obtain positive results.

The basic questions are:

- What information do you need?
- Where will you find this information?
- Where is it recorded, if it is recorded?
- Who needs to collect the information?
- Who needs to know the information that is collected?
- What do you need to do with the information once it's collected?

Once you have all the information, the analysis is mainly about looking for the patterns in what you have. Do the problems happen on a particular day? Or with a particular room? Or with a particular worker? Can you narrow it down to the procedure for guests checking in? Or checking out?

Before you start collecting this information, there are some general guidelines on where to look for improvement opportunities.

**To identify improvement needs, you need to:**

- \* **Identify customer needs**
- \* **Study the use of time**
- \* **Localise recurring problems**

Once you've done that, there are some standard steps for improving a process.

1. Describe the problem, e.g. customers complain about the family dog.



2. Develop a standard process, e.g. dog stays inside whenever guests arrive.
3. Error-proof your process – eliminate the most common mistakes, e.g. do not leave it up to the children to keep the dog in.
4. Streamline – speed-up, cut out unnecessary steps, e.g. make sure the dog has always been for his walk before the guests arrive.
5. Reduce sources of variation, e.g. now the dog has his dinner in the laundry, instead of outside on the porch.
6. Bring the process under control – collect the data, e.g. are there still any complaints about the dog?
7. Improve the design, e.g. maybe the dog would be happier with his own small yard, which has access to the house, but not the guest area.

There are two roles for people in any organisation, large or small, in relation to process improvement.

Firstly, as part of the system – this is why it's so vital to try and step outside your usual assumptions about the way the work happens. If problems are occurring, **you** are part of them.

Secondly, that of someone working **on** the system, rather than **in** it. In this role you are looking for ways to improve your processes; by standing back and looking at the processes objectively, separating yourself from emotional involvement in the work and from any feelings about whether you are doing your work well enough. You may be very attached to the way you do your work, as other people will also be attached to the way they do **their** work.

You need to achieve some distance if you are to do your work more effectively.

If you have employees or colleagues, they may feel nervous about taking part in any continuous improvement exercise if they feel that they are being criticised or that there is some threat to their job. This can make them reluctant to reveal areas of their work that are not effective.

Most people do seem to have some reluctance to do things differently, and I suspect most of the reluctance comes from the fear that they will be revealed as inadequate.

As long as no one has actually expressed a problem, people can continue denying one exists. A good employer or supervisor will know the ways in which their staff are inadequate and will find a way to address the difficulties.

For most of our lives, and certainly in our school years, we are rewarded only for getting things right and not for learning from mistakes. This makes it very difficult for us to have the attitude that it's OK to make mistakes as long as we learn from them.

Most workplaces also encourage covering up mistakes and never openly talk about anything that doesn't work well. We have to reassure people that they will only get support by revealing mistakes. We have to lead by example.

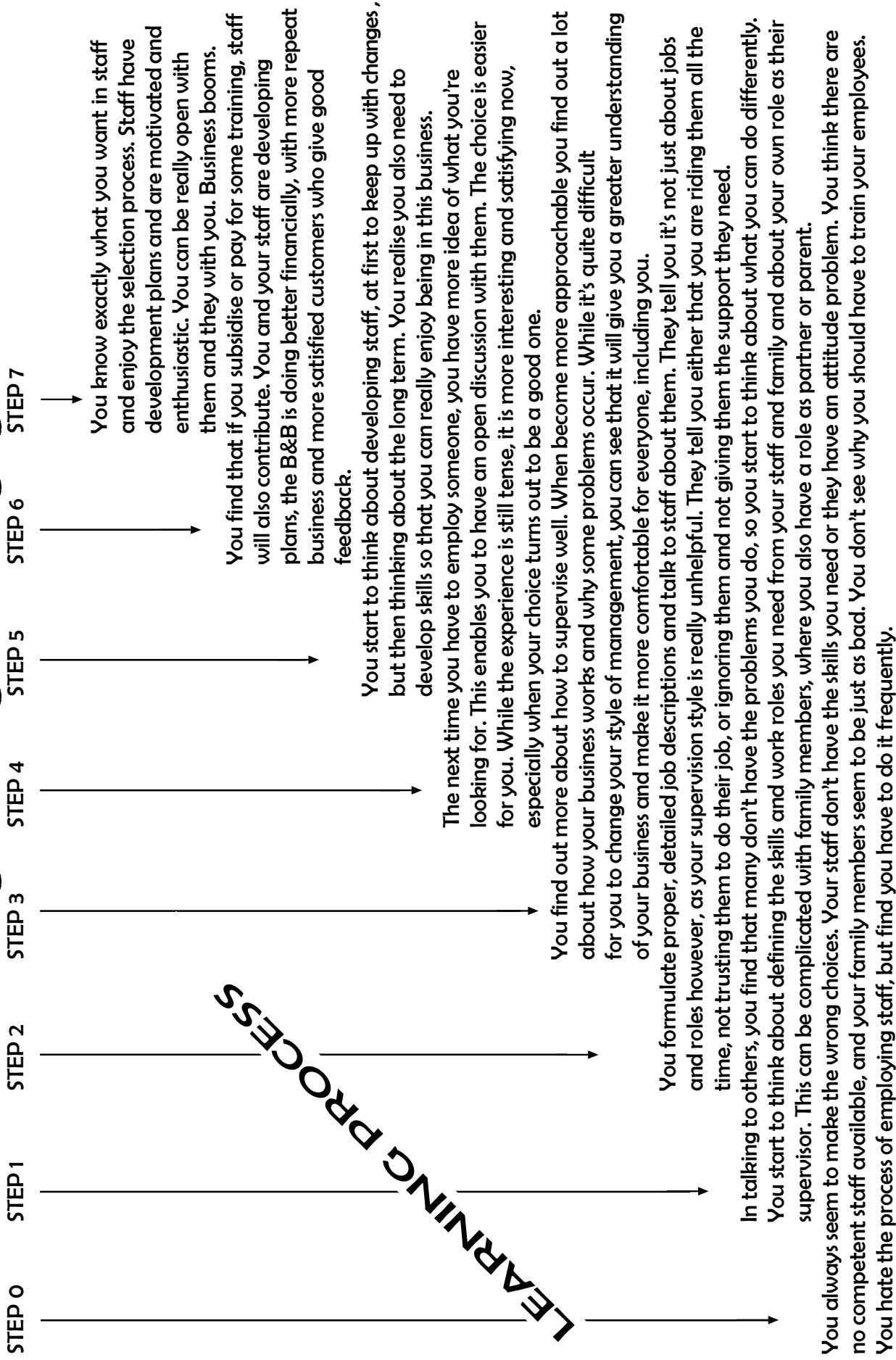
**We learn far more from doing something badly, then improving, than we do by getting it right first time.**

It is quite a long process for people to become committed to change and to trying out new ways of doing things. You can work out the best process in the world, which may save you hours every time you use it, but if you then have to spend hours policing the process, you haven't saved any time at all.

**In a small business, such as a bed & breakfast, you have the chance to be very close to your family or staff, to talk things over thoroughly with them, and have them see that you are prepared to lead by example.**

**Start the improvement of processes in your own work, especially in the communication processes with your staff and family. You will have more chance of building a really efficient workplace that feels supported, energetic and clear, for you, your staff and family, and your guests.**

# Recruiting, Skilling & Managing Staff







# Recruiting, Skilling & Managing Staff

## Recruiting

Recruiting staff is not only about getting it clear in terms of what you want in an employee, but also about being able to confront applicants with searching questions.

These processes will determine whether or not they have the skills they claim, what they have learned from their prior experience, and what attitudes they are likely to have towards your business.

**A simple interview is not the only way you can assess an applicant's skills.**

You can expand the opportunity for learning about their overall knowledge and, particularly, the attitudes of applicants from different situations:

- Case studies – you set out, on paper, a situation which might arise and discuss how a person might handle it
- Role-play – you or someone else can pretend to be a guest with a problem, difficulty or complaint, and see how the applicant handles the situation.

- Actual situation – you observe a person actually cleaning a room, or preparing a meal, or carrying out some other task

These more extensive situations can give you a much better idea of what you're looking for than relying on an interview alone.

Once you have recruited someone, they are on probation for the first 3 or 6 months. This should not be considered a formality. This probation period is an opportunity for both sides to find out if this is the right place for them.

When a person is a troublesome employee, indications of that have usually been in evidence during the probationary period. Employers are often not brave enough to use the opportunity to resolve the situation by rectifying the problem or by ending the probationary employment of that person.

There is much talk about unfair dismissal laws and how difficult these are for small business. Especially when there are instances of employees taking advantage of them. There would be little danger of misuse of these laws if employers used that probationary period to assess a person's capabilities thoroughly and acted upon that assessment.

## Developing Skills

While you may be very satisfied with your choice, that isn't the end of the matter. You still need to take some responsibility for that person's development.

Some of this can be expressed as opportunities for expanding their skills in your business, such as assisting with and observing other roles, swapping roles with someone else in another bed & breakfast, distance learning courses, or going to personal and skill development sessions.

Given the economic level of most B&Bs, you could hardly be expected to fund expensive training courses, but there is still a role for you to discuss development and to become a source of information about learning opportunities. You can also be flexible about time off for work enrichment.

Not all training courses are expensive. Some learning faculties provide courses that are within reach financially and regional economic development organisations might also be a source of affordable courses. Job swapping is a valuable source of learning. This may be arranged through your Bed & Breakfast Association.

You can also help to write development plans, which can take all of these opportunities into account, as well as defining a learning pathway for the employee.

**You may think it takes time, and thus profit, from your business, to spend this time on developing staff. You will gain much more in commitment and enthusiasm, and thus more productive work, than if you neglected to spend the time.**

Personal and knowledge development is important precisely because there is not much of a career development path in a B&B. Apart from providing high levels of motivation (and thus customer service), it can provide more flexibility in terms of work roles and work opportunities for staff. It may even be the basis for someone deciding to set up his or her own B&B.

We have been talking about staff, but the same points apply to the development of skills for family members – even more so, because you may hope that your bed & breakfast might stay in the family when you decide you want to change direction.



Because many people have had unhappy experiences during their school years, they are sometimes reluctant to take part in formal learning. This is unfortunate because the concept of lifelong learning is one which can enormously enrich the lives of those committed to it, as well as providing more varied work opportunities. In fact people do keep learning all their lives without realising it, but they need support to take the step towards seeking the enrichment that learning brings.

## Managing Staff

Many people have had bad experiences of being managed in workplaces. The standard of management skills in general is very low, perhaps because people who might be described as “control freaks” gravitate towards employment as managers. They are probably the least suited in terms of attitudes to do a good job of managing people in a way that benefits both them and the organisation.

Indeed, those bad experiences may be one of the main motivations for becoming your own boss, and setting up a business such as a B&B. Those bad experiences may provide you with a model of how you will manage staff at your bed & breakfast in a positive way. You will need to rethink your ideas about what management consists of in order to make it a positive experience for your own staff, and for yourself.

**Contrary to what many people think, management is not about telling people what to do. It is about using the resources of staff for the benefit of themselves and the business.**

People are usually only too happy to contribute to the workplace, but they need to feel that they have been trusted to do a good job, are treated with respect and consideration, and are consulted about everything that concerns them or affects their work.

The primary skill you need for managing staff is the same as that for good customer relationships, and that is rapport.

Spending time to build rapport with your staff can be the basis for an excellent managerial relationship with them. It is the way to build trust and mutual respect, so that when you ask someone to do something a particular way, they will. When the time comes to give them responsibility to carry out a task in their own way, they will be conscientious, creative and take pride in their work.

If you have had bad experiences of being managed, and are not naturally good with people, you may need to learn something about managing people. Apart from practising the rapport skills described in the first chapter, you may want to read some of the modern management books, go to a course, and observe and talk to someone that you know is a good manager. You will know that someone is a good manager if their staff say they are.

One of the best ways to learn about your own management style is to ask your own staff. It's not an easy thing to say to someone that you supervise, "What could I improve about my management style?" It's also quite difficult to get them to believe that you really want to know the worst.

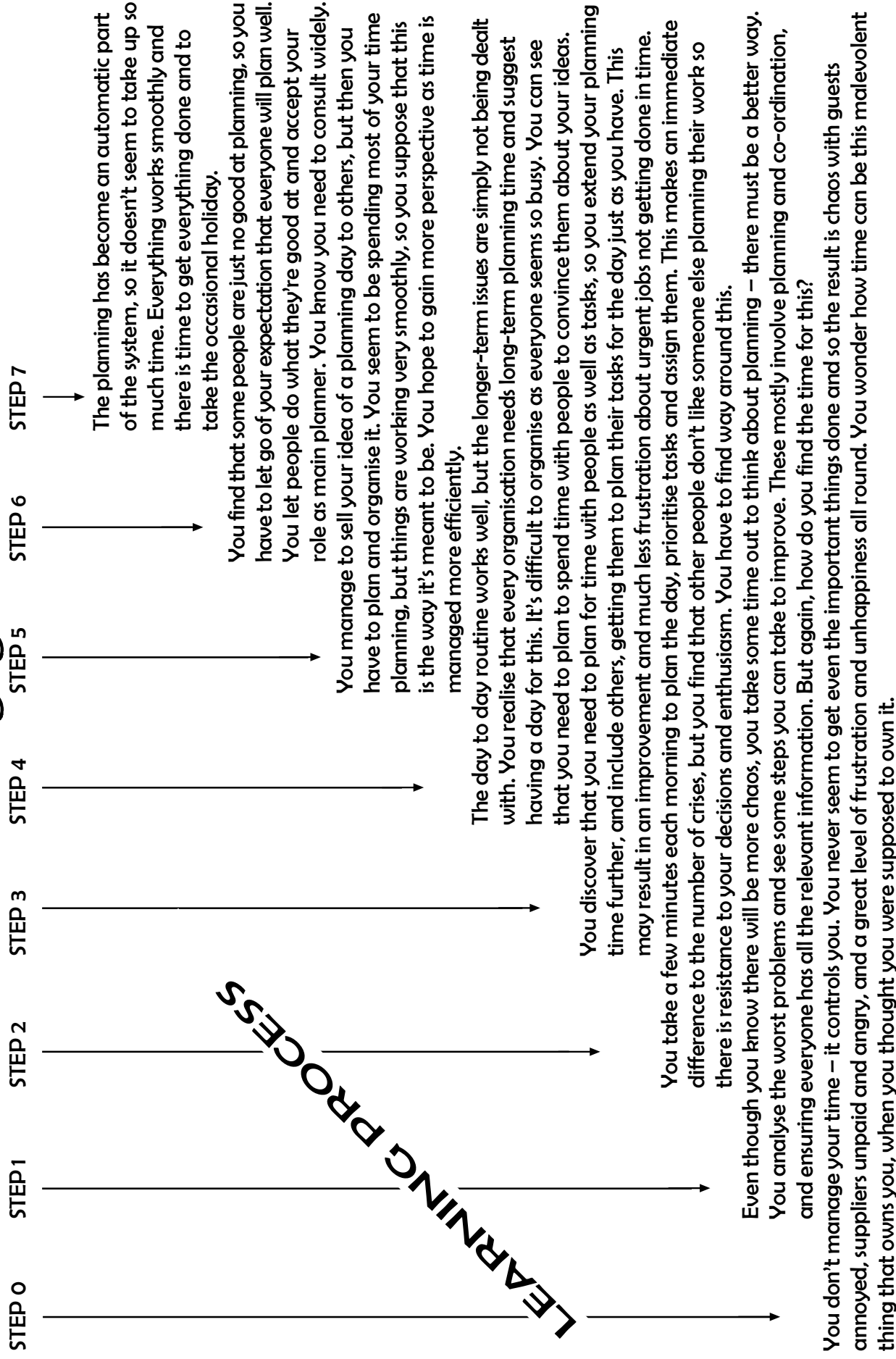
It takes time and patience and a great deal of rapport to achieve this type of working relationship. You need to have some emotional distance at this point and listen to the feedback as valuable information about yourself. It is easy to become defensive when you are given negative feedback, even when you have solicited the information in the first place.

If staff members say something negative, instead of saying “No, I don’t do that”, or “I’m sure I’m not that bad” you can ask them to expand on what they’ve said. “Exactly how do I do that?” or “How could I do that differently?” or “What would be a better way for you?”.

This is not an easy thing to do, but it really is the best opportunity for learning about yourself. If you’ve established good rapport, the conversation will be comfortable for you, as well as for your staff.

**Far from being a burden, developing good management skill; can bring benefit; to other area of your life and make you a more flexible and resourceful person.**

# Managing Time







## Managing Time

Because it has a name, we think time is a thing in itself.

We talk about spending it and saving it as if it's money. Because of this we tend to develop strange attitudes about it, and get anxious about what we do with our time.

There is a notion that time is a scarce resource. Many situations in the world, and the culture by which we live foster this notion:

The pace of life in general,

The increasing pace of change,

Advertising "Hurry, offer ends soon!" "Asset rich, time poor", "Time waits for no man", "Time flies",

And the emphasis on youth in our media, which points out to us that, we who are not young, don't have much time left to do what we want.

The idea that time is money is a very pervasive one. We talk of saving, spending and investing in time. We think that if we are doing nothing in particular, we are wasting time. We think we have to be productive, that we must account for every minute of our day, and that we have to use all of that time to achieve results in some way.

All of this takes no notice of our personal processes:

the need to relax,

to reflect, without reflection we cannot learn well,

to do nothing in particular,

to be with other people,

to be alone.

In short, to be human beings rather than “productive units”.

The mechanistic view of time and human beings can be very destructive. It works on our fears about our self-worth. If we are not worthwhile perhaps we can feel better if we achieve a lot in a short time. This urge to prove ourselves can produce enormous anxiety.

Like money and love, time is not really a scarce resource – it’s hardly even finite. Each of us has about eighty years or so. Even if you count from now, we still have time. So we don’t really have to rush, we can take our time to do things well and savour them. What a loss it is to rush through life without having time to enjoy any of it! We’ve all heard about stopping to smell the roses, but the pressure to rush through life without indulging in small pleasures grows constantly.

So we need to take back our lives, take some time out for sanity, for relaxing enough to enjoy our lives.

**Planning is the key to being comfortable with time, and getting our expectations to fit our personal processes.**

It may seem odd that we are suggesting a time-oriented strategy as a way of taking back control of our lives, but it's about making rational choices and getting a bit of emotional distance for a short while, before we become involved again.

Some years ago Rita worked in a large communications company that ran a three-stage course in process improvement. The first day the participants would be given a practical exercise. They would spend about 10 minutes planning and about 5-6 hours (sometimes as much as 7 hours) completing the task. They would then do some sessions on the value of planning and analyse how the day could have worked better for them. By the third stage of the exercise they were spending about 2 hours on planning and 1.5 – 2 hours on completing the task, and achieving a much higher task level (fewer faults, etc). This is a time saving of about 30% for an increase of 1,200% in planning time. As a benefit, there was also an improvement in quality.

Time is more like a river than like money. It flows along in one direction and you can end up in a slow-moving backwater, or seem to be swept along by a turbulent flood. Planning is the raft, which keeps you afloat and gives you some control over where you're going.

The speed at which we move through time is a very subjective thing. We can change our experience of time by changing our attitude to it, but planning and prioritising can help us feel that we know our direction and where our efforts fit. This gives a feeling that we have some control. What we really have control over now, is the way we are thinking about the amount of time relative to the amount of activity we have to fit into it.



It's not just planning that's important, but the length of time we have in mind when we plan. Many of our problems in society and in business, are due to taking a short-term view. Environmental problems would be far less significant if we thought about the long-term consequences. There are countless examples of landslides, flooding, soil impoverishment and salinity after massive tree clearing. This could easily have been foreseen, but the short-term profit resulting from tree clearing is all that could be seen.

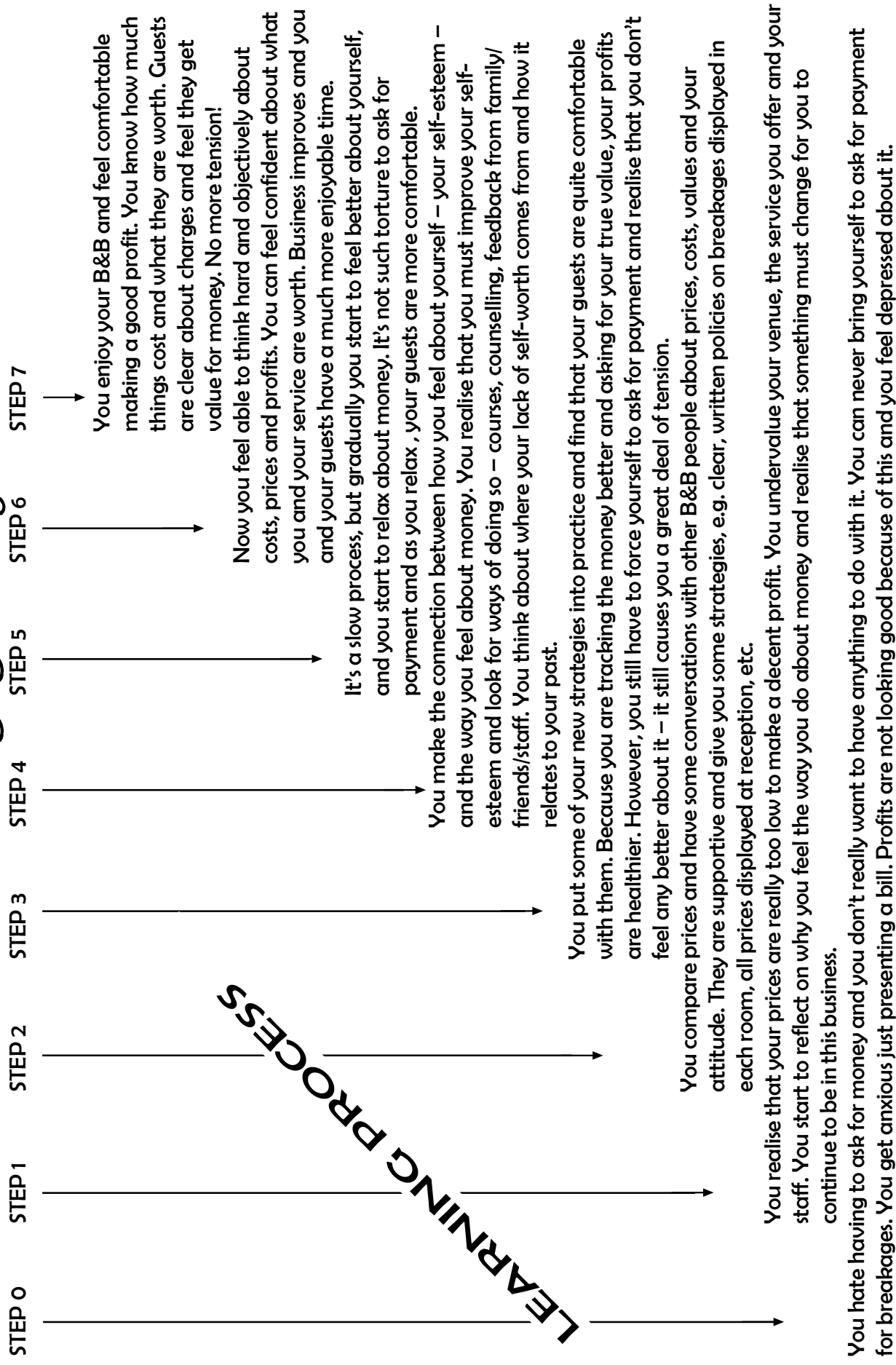
The present crisis in corporate credibility is a result of the short-term profits that could be made from deceptive accounting practices, rather than building a sustainable business on more modest profit.

The same applies to planning for a bed & breakfast. If you look only at the short term by attracting lots of guests, but don't plan for the long term by making sure that they have such a good time they want to come back, then you will always have to spend a disproportionate amount of time attracting new guests.

This is an unsustainable strategy. If you think about the long-term use of your time you will make sure that your guests return as often as they can.

**If you don't plan for the long term, you may not have one in your business.**

# Managing Money







## Managing Money

The symbolism of money is overwhelming in our society. It represents success, respectability, achievement, security, and virility. It's hardly surprising that our sense of self-worth becomes bound up with it. Our early experiences with money mark us for life. To have a sense of financial security and everything that money can buy as a child, can contribute greatly to a sense of unassailable self-worth and confidence, even sometimes amounting to arrogance.

Conversely the experience of poverty and endless hostility based on that lack of money could scar us for life with a lack of self-worth, expressed in hostility, envy and a "blame" mentality. Whatever happens is someone else's fault – you are always a victim because you didn't have what you needed in resources.

Many people don't ever reach the stage of being able to see that they have developed many more resources than they had as children.

We don't have to be affluent as children to have high self-worth, but because money is such a measure of worth in our society this often happens.

**We do have all the resources we need for most circumstances in our affluent Western society**

As adults this can have a number of effects on our behaviour with money. It can make us mean and/or greedy, it can make us self-destructively generous, and it can simply keep us poor by making us reluctant to ask for what we are entitled to.

In a B&B this can make us anxious and reluctant about the whole financial side of the business and lead to irrational behaviour. This is not surprising because the basis of our reluctance is irrational – a psychological mechanism laid down in childhood before we were capable of rationality.

We may know our finances are in a mess, but will be reluctant to get an accountant to help because they will reveal our inadequacies. We may know that failure to ask for payment for breakages or extras means that we don't make a profit at all, but we are so frightened of a negative reaction (which we will experience as rejection) that we just can't do it.

We may argue with our partner about spending money on really good tea and coffee for guests and then go and lose money on gambling. We may spend hundreds of dollars on brand-name sports shoes for a child who barely gets up off the couch and then decide that we can look scruffy for guests because we can't afford a needed haircut. All of these are examples of irrational behaviour with money.

**When we have irrational attitudes about money and can't decide to act differently, we have to get to the real reason and act on it.**

We can explore these attitudes in a number of ways. Talking to partners, friends or colleagues can help us to realise that we do have a problem. Learning more about our own psychology, via books and analysing our own behaviour or that of others, can point us in the right direction.

Some sort of counselling or group work may be one of the ways to resolve serious emotional problems when they affect us financially. Some people think that they can manage everything themselves and feel very reluctant about letting anyone else know what's in their mind. To open up can be like revealing our secrets, but one of the secrets we don't always know ourselves, is how to use the resources we have. If we knew how to do this without outside intervention we would already have done so.

So we recognise we do need help. It is quite possible to resolve these feelings of lack of self-worth and as a result, to have a much more objective view of what our services are worth in monetary terms.

**As the emotional issues are resolved, we become relaxed about money and about asking for what we should be paid.**

We can do costings in a thorough and objective way when we are not reacting emotionally towards financial issues. Costing is always a problem when our emotional attitudes about money are skewed. We forget to include components, undervalue others, and make  $2 + 2$  come out as 3.

In spite of its power in our society, money isn't even real. It's only real to the extent that we agree to give it power. We can see this when stock markets crash – suddenly everyone loses faith and the value of the money or stocks simply disappears. If it was of real value it couldn't just disappear because we no longer believed in it.

It's useful to remember these things to help us keep our perspective and to enable us to view money as something that only exists because we create and use and manage it. If we remember this it can have no power to make us unhappy. Our self-worth can come from the way we relate to people and from our skills and talents, rather than from how much money we have.

Another aspect of managing money is the importance of having a business plan and keeping within the budgets set. Always remember the four base elements in business:

1. Income must exceed expenses
2. Always pay your bills on time
3. Look after your staff
4. Provide your guests with top service.

Your profit & loss statement that summarises your B&B's revenue and expenses must be kept up to date for a specific period of time, usually one quarter or an entire financial year. Successful people in business always know the financial position of their business. Here is a guide for you to consider:

**1. B&B Sales Income.** Often called the 'top Line', represents the amount your Bed & Breakfast has earned during the chosen period.

**2. Sales Costs.** This is what it cost you to generate the sales shown in Sales Income above. Compare the total costs to the total income, but also look at the cost of each line of product or service versus its revenue.

**3. Gross Profit or Loss.** This is the difference between Sales Income and Sales Costs.

**4. Administration costs** are those associated with running the business as opposed to the costs of providing the products or services. These costs should be monitored closely and kept as low as possible.

**5. Sales & Marketing** costs are expenses not directly related to producing the product or service. These costs should be monitored and compared to previous years.

**6. Market Research** costs is the part of your bed & breakfast income that you are re-investing in the business to find and develop new products.

**7. Operating Income.** This is what's left when you subtract all the operating expenses from Gross Profit.

**8. Income Before Taxes.** After subtracting any interest paid on outstanding debt from total Operating Income you are left with income before taxes. This is the amount on which the business expects to pay taxes on.

**9. Taxes.** This is the amount the business has paid or expects to pay in taxes for the period.

**10. Net Income.** This is what the business has left after subtracting all expenses from total income. If the difference is positive it is profit. A negative difference is a loss. For a bed & breakfast to remain viable this amount needs to be positive most of the time.

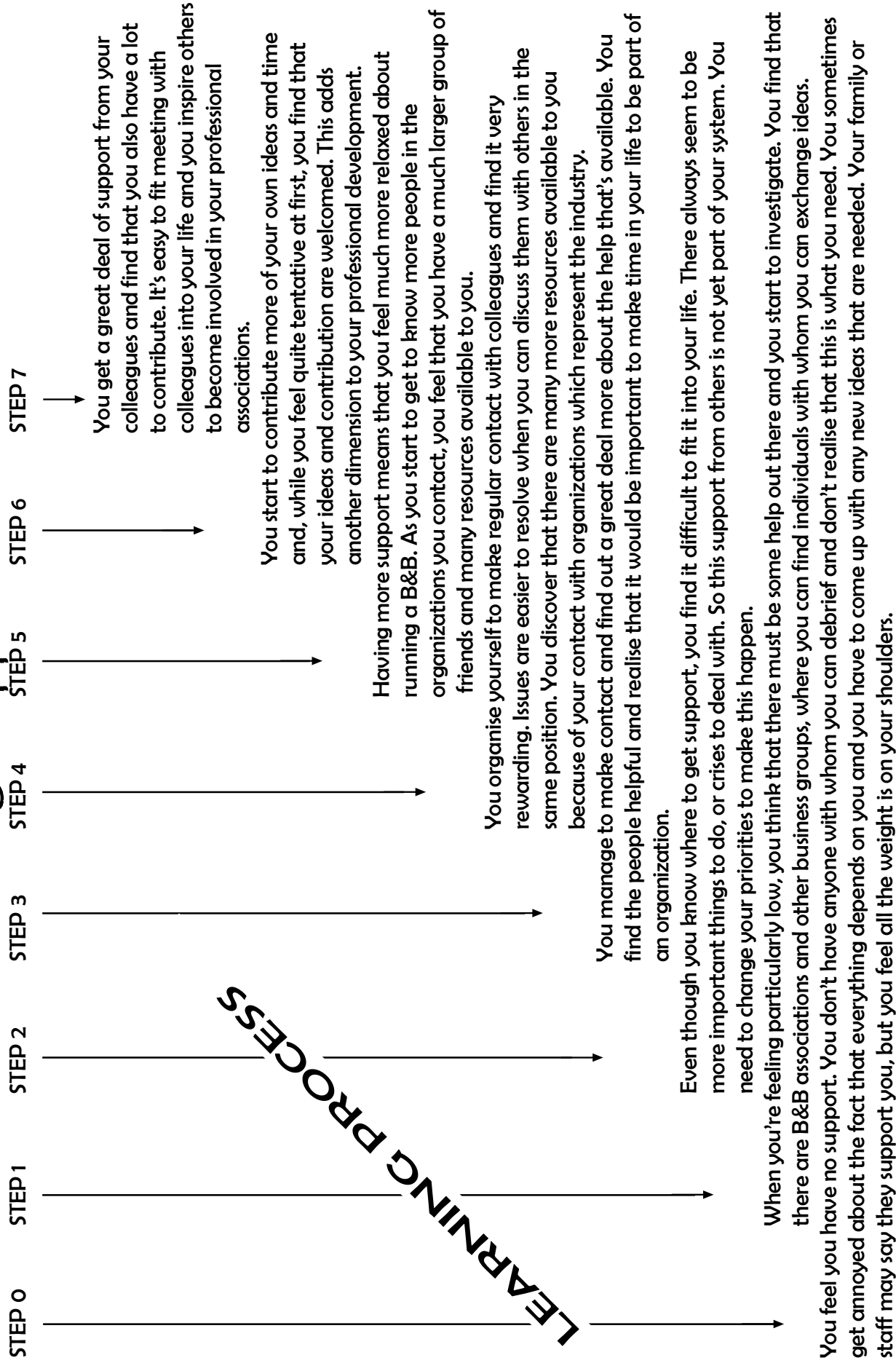
If you don't already have a business plan then we strongly advise you do something about it.

The companion book titled: *A Business Plan for Bed & Breakfast Owners* - by Stewart Whyte and Wal Reynolds will assist you.





# Maintaining Support Structures







## Maintaining Support Structures

No matter how much we like to be independent, we all need support. Human beings are a social species, so we can only be happy if we have contact with other people.

That's not the only reason for wanting to be part of a group though. Ideas are developed by the interaction between people and their response to each other. Individually there are few people who could develop an idea into a fully operational plan. In a group that has good rapport and a common goal, an idea that is suggested by one person will be improved, developed, built upon, expanded, extrapolated to other situations and all the ramifications explored.

In bed & breakfast you can get a picture of your industry; where it's going and where you fit into it, through your meetings with other people involved in B&B, which you could never do on your own. You get the opportunity to debrief, to unload your stresses and complaints with people who know exactly what you're going through. You find new strategies for dealing with problems, and you get new ideas for expanding or improving your business. You have access to resources, which you may never find out about on your own. And finally you get to contribute to the industry as a whole rather than just in your own B&B.

There are many different types of support structures.

Firstly, there is your family, which can supply you with unconditional love and acceptance and be on your side. This is really important to everyone, and pets are included in this – dogs are especially good at giving unconditional support.

Secondly, you have a group of close friends and possibly staff, who can share your interests, be used for debriefing, and offer you some feedback on where you're going. Family and partners might also do this. Hopefully these people have some idea of what running a B&B is all about and can give you feedback about business issues.

Thirdly there are the professional associations, which you can join. Bed and Breakfast Associations are a valuable source of support; feedback, ideas, resources and gives you the opportunity to put something back into the industry. Some people might think: "Oh, but we're competitors, if we're all running B&Bs". This is true, but to a minor extent. The main aspect is that you are all partners in the industry, not only of B&Bs, but also of the tourism industry generally.

Far more can be gained by sharing information and ideas, than by the mistaken idea that you might gain competitive advantage by withholding information and ideas.

**If you treat other B&B operators as competitors you will lose the support, friendship, feedback, ideas and resources, which are the business advantages of treating them as partners in the industry.**

The ways in which support structures need to be maintained will vary. Families need unconditional love and support as dogs need walks.

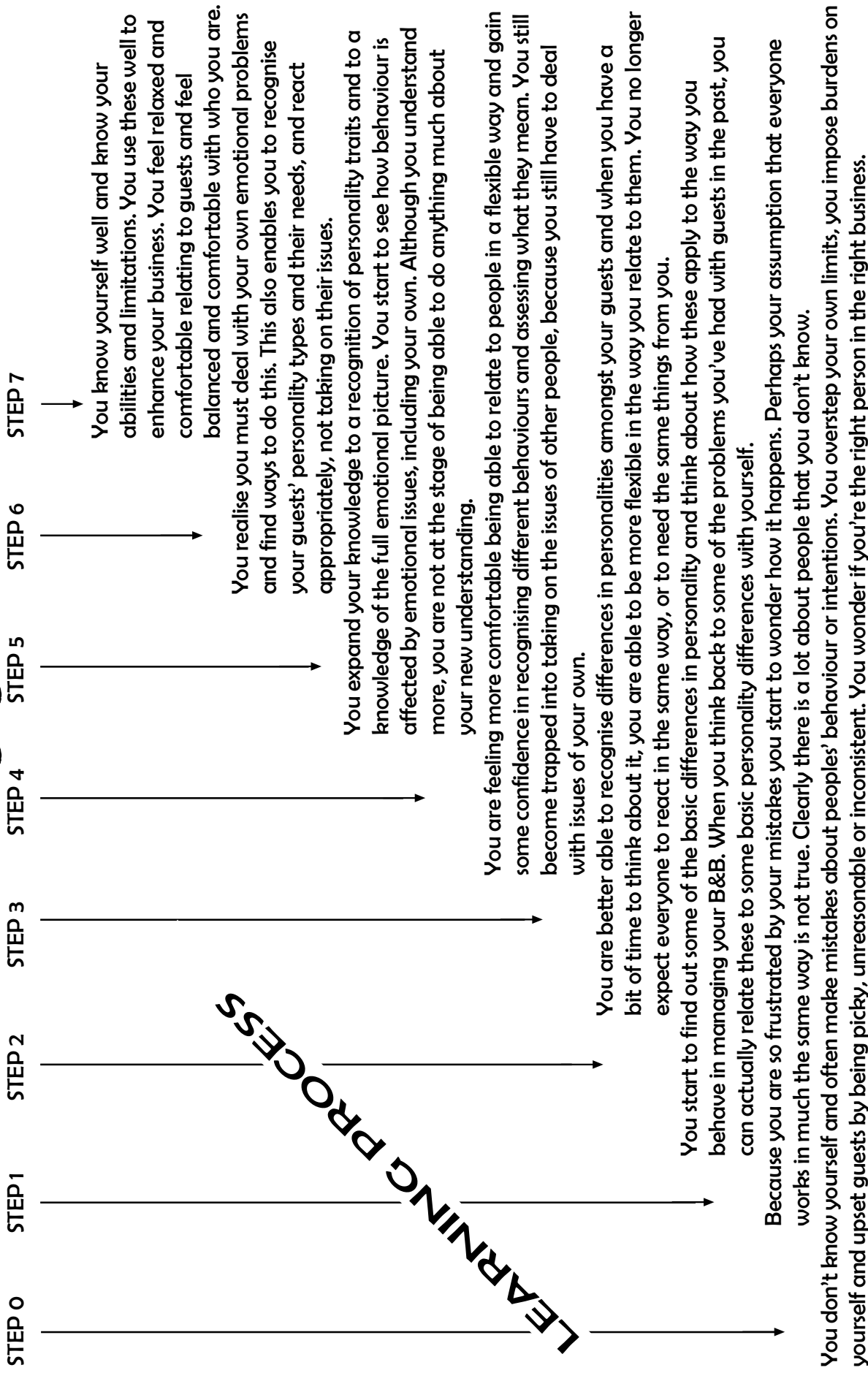
Friends/staff/colleagues need some time, sharing of information, trust, respect and reciprocal opportunity to debrief. Many friendships fail because a communication pattern is established which means that the energy goes only one-way. And no matter how much we like to feel needed, we will eventually get tired of a one-way flow of energy. It gets boring and we end up resenting the person who's doing all the taking.

An organization like your local Bed and Breakfast Association will want a number of things in exchange for the support that it offers. It will want some money, attendance at some meetings if possible, an exchange of ideas. It's only when you put some energy into Associations in the form of helping the organization to grow (and likewise the industry to grow) that you get the most reward for what you put in.

Finally, being an advocate for your organization and inspiring others to join and contribute, has benefits on every level – for you as an individual, for your business, your family, friends or staff, the industry as a whole, and as a contribution to the economy of the region.



# Managing Yourself









## Managing Yourself

Personality analysis is not only fascinating, but also explanatory, reassuring, and provides a basis for managing our own emotions and feelings and for relating well to others. It enables us to use our own strengths to overcome our weaknesses, and accept that others have good reason for behaving differently from us. It also provides us with a plan for developing our resources in the future.

The Myers-Briggs Personality Inventory (based on the work of Jung, and developed by Isobel Myers-Briggs) has four main aspects. These are presented as continua, so that a person can place themselves at one end, as someone who is clearly, or even extremely on that end of the continuum, or closer to the centre, where they naturally have more flexibility.

Wherever you place yourself, it doesn't mean that you don't have any skills from the other areas of the continuum. People have a natural preference, most of us develop some skills to be a more balanced individual, but under pressure will tend to revert to our natural preference.

The first aspect of the continuum is:

## **INTROVERSION (I)-----EXTRAVERSION (E)**

Most of us are familiar with what introversion and extraversion mean. We can easily recognise the quiet, shy person who prefers their own company, as opposed to the person who is the life-of-the-party, noisy, and needs company. But there are some more subtle aspects to this.

An extravert doesn't have a great deal of private space; they will be quite comfortable sharing personal details with anyone. The thought of this is quite horrifying to an introvert. So an introvert guest will not want to tell you their business, or perhaps even much more than their name, they will share more if you build good rapport with them. An extravert guest will want to spend time with you and tell you lots of personal details, but if you as the manager or owner are an introvert, you need not feel you have to reciprocate.

If you are an introvert you need to make sure you allow enough space for yourself to reflect and to relieve the stress of dealing with people. But if you are an extravert, you need to make sure you don't overwhelm your guests and expect them to meet your needs.

Introversion and extraversion is largely a matter of which way energy is directed. An introvert will need to spend time alone to recharge their batteries, the energy being directed towards themselves. An extravert will need either to be with other people to recharge their batteries, or to be alone when they will direct their energy towards doing something.

The second aspect is that of:

## **SENSORY-BASED (S) -----INTUITIVE (N)**

These words may not be well known to most people, but it is basically the “details” person as opposed to the “big picture” person. This aspect is about how people get their information about the world. The sensory-based person gets more of their information about the world from their physical senses and they notice the physical details, which make them easily able to find their way around. They are good with the details of things, but sometimes can get stuck in them and may find it hard to find the big picture and to see very far into the future. They may not realise the need for planning. 70% of people are sensory-based.

The intuitive person sees the big picture easily. While they get information about the world from their senses, it fits much more quickly into the patterns in their head, so they only need a few details about something before it creates a big picture. Or the big picture can come straight out of their head and sometimes it doesn't matter much to them whether any details actually fit this picture or not.

Big picture people are very good at ideas and planning, but they may not be very good with getting things finished because they've ignored the details that were necessary for implementation. They can tend to think that the important part is over once you've got the big picture.

You can see that both these kinds of people have their positive and negative aspects and a partnership that recognises the value of both can use the differences well. In relating to guests it will be important in areas like giving information, especially in the details they need, in the level and content of conversations; a big picture person will become bored with a detailed story very easily and with someone giving directions. They will not take in too much detail and may prefer a simple map.

The third aspect of the Myers-Briggs Personality Inventory is that of:

## **THINKING (T) ----- FEELING (F)**

Once again, this is reasonably familiar to people, as the task/people dichotomy. It's usually fairly obvious if someone is more interested in getting the job done, or if their main priority is the way people feel about it. This dichotomy is expressed in terms of values – is it the people or the task that gets priority? We can begin to see here how these different aspects of personality interact.

An introvert who is very people-oriented can seem much more like an extrovert because they are so sociable. A details person who is also people oriented can get very caught up in relating to and talking to people, and find it very difficult to get their tasks done!

This aspect is not always straightforward. For instance, thinking people certainly have feelings, they just don't deal with them very well. This can lead to excessive superficial expression of feelings, which amounts to sentimentality. The feelings are there, but because they are not recognised well, or analysed, or fitted into a rational emotionality, they can cause impulsive behaviour and inconsistency. These people can hold their principles emotionally which means they are held too loosely or too tightly thus not allowing for flexibility.

This is what is referred to as “the shadow side” where the part of our personality, which is undeveloped, exerts a powerful and destructive influence over our behaviour. This is why it's important to understand and develop all the aspects of our personality, in the way that Jung envisaged.

In managing a bed & breakfast the people aspect of personality can be important in many ways:

- If you want someone for your accounting you need a person who can deal with detail. It is about selecting staff that are suited to the job. For instance you don't put an introverted, details person at the front desk to

greet people, but it is important not to take this too far – you need to base job selection on skills, not on personality type alone, e.g. an introvert might have good people skills.

- **Managing staff.** If a task person needs to deal with people, they may need some skilling. It won't be helpful to criticise them for their personality type. They may need more feedback and support and to have people skills put in terms of tasks, e.g. they could be asked to spend at least 5 minutes finding out what a particular guest would like to visit in the area.
- **Relating to guests.** The task might be to get them registered and into their room, but the guest might need to talk to you for 10 minutes before they feel comfortable doing that.

The last aspect of personality is that of:

### **JUDGEMENTAL (J)-----PERCEPTUAL (P)**

Judgemental is used here as a technical term – it doesn't mean a person who goes around making judgements about others on the basis of prejudice. It is more concerned with the organization and use of time. A judgemental person will make plans, stick to them, achieve goals, and are generally on time for appointments.

A perceptual person will go with the flow. Mostly these people have to learn some time management skills just to survive in our society, but their preference is just to do things as they happen. They tend not to have a long-term plan, and not to achieve so much, but they are much more relaxed people and cause themselves little stress.

This aspect is one that causes a great deal of friction between people. If you are running a B&B and you are an extraverted, big picture, task-oriented, time-oriented person (ENTJ), then you are going to find it very difficult to manage an employee who is an introverted, details, people-oriented, go with the flow kind of person (ISFP), because they will seem to be always spending a great deal of time swapping boring (to you), detailed stories with guests, rather than getting their work done. They won't be very interested in development plans or courses, which might make them more efficient, and they may not have much concern for their future, or the future of your business. So to encourage them in these directions, you need to appeal to their enjoyment of being with people, and developing more flexibility in being with different kinds of people.

On the other hand, if you are a perceptual person, and just like to go with the flow and not make too many plans, then you may find that important things (like paying the bills) just don't get done. It's important to have someone working with you who can attend to the details and who thinks that details are important. You need to develop some of these skills yourself, but it will probably never be a strong point for you.

The combinations of these four personality dimensions give us 16 personality types, described by the letters in the diagrams above. Eg. if you have an ENTJ, then you have the extraverted, big picture, and task-oriented, and time-oriented person. These letters can combine in any way, to give the 16 personality types. While I have outlined some of the problems these differences can cause, the problems are mainly where people are towards the ends of the continuum. Even then people can have skills from the other side and so maintain some flexibility in their behaviour. Managing personalities really is about looking at preferences and skills and not about focussing on behaviour that's set in stone.

Even though the Myers-Briggs Personality Inventory is so enlightening and useful, it isn't the whole story. People of any personality type can be nice, competent, attractive, moral, principled, etc, or they can be unpleasant, incompetent, and nasty. These are a few of the many dimensions not covered by basic personality. We are born with the basic personality components, but what happens to developing personalities is a result of what happens to us in life, and the most significant experiences occur in the first few years of life. Whether we are a principled or self-confident or happy person is much more the result of early experiences.

Unfortunately it is common for people to have traumatic experiences early in their life. This can have significant effects on us for the rest of our life. A person who feels abandoned in early life will build solid defences against being abandoned as an adult and may find it difficult to be close and committed (in case they are abandoned again).

A person who is abused in early life will usually be mistrustful and suspicious of the motives of others as an adult. This kind of insecurity can have a very significant effect on the way we run a B&B.

If we are mistrustful, we will be mistrustful of guests and expect them to rip us off, cheat, etc, setting up an expectation in them that will certainly be fulfilled. If we are not confident and have poor self-esteem (from being put-down as a child) then we will find it hard to ask for payment for breakages or extras (as described in the chapter on managing money). If we have had unfortunate or exploitative sexual experiences as a child, we will find it hard to relate to guests of the gender that exploited us, in a relaxed way. We may get very upset if they flirt a bit, or tell a dirty joke..



These problem areas cannot be explored in a booklet like this, but once you recognise that there is a problem, you can obtain help. You can only realise that you have a problem by self-analysis, by observation and comparison with others, by discussion with others in the same position, and perhaps by recognising that something you read in a book applies to you.

Once you do recognise that you have a problem there is plenty of help to be found. If necessary, psychologists and counsellors can make a difference.

**The way we behave and the way we feel about ourselves is what mostly determines the way other people react to us.**

If we want to relate well to other people and enjoy running a bed & breakfast we need to understand ourselves and be able to respond flexibly to the way other people are.

Our next companion book due out shortly is titled:

**'How to promote your Bed & Breakfast'**

# Checklist for Employing Staff

1. Do you, the owner/manager have a job description?
2. Do you know what kind of person you need in terms of their qualities, skills and attitudes?
3. Have you thought of having a candidate demonstrate their skills, as well as answering questions in an interview?
4. Do you have a written list of questions to ask during interview?
5. Do you have someone, with appropriate skills, to do interviews with you to give you another perspective?
6. Have you set up the interview room so that it's comfortable for candidates, (with tea/coffee, etc)?
7. Have you sorted out applicants so that the ones you interview all fit the essential criteria, which you would have described in the advertisement?
8. Do you have a scoring system so that you can compare applicants objectively? e.g. Score 1-5 on each question.

9. Do you have a way of exploring attitudes, such as a scenario, “What would you do in the following circumstances”?
10. Do you have a plan for when and how you will decide on who gets the job, so that you can let applicants know when to expect an answer?
11. Are you assertive enough to be able to tell unsuccessful applicants why they didn’t get the job? (It’s reasonable to expect this feedback)
12. Are you absolutely clear about wages, entitlements, working conditions, etc, so that you can make sure all applicants understand exactly what to expect?
13. Are you clear about presenting the probationary period as a try-out for both you and the successful applicant, so that they know that if it doesn’t work out they will be leaving after that time?
14. Have you actually checked the referees of the successful applicant, before you offered them to job? Phone conversations are by far the most informative way to do this.

# Checklist For Supervision & Development

1. Do you know how each of your employees needs to be encouraged?
2. Have you asked them how they would best be supervised?
3. Have you created rapport with your staff?
4. Do you use supervision sessions as a way of preventing problems before they happen?
5. Do you use supervision sessions as a way of getting feedback about your own management style?
6. Do you plan supervision sessions?
7. Do you have a regular program of supervision sessions? Otherwise staff might think they are only supervised when they do something wrong.
8. Do you have objectives for supervision sessions?
9. Have you used supervision sessions to make development plans for staff?
10. Are these development plans the basis for discussion in supervision sessions?

11. Have you asked staff how they feel about the supervision sessions? (After they've been going for a while)
12. Can you link any improvements in work performance to anything that happens in the supervision sessions?
13. Do you enjoy conducting supervision sessions? If not, think about what you need to change.
14. Do you conduct exit interviews in a way that really allows for honest feedback about why that person is leaving?
15. Do you ever change anything as a result of an exit interview?

# A NEW BOOK

This is the third in the series of companion booklets to  
"STARTING AND RUNNING A B&B IN AUSTRALIA AND NEW ZEALAND"  
BY STEWART WHYTE

## ROADMAP FOR A WELL MANAGED B&B

Many bed & breakfast hosts struggle to succeed, not because they weren't talented or smart enough, but because they were trying to re-invent the wheel rather than rely on proven, tested methods that work.

If you are really serious about succeeding in bed & breakfast and want to avoid the common mistakes, then the contents of this book will assist you in acquiring the right knowledge so that success is assured.

The first and most important thing you need to acquire in order to succeed in running your bed & breakfast or guesthouse, is knowledge.

It is important to remember, however, that knowledge is not an end in itself. You must use the knowledge gained from reading the components that make up each roadmap.

It will help you to:

Manage your contact with guests, Managing process development, Managing staff and recruitment, Managing both time and money, Maintaining support structures, and, Managing yourself.

## ABOUT THE AUTHORS

Stewart Whyte is a researcher, lecturer and author of nine how-to books on bed & breakfast. He is widely sought after as an international consultant.

Dr Rita Helling was employed as a "Change Agent" for Telecom (now Telstra). It was in this capacity that she first came across the idea of the continuous improvement matrix, and was captivated by the simplicity and power of it as a tool.



**THE WHYTE SERIES**

[www.bnb-central.com](http://www.bnb-central.com)