

Write a Business Case for the following Caledonian Hotel Refurbishment project

Caledonian Hotel Refurbishment Project:

Caledonian hotel specialises in wedding functions and holiday bookings. Recently holiday bookings have declined by 20% and there has also been a drop of 40% in wedding bookings. Management at the hotel have decided that a major upgrade is necessary due to negative feedback from their customers regarding the decor of their main hotel and its garden area.

The Managing Director (MD), Graeme Brown has requested an urgent refurbishment of the hotel and its main garden area. It is hoped that this will increase wedding function bookings by at least 20% within the first 6 months of completion and increase holiday guest bookings by 10% in the first 6 months. A further increase of 10% in wedding bookings and 10% in holiday guest bookings over the following 6 months is also anticipated.

Doing nothing could put the future of the hotel at risk based on the continuing trend in the drop in holiday and wedding bookings. To address this situation, the MD has considered redecorating the hotel using their own hotel Maintenance Manager, together with some sub-contracted decorators in order to create a quick and low-cost cosmetic improvement to the interior, plus undertake the garden landscaping work using their own gardener.

Another option is to invest extra time and money by using a professional hotel refurbishment company, together with the hotel Maintenance Manager, to create a totally revamped interior that would have a greater visual impact. It is thought that this will give the decorative look of the hotel a much longer lifespan of 15 years. For the redesign and landscape of the garden they could still use their own experienced gardener, but with assistance from a local landscaping company.

The latter is the MD's preferred choice based on it being a solution that will deliver a longer-term benefit and is more likely to create a far superior visual impact. Caledonian's hotel has an overall business strategy that is to stand out as being a hotel of quality appearance as well as quality service.

The project will include an extensive refurbishment of the hotel's reception, bar and lounge areas and include some significant landscaping of the garden area where wedding functions are held during the spring and summer months. There is also an opening party to be planned and organised.

The MD insists that the overall look of the refurbishment must be professionally finished with a modern, attractive and quality look and feel.. The MD also stated that the landscaped garden area must look colourful and traditional and also be of a high quality finish. The new hotel interior must comply with the fire precautions of British Standard BS5588 and to Caledonian Hotel's corporate brand standards. Quality and time are both top of the MD's criteria, so they are not prepared to tolerate any threats to these elements. No compromise on quality or time will be allowed.

The project will officially start on the 1st March and will run for 3 months with an allocated budget of £50,000. A project cost tolerance of £5,000 has been allocated. The schedule is very tight, and it is vital that the work is completed before the majority of summer holiday guests begin to arrive from 1st June onwards. The planned project completion and hotel reopening date is 31st May that is the day of the opening party. Due to the urgency and the high expectation of quality, there will be no time or quality tolerances available for this project.