

A Sudden Inhospitable Situation: The Everglade Hotel

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On March 20, 2020, Kim Douglas, Director of Rooms at the Everglade Hotel (hereafter, the Hotel) in Victoria, British Columbia (BC), checked his news feed again. All accommodations throughout BC faced pandemic related cancellations and closures and tourism operators were concerned (see Exhibit 1). Iconic ski resorts like Whistler Blackcomb Resort, which typically attracted two million visitors per year, had also announced a closure of the ski area and lodging facilities. It was becoming increasingly clear that all BC hotel and tourism operators would be affected by the pandemic. Layoffs and further department closures were imminent, and it was time to make further plans for a closure for the Hotel.

Douglas had worked at the Hotel, a beautiful harbor-side property in tourist-friendly Victoria – for nearly six years. Today, on March 20 the steady stream of bad news had everyone on edge. Most guests had checked out early the previous week, and individual guests and groups had cancelled their reservations over the past several days. With the steady stream of news about the pandemic, the Hotel had quickly created a plan to accommodate guests who could be infected by COVID-19, and on March 13 had developed safety operating procedures. The general manager and the Hotel’s management and staff looked to Douglas to be a key partner to get the next steps right. Douglas considered the support provided by PreparedBC, British Columbia’s emergency preparedness education program. Douglas realized that although PreparedBC had encouraged the development of emergency plans for fires, earthquakes, a tsunami, and other scenarios, neither the province nor the Hotel had an emergency plan to guide the Hotel’s response to a pandemic (see Exhibit 5).

A New Virus

COVID-19 had first caught Douglas’ attention in early February 2020 with the alarming news of the spread of the new Coronavirus in Wuhan, China. This new virus had been in the headlines of every news outlet as it spread from China to other countries. In the previous weeks and days, the news had developed at a rapid pace. On March 14, the Federal Government had directed Canadians to avoid travel outside the country and directed Canadians abroad to return

immediately. The Federal Government had taken these actions because of an alarming rise of COVID-19 cases in Canada and elsewhere. Douglas thought about the chronology and marveled at the speed of this global crisis. Canada's first COVID-19 case had been reported in late January and the first case in BC on January 28. The first reported COVID-related death in BC was on March 9, and by March 11 the World Health Organization (WHO) had declared COVID-19 a pandemic (see Exhibit 3). The news was changing rapidly, and internally at the Hotel, there was a shift in atmosphere that was unmistakable. With cancellations and the pandemic news everywhere, the team was uneasy with the gloomy scenario that was rapidly unfolding.

From Shanghai to the Everglade Hotel

Growing up in BC, Douglas had always known he wanted a career in hotels. To achieve his goal, he had studied hotel administration at Cornell University, an internationally recognized premier hotel school, graduating with a Bachelor of Applied Science (BASc) in 2005. Shortly after graduation he began his hotel management career in Shenzhen China, at the Futian Shangri-La Hotel as Executive Assistant Manager for Rooms. At the Futian Shangri-La Hotel he was promoted six times over six years. In 2012 he transferred to Shanghai, to work as Executive Assistant Manager for Rooms at the Pudong Shangri-La. During his tenure in China at the Pudong Shangri-La Douglas had faced a similar epidemic situation with SARS in 2003. In 2014, ready for a change he returned to Canada to take the Director of Rooms position at the hotel.

Role of Director of Rooms

In his capacity as Director of Rooms, Douglas was responsible for all the departments in the rooms division which included front office, housekeeping, and maintenance (see Exhibit 3). Some of his key responsibilities were budgeting, forecasting, developing managers and employees and guest service, while maximizing room revenue and productivity. Douglas was also a key member of the strategic leadership team in the hotel. The director of rooms position reflected a second in command position at the hotel. This was not reflected in the organizational chart (see Exhibit 3) however it was understood. The general manager at the Hotel also had the responsibility as managing director for a second business owned by the Trust. Given the pandemic emergency and Douglas' expertise, the general manager had asked Douglas to be very involved in the pandemic response for the Hotel, and to report to him regularly.

The Everglade Hotel

The Hotel was founded by John and Jennie Anderson in the 1970s. Located by the ocean in Victoria's Inner Harbor, the Hotel had 74 luxury suites and 142 rooms. Until their deaths (John in 2001, and Jennie in 2006), the Andersons had lived on the property and had remained very involved with day-to-day management. Before her death in 2006, Jennie Anderson established

a trust to ensure that the hotel would remain intact under independent ownership as a social enterprise. A Trust specified that all hotel profits were to be reinvested in the property.

The Hotel was governed by a Board of Directors. In 2020, the Board consisted of two internal directors, the general manager and director of finance and three external directors. The Hotel employed 112 full-time employees and 45 part-time or seasonal employees. As an independent property all the departments required for the Hotel's operations were on site (see Exhibit 3). The departments were divided into six main areas: accounting, food & beverage, human resources, reservations, rooms division, and sales (see Exhibit 3). The Hotel had four core hotel values: *excellence, curiosity, respect, and stewardship*. The four values were discussed frequently in all areas of the business, and these values supported decision making and interpersonal communication. These values also represented an appreciation of the significance of a team approach. Douglas believed that the hotel values and team approach were a key part of their success. This success had also been recognized externally through several accomplishments and awards. The Hotel was one of the first carbon neutral hotels in British Columbia (2008) and was recognized as a leader in sustainable business practices. The Hotel also had a Five [Green Keys](#) certification (see Exhibit 4) awarded in 2015, Ecostar Awards (2015 & 2016), and an Employer of the Year Award (2017).

Renovations in 2018 and 2019

In 2017 the Board approved an ambitious renovation plan to refurbish the Hotel's public areas and grounds. The years 2018 and 2019 brought some challenges as the renovations took place. The year 2019 had been a year of continuous renovations and several delays. From experience, Douglas knew that renovations in hotels were never easy, and often led to guest complaints about noise, cleanliness issues, and service impairment. To accommodate the renovations the front desk had moved to a temporary location in a corridor and the meeting spaces had been reduced to make space for the construction. In early February 2020, after working in temporary spaces for a year longer than expected, the Hotel team had been finally able to see the end of the renovations of the public areas, and they had eagerly prepared for a grand reopening. At the beginning of March 2020, 50 events were scheduled for the Hotel and the summer season was set up to have high occupancy with multiple events and weddings. With the construction completed, 2020 had been set to be best year so far for the hotel. The pandemic uncertainty had changed these expectations and Douglas was anxious to start planning for possible cancellations or postponements of events and room blocks. This and other pressing decisions were developing at a rapid pace.

The Tourism Industry

Victoria was a city where tourism had thrived before the pandemic. At Victoria International Airport arrivals had reached 2 million per year. Located in a beautiful, protected harbor, in the heart of Victoria the Hotel was a landmark site. Between 2015 and 2019 (Destination Greater Victoria, 2020) the average accommodation occupancy rate in Victoria was 73.54%.

Emergency Planning Preparation

According to the BC provincial government's hazard map, the region had possibilities of earthquakes, tsunamis, severe weather, and wildfires (British Columbia, n.d.). The emergency plan (British Columbia, 2017) from PreparedBC, had not required tourism operators to account for pandemics in their preparations (see Exhibit 5). The Hotel had utilized this resource before to develop the emergency plans for earthquake and tsunami. Douglas was acutely aware that the hotel had not developed any emergency plan for a pandemic as a possible threat. Douglas knew that he would have to use all his previous knowledge, leadership skills and planning expertise to help prepare a response to this imminent threat.

Time to Close the Hotel

Douglas was very concerned that his division and the Hotel at large was not prepared for this pandemic emergency. He did not have a play book for this local and global disaster event. There were so many unknowns and no end in sight. Douglas had handled other emergencies before during his career such as SARS in China, but nothing like this. On March 20 it was clear to Douglas that he had to formulate and then swiftly implement an emergency plan to ready the rooms division and other areas of the operation for the closure of the Hotel (see Exhibit 2). He also wanted to build a contingency plan. The Hotel faced exceptional pandemic related risk. He knew that his general manager, and his own direct reports would soon be looking to him for his operational leadership and agile response, and he wanted to get the next steps right.

References

British Columbia. (n.d.). British Columbia Hazard Map. Retrieved from <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/preparedbc/know-your-hazards/hazard-map>

British Columbia. (2017). PreparedBC: Emergency Plan for Tourism Operators. Retrieved from <https://www.go2hr.ca/wp-content/uploads/2017/07/2017-EMBC-Tourism-Plan.pdf>

Destination Greater Victoria. (2020). 2019 Annual Report. Retrieved from https://www.tourismvictoria.com/sites/default/files/dgv_2019_annual_report_web.pdf

Exhibit 1: Tourism Industry Association of BC: Letter to the Premier of BC

Honourable John Horgan, Premier of BC
PO Box 9041 Stn Prov Govt
Victoria, BC V8W 9E1

March 16, 2020

Re: Tourism Emergency Contingency Fund



Dear Premier Horgan,

As you are aware, the COVID-19 crisis has affected the tourism industry more than any other sector aside from health. Domestic and international travel to British Columbia has virtually been halted. Combined with government's recommendation that residents do not undertake non-essential travel to points outside of Canada, and the corresponding implications on international visitors to BC, the ramifications on our visitor economy are immense.

Given further travel advisories at both the federal and provincial levels, including limiting public gatherings to 250 people and forbidding cruise ships with more than 500 passengers to dock at ports in BC, most travelers have either cancelled visits or are leaving British Columbia for home at a time when the industry is normally building toward its peak season.

To date, several events and conferences of all sizes have either been cancelled or postponed around the province. The domino effect on venues, hotels, restaurants, attractions, suppliers, transportation and service providers, along with other stakeholders is creating hardships for businesses, employees and communities throughout British Columbia. In fact, layoffs have already begun or are imminent within many individual tourism sectors.

While the Tourism Industry Association of British Columbia recognizes the need for preventative measures undertaken by provincial and federal health authorities, the uncertainty on present and future edicts, particularly the length and extent of the directives, is causing further difficulties for tourism operators to project, plan and put processes into place to mitigate damage to their businesses, as well as the industry as a whole.

As you know, Tourism is one of BC's top three business sectors, contributing upwards of \$19 billion annually in revenues and employing hundreds of thousands of people. In recent years, the industry has set numerous records and up until the COVID-19 crisis, was projected to further grow in 2020. Although tourism is resilient and poised to rebuild after this crisis ends, the length of time the visitor economy recovers to a so-called 'normal' state could take several years. Unfortunately, as an industry largely comprised of small businesses, many operators cannot absorb mounting losses, and aside from laying-off staff, will close their businesses (some permanently) unless government provides stimulus funding, direct financial assistance or other measures including tax relief.

With new travel restrictions in place, as well as the confirmed and anticipated list of trip and event cancellations, it is estimated that BC's visitor economy will lose in excess of \$3 billion in revenue during the March to June period alone. Outside of the healthcare sector, there is no other industry in Canada that is impacted as severely by this mounting crisis than tourism.

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Premier Horgan

From our scan of destinations around the world, we know that many countries including Australia, New Zealand, Germany, and the United States have already announced stimulus and relief programs ranging from hundreds of millions to several billion dollars to help their respective tourism sectors respond and recover from the impact of COVID-19.

On behalf of British Columbia's 19,000 tourism operators, 330,000 employees, hundreds of industry sectors, communities, and destination marketing organizations, TIABC respectfully requests that the Province of British Columbia take bold, decisive and meaningful action to support BC's visitor economy in the form of several tangible actions, including but not limited to:

- 1. The creation of a tourism emergency contingency fund to help operators survive this extended period of uncertainty and loss, and to mitigate the impacts on the industry;***
- 2. Temporary property tax or employer health tax reductions, tenure fee reductions/suspensions, loan payment relief, or other measures to allow tourism business operators to better manage cash flow, reduce fixed costs, and retain staff during the crisis period;***
- 3. Special one-time incremental funding for Destination British Columbia to boost marketing in key source markets, as well as to promote a domestic campaign to encourage residents to travel within their home province (when the time is right to do so); and***
- 4. Stimulus funding to ensure the industry can quickly rebound once the outbreak is over.***

Premier, thank you for your assistance and for all the steps your government has taken to tackle this extremely serious crisis. TIABC is keen to work with you to develop actions that address the aforementioned issues and opportunities related to BC's visitor economy. I look forward to hearing from you at your earliest convenience.

Best Regards,



Walt Judas
CEO, TIABC
778-953-0620

CC: Honourable Lisa Beare, Minister of Tourism, Arts & Culture
Honourable Carole James, Minister of Finance
Shauna Brouwer, Deputy Minister, Tourism, Arts & Culture

Exhibit 2: Timeline

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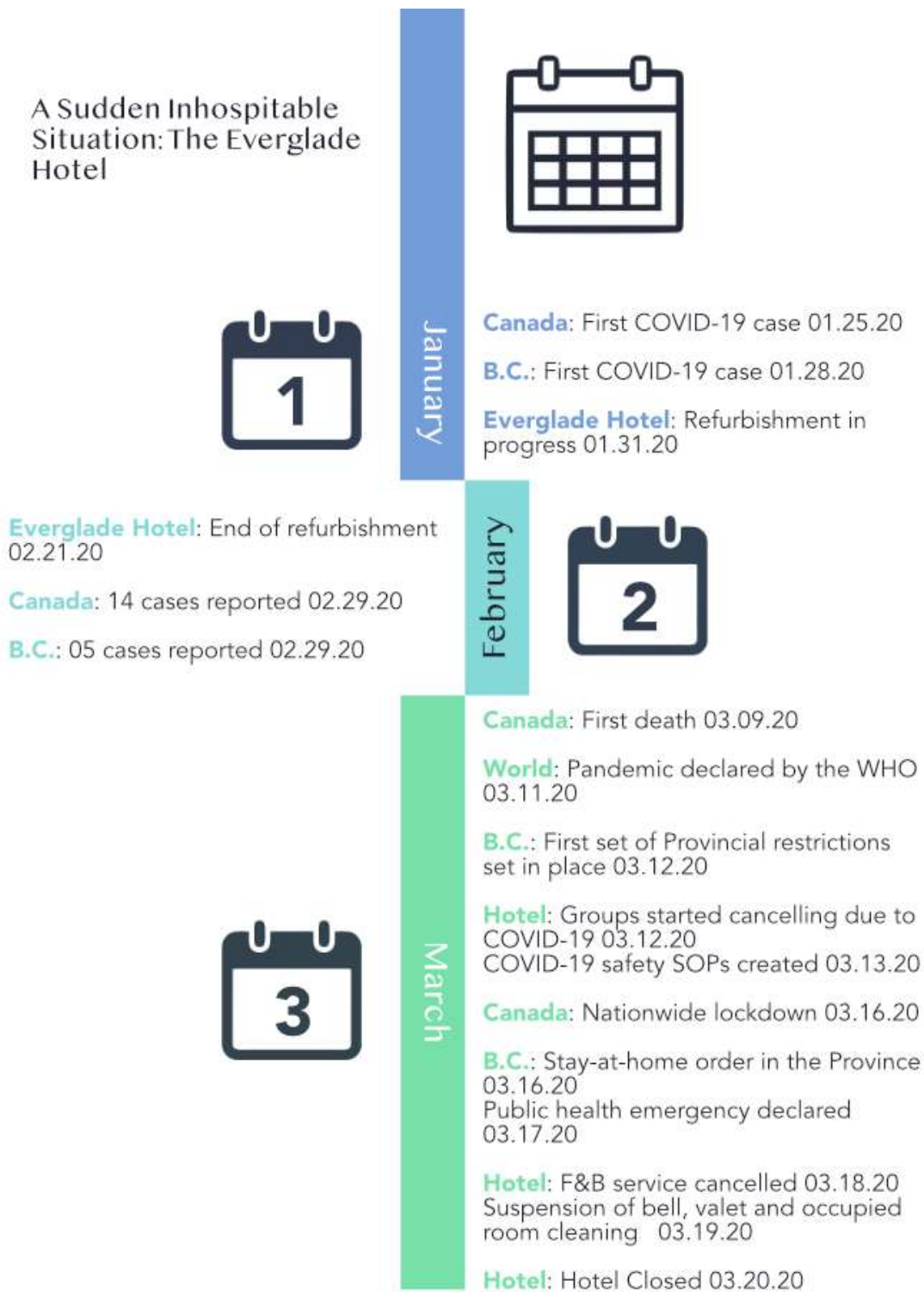


Exhibit 3: Hotel Organizational Structure

Everglade Hotel

Organizational Chart

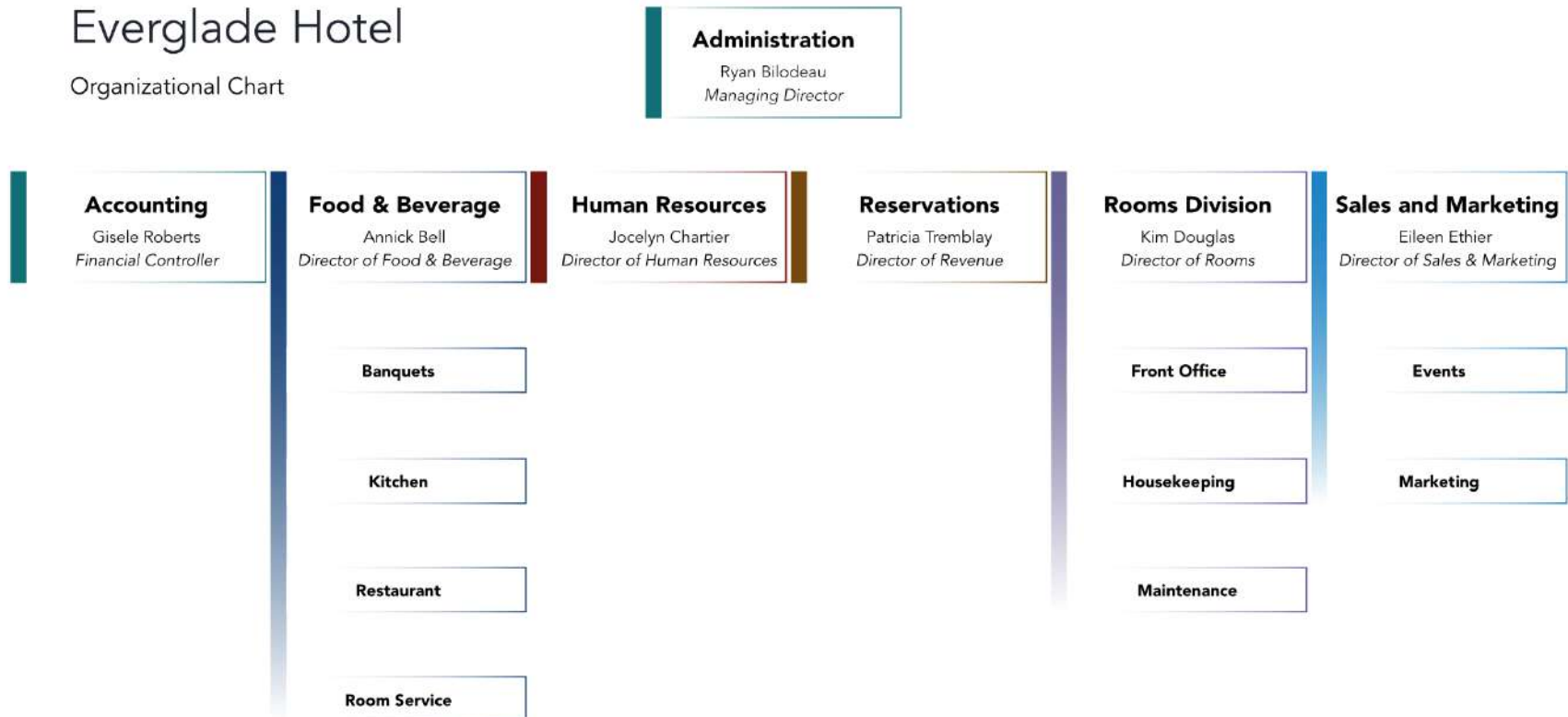


Exhibit 4: Green Key Certification
<https://www.greenkey.global/>



Exhibit 5: PreparedBC Emergency Plan Template for Tourism Operators

PreparedBC

EMERGENCY PLAN FOR TOURISM OPERATORS

This resource is designed to help B.C. tourism businesses and organizations start planning and preparing for emergencies that may impact their staff and guests.

Choose the templates, tools and suggestions that make the most sense for your operation and add to them as needed. One simple step today can make a difference in how effectively you respond to and recover from an emergency. For additional information, review the *PreparedBC: Guide for Tourism Operators* at www.gov.bc.ca/PreparedBC.

RISK AND IMPACT ASSESSMENT

List all the hazards your tourism business might face, including their likelihood and estimated impact.

Sample:

Hazard	Probability	Level of Impact	Potential Impacts
Wildfire	Likely	Severe	<ul style="list-style-type: none"> ■ Injury ■ Damage to business infrastructure ■ Disruption to transportation network

Probability = How likely a hazard is to occur (very unlikely, unlikely, possible, likely, very likely)

Impact = How big an impact a hazard might have (negligible, low, moderate, significant, severe)

Hazard	Probability	Level of Impact	Potential Impacts

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