



Client Bulletin August 2023

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Does that bulletin title put the shivers up your spine or what! The statement is mostly delivered with a feeling of foreboding by someone you love, fear, admire, respect..... whatever. When I hear it from the managing director, I assume a dire transgression and very very unpleasant consequences, even when I can't recall doing anything wrong. My brain moves immediately to a state of terrified guilt from which I have no chance of countering the discussion to come.

And that's a shame because we really do need to talk.

In this age of digital communication, I reckon we've lost the ancient art of effective communication. Way ahead of operational risk I see communication risk as a significant challenge for accommodation operators and they don't even know it. In fact, I sometimes think that operators are afraid to have in person verbal discussions and hide that fear behind emails, texts and social media. The outcome is inevitably misunderstandings, potential conflict and limited mutual empathy. This is not good.

I'm not suggesting there's no place for digital communication, just that relying on digital alone is a bad strategy. Personal interaction combined with digital gets the best results.

For many operators in the management rights industry the key communication device should be an effective and informative monthly newsletter to owners. If there's a contentious issue to be raised or a matter that's likely to impact owners negatively it's important that the newsletter be a precursor to individual conversations as required. Sadly, I see very few of these that cut through and add value. Most are a rehash month after month of pretty much identical text with no local news or pertinent commentary about the market. The newsletters that work invariably have local news, market demand commentary, a few quotes from guests, a thank you to committee and a property update. They also have an invitation to call the manager any time for a chat. Yes, you are busy but if you're too busy to talk to an owner it's time to review priorities.

Guest and tenant communications are equally important and again, I think many managers could do better. We've got a lot of clients and I only know of one that has a tenant Facebook group and active tenant retention program. I'm sure there are others but maybe not a lot. I've stayed at a lot of leisure properties and motels over the years, and I've never been invited to join a guest Facebook group. Maybe that says more about me than the operator but let's move on. Of course, if you are going to go down the FB rabbit hole you've got to be ready for the occasional keyboard warrior. Here's the thing. Don't respond on FB, give that past guest a call. Play this right and I'll bet your FB friend will become a strong advocate. Yes, I'm assuming we are all adults here which is never a good idea, but I live in hope.

The most spectacular examples of communication missteps tend to occur when a management rights or motel lease operator needs something from the BC or landlord. That's usually a vote to extend agreements, increase BC salary or sever the unit for rights operators. For motel lessees its usually a lease extension request.

In my mind these matters must start with a verbal discussion presenting a well thought through proposition. Objections need to be expected and counter points prepared. In any negotiation I think it's critical to start by acknowledging the other party's possible concerns and offering mitigating ideas. In this way it's possible to own both sides of the discussion and control the narrative. I believe written communication in these sorts of negotiations should only occur once the verbal discussions have concluded. An email to the parties acknowledging the discussion and summarizing the key takeaways is important as both a matter of record and to ensure that any misunderstandings can be addressed.

For management rights operators I think proposals relating to critical votes such as agreement top ups and manager's unit sever motions should be preempted by phone calls to all owners.

In closing, a word on internet-based reviews. If it's a past guest who gives you a sensational review don't just say thanks, send them a bottle of bubbles. We know that independent reviews carry enormous weight with consumers. You can't buy that sort of advertising, but you can sure say thanks. BTW...I almost never get asked to put up a Google review when I stay somewhere and have a great experience. Talk about an argument for great communication skills combined with a call to action. Unfortunately many operators either forget to ask, don't think it's important or are afraid to seek a compliment.

As for the terrible review. Take a step back. Is it terrible but fair. Is it a crazy with an axe to grind. Either way it's important to post a measured response and to also talk to the customer. I think the best strategy here is to include in your online response an invitation for the reviewer to call you to ensure they feel that they have been heard. This type of response resonates with people and paints the operator as a reasonable and approachable person. The aim here is to paint the operator as a nice person who couldn't possibly have provided such a terrible experience.

Our motto is proudly analogue in a digital age. Works for us.

Mike Phipps F Fin
Director | Phippsfin Pty Ltd



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