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Great Southern Hotels

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Case 9

Great Southern Hotels

Great Southern Hotels, a state-owned hotel chain, achieved a noteworthy turnaround in its business fortunes. GHS moved from a near winding-up situation to one of being a competent player in the industry with interesting options for future development as it moved into the 1990s.

Issues: *Strategic choice and turnaround strategy; role of marketing in the process. Sustaining market focus. Public sector enterprise. Tourism/ hospitality industry and national planning.*

Great Southern Hotels Limited was established in 1961 as a subsidiary of Coras Iompair Éireann (CIE), Ireland's national transport company, to take over and manage the 'railway' hotels then in state ownership. At that time all Great Southern Hotels were old-world properties in the traditional style dating back to the nineteenth century.

Ireland in general and the tourism industry in particular enjoyed an economic boom in the sixties. The new sense of confidence encouraged expansion and four new hotels were built. Belfast and Rosslare were new locations for the company and second hotels were built in Galway and Killarney, largely to cater for the motoring tourist. It is difficult in retrospect to understand why the planners chose locations so heavily dependent upon seasonal tourism traffic when properties in major commercial centres such as Dublin, Cork and Limerick would have had year-round business potential. The decision to locate in Belfast, largely a government initiative, was taken in the context of improving North–South relations before the commencement of the present troubles.

The buoyant sixties gave way all too quickly to the traumatic seventies. Two international oil crises and serious conflict in Northern Ireland combined to ensure a decline in Irish tourism and continued losses in Great Southern Hotels, now burdened with crippling interest and loan repayment costs. The Belfast hotel was bombed twice and never once made a profit before being sold off in 1983. The hotels in Kenmare, Sligo, Mulrany and Bundoran were also sold off and the remaining properties declined through lack of reinvestment.

This case was developed as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

Morale throughout the organisation was inevitably poor as the problems became more intractable and trading continued to disimprove.

CRISIS AND RESTRUCTURE

By 1982 Great Southern Hotels had accumulated losses of almost £11 million and was unable to meet its current liabilities. Its continued operation was made possible only by the agreed withholding of VAT, PAYE and PRSI payments due to the Exchequer. Something clearly had to be done. The parlous state of the company's finances was finally tackled by the government, as ultimate shareholder, and a number of options, including winding up, were considered. The government eventually decided to transfer responsibility for the company to a new board of directors reporting directly to the Minister for Labour. It paid off existing liabilities of £11 million and made a fund of £3 million available for essential urgent repairs to the remaining six hotels. The brief to the new board was simply expressed but formidable in its challenge: the company was to be run profitably as a commercial enterprise within the state sector.

The new board, which came into office in 1984 on the eve of the tourist season, faced many problems but quickly established a distinctive and determined style. New auditors, solicitors, architects, public relations and marketing consultants were engaged. New positions of chief executive and financial controller were established and appointments made to these. The new board and management team drew up a three-year corporate business plan which established the following priorities: increase revenue; reduce costs; restore standards of service; restore physical standards; and develop a coordinated marketing strategy.

INCREASE REVENUE

Higher Rates: The ability of the company to charge realistic rates for its product had long been hampered by the poor state of that product. On the basis of the refurbishment plan proposed for 1984/85 substantially higher group rates were negotiated with the major overseas tour operators for 1985. Where higher rates could not be agreed, the business was refused in the confidence (not without some nail-biting) that the improved product should not be undersold.

Premium Business: A determined effort was made to recapture the premium high-rate coach tourism business for 1985, again on the promise of an improved product. Much of this had been lost to competitors in previous years.

More Business: While much of the capital outlay involved in the 1984/85 refurbishment plan was allocated to essential behind-the-scenes work on the fabric, some monies were earmarked for the improvement of revenue-generating areas: restaurants, bars and shops. Nearly 70 per cent of Great Southern Hotels' business came traditionally from US to increase rates would reduce this sector's overall volume but increase its value. Efforts had to be made to increase business from other markets.

REDUCE COSTS

Decentralisation: Under CIE, Great Southern Hotels had become over-centralised in its operation. A head office in Dublin was responsible for all aspects of purchasing, sales, marketing, accounts, personnel—in fact for everything which did not have to be done in the hotels. Central charges were thus very substantial and were often contested when charged out to the operating units. The decision was taken to devolve all operating authority and responsibility to the hotel managers. A small head office team, relocated to Galway where there were two hotels, was made responsible only for corporate matters, including, for example, consolidation of accounts. Its marketing, sales and reservations team provided group-wide marketing and reservations services and coordinated sales efforts.

Computerisation: The transfer of responsibility for accounts and management information reporting from head office to the hotels involved a substantial investment in computer hardware and software and in staff training. A small staff now produced detailed accounts and management reports within two days of period end. These were consolidated and company profit and loss, balance sheet reports, in comparison with budget and the previous year, as well as key statistics, were available and circulated on a weekly basis. This compared with a previous head office clerical staff of 27 when management reports were sometimes about three months out of date. The flow of up-to-date accurate management information had been vital to the new direction of the company. The ability quickly to identify trends and to take necessary action was a key tool for the managers on the ground in the short term and for the board and senior management in positioning the firm in the longer term.

Rationalisation: The achievement of the government's brief to the restructured company inevitably involved redundancies. The permanent staff was halved to a level of 170. This was augmented during the summer months by seasonal staff, many of whom were previous full-time employees.

Investment to Reduce Costs: Much-needed investment was simply impossible during the seventies. A lot of the company's energy-generating equipment was very old and no longer efficient. This was replaced and, though consumption increased, energy costs were reduced by about 50 per cent in three years—this was in part, however, due to lower oil costs. A new laundry in Galway, servicing both hotels there, resulted in substantial savings in linen hire costs. It was reckoned these savings would cover the capital cost within three years.

RESTORE STANDARDS OF SERVICE

The dynamic approach adopted by Great Southern Hotels in tackling the many long-neglected problems could not have been implemented without the cooperation and understanding of the staff and its representatives. The devolution policy had fundamentally changed the accountability of local management with a consequent impact at all levels. Staff morale and standards of service provided by it were related directly to its confidence in management and in the product. The introduction of a new young management team—with most senior appointments being made from within the organisation—the impact of £6 million spent on the hotels and ongoing staff training and retraining programmes all had ensured the effective restoration of the highest international standards of service.

RESTORE PHYSICAL STANDARDS

In 1984, the board was professionally advised that it would cost £8 million to restore the fabric of the hotels. In less than four years £6 million had been expended, with £3 million of this generated by the company itself. Much of the initial expenditure carried out in 1984/85 and 1985/86 was on basic behind-the-scenes work made necessary by many years of neglect: rewiring in the older hotels (built in the last century at the height of the golden age of railway); the elimination of wet and dry rot; and the cost of complying with statutory safety legislation. The ongoing refurbishment programme was designed to maintain the quality of guest accommodation, to maximise revenue-earning potential and to respond to changing market conditions. All guest bedrooms and bathrooms were completely renovated on a regular cyclical basis. Improvements to public areas in the hotels were also planned on a phased basis.

Changes in the pattern of business since 1986 had resulted in major expenditure being allocated to improve facilities for the domestic market, both holiday and commercial traffic. All the company's hotels had swimming pools and these had been substantially upgraded to cater for increased Irish holiday business. Additional leisure facilities had also been provided in most locations. New conference/function rooms had been added to the Corrib and Rosslare hotels and the facilities in Killarney, one of Ireland's first conference centres, had been substantially renovated. 'Executive' class bedrooms were provided in the two Galway hotels, where business travel provided an important part of the trade. A traditional pub, O'Flahertys, had been added to the Galway Great Southern and the Corrib hotel also boasted a new bar, O'Malleys, an imaginatively designed pub finished to the highest standards. The commitment to maintaining the properties to this high standard and the ongoing capital development plan called for a further £2 million to be spent, apart from routine maintenance, over the next three years.

MARKETING STRATEGY

Prior to the turnaround initiated in 1984, marketing policy and planning, like most other areas of Great Southern Hotels' operations, had suffered from a lack of funds and uncertainty about the company's future. Much of its business was attracted by a no longer deserved reputation for quality of service and excellence. As explained earlier, Great Southern Hotels had found itself with all its six properties in resort areas—two in Galway city, two in Killarney, Co. Kerry, as well as another in the remote and scenic Iveragh peninsula of Co. Kerry; a sixth in Rosslare, Co. Wexford, an important ferry port with the UK and Continent. Of these six hotels, three were of the old Victorian style of railway hotel while three were in the modern idiom built in the late sixties. Exhibit 1 profiles briefly the hotels.

Exhibit 1

PROFILE OF GREAT SOUTHERN HOTELS

Galway The Great Southern Hotel dominated Eyre Square in the centre of Galway city. Built in 1855, this 126-bedroom hotel successfully combined the grandeur and elegance of a bygone age with every modern convenience. The superior 'executive' bedrooms created in 1987 were in great demand and O'Flahertys pub was soon a popular success. This hotel with its bars, rooftop swimming pool and sauna, superb restaurant, conference facilities and excellent guest accommodation was the business and social centre of Galway and the West.

Corrib The Corrib Great Southern Hotel stood on a four-acre site just outside Galway city on the main road to Dublin. Overlooking Galway bay, the 115-bedroom hotel, built in 1970, offered its guests an indoor heated swimming pool, sauna, snooker and table tennis. It had its own conference facilities and a striking new pub, O'Malleys.

Parknasilla The Parknasilla Great Southern Hotel had 60 bedrooms, was built in 1895 and stood on a spectacular 268-acre shoreline site. It had its own private golf course, tennis, horse-riding, heated swimming pool, fishing, sailing and a small conference centre. The award-winning Pygmalion restaurant rated highly in the most prestigious food guides and the hotel often played host to distinguished international guests.

Killarney This 180-bedroom hotel was built in 1854 on a 36-acre site in the centre of the town. Its facilities included a conference centre which hosted many national and international conventions each year. Recently refurbished, the centre could cater for up to 600 delegates and was supported by a number of smaller syndicate rooms. This hotel also offered an indoor heated swimming pool, sauna baths, tennis, snooker and horse-riding. The Malton Room speciality restaurant was a winner of the Bord Fáilte awards of excellence.

Torc The 100-room Torc Great Southern Hotel was built in 1968 and stood on a four-acre site within easy walking distance of Killarney. The facilities included an indoor heated swimming pool, sauna baths and tennis. The Torc had become a favourite with families because of its facilities, spacious gardens and relaxed atmosphere.

Rosslare The 100-bedroom Rosslare Great Southern Hotel was built in 1969 on a three-acre site overlooking Rosslare harbour. Facilities included a new conference centre, an indoor heated swimming pool, sauna, snooker, games room, crèche, tennis, a special children's dining-room and a children's playground. The hotel enjoyed substantial repeat business from families and was a very successful centre for a senior citizens promotion in 1987.

Thus the company had been too dependent upon seasonal tourism traffic and prior to the new board's appointment almost 70 per cent of all business came from the volatile and cyclical US market. Much of the business was handled at uneconomic rates incapable of generating the levels of profit required for future development. Further, the performance of Irish tourism in the late seventies and early eighties had been disappointing while the domestic economy was sluggish with little prospect of significantly increased consumer spending.

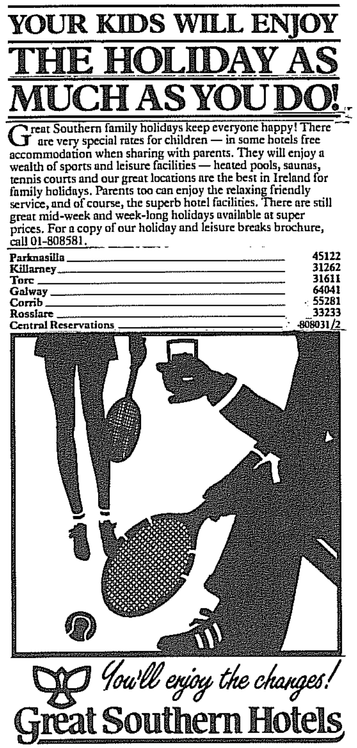
A marketing strategy was devised by the new management and board to address these weaknesses. Target markets were identified and specific marketing plans devised for each:

US	* Coach tour traffic—at the right rate * Independent travellers * Convention and incentive business
IRELAND	* Holiday market * Commercial market * Conference market
UK	* Holiday market
FRANCE/GERMANY	* Holiday market

Attracting the Irish holiday business was a particular challenge. The perception of the company's product in this market was that it was exclusive and expensive. An extensive and innovative advertising campaign highlighted the range of facilities available compared with competing hotels and stressed value for money. Exhibit 2 is an example of such advertising in the press medium.

Exhibit 2

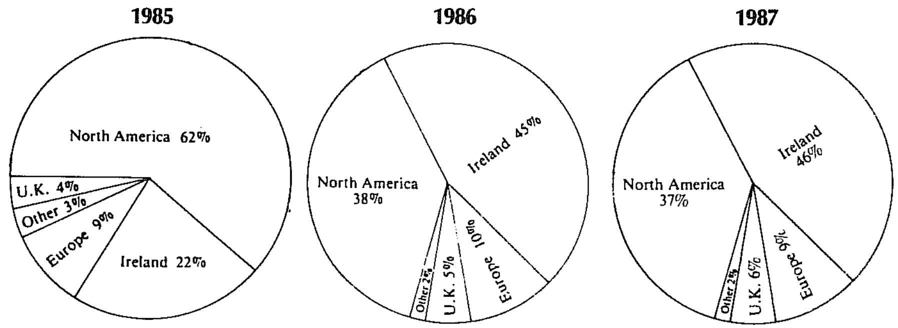
Advertisement Targeted at Irish Holiday Business



This campaign was so successful that by the time of the virtual collapse of US traffic to Europe in 1986 (as a result of the Libyan crisis) the hotel group was able to increase its Irish business by 120 per cent and that market became the company's single biggest market for the first time. Exhibit 3 indicates this shift in the source of bednights between 1985 and 1987. British business to the hotels had shown some encouraging signs of growth and the marketing priority was to increase significantly business from continental Europe. Research was undertaken to determine the needs of the consumer in the principal markets.

Exhibit 3

Source of Bednights, 1985–1987



TURNAROUND

In 1987 Great Southern Hotels achieved a turnover of £8.3 million and a profit of £.7 million (see Exhibits 4 and 5). The financial forecast for 1988 was equally encouraging with a 6 to 7 per cent increase on the 1987 out-turn being predicted. The objectives of the corporate plan adopted in 1984 had been achieved and the company had been turned around. Great Southern Hotels had now established itself as one of the leading players in the Irish hotel industry.

Also significant was the high level of customer satisfaction, regularly monitored for all nationalities and categories of customer. This was an indication of the company's flexibility in adapting to the different needs of its clients, who ranged from families with small children to members of the US Bar Association. The hotel business was, however, notoriously volatile and the commitment and cooperation which had been so evident over the last number of years would have to be maintained if the company were to meet the challenges of the future. The need for flexibility in marketing plans and sensitivity to the changing needs of customers in an increasingly competitive environment were vital. (Appendix A contains extracts from the chief executive's Review of 1987 on the company's performance in sales and marketing and its role *vis-à-vis* the community.)

Exhibit 4

Profit & Loss Account @ 31/12/1987

	1987 £	1986 £
TURNOVER	8,282,136	7,819,860
Cost of Sales	(2,101,986)	(2,084,202)
GROSS PROFIT	6,180,150	5,735,658
Operating Costs	(3,905,562)	(3,823,072)
General and Administration Expenses	(1,695,611)	(1,558,939)
Interest receivable	124,364	96,358
Interest payable and similar charges	(15,916)	(63,659)
PROFIT ON ORDINARY ACTIVITIES	687,425	386,346
Exchange gain	–	177,064
PROFIT BEFORE TAXATION	687,425	563,410
Taxation	–	–
NET PROFIT	687,425	563,410
Revenue reserve/(deficiency) at beginning of year	676,936	(3,247,511)
REVENUE RESERVE/(DEFICIENCY) AT END OF YEAR	1,364,361	(2,684,101)
Transfer from sinking fund account	–	627,741
Transfer from capital reserve	–	2,733,296
REVENUE RESERVE AT END OF YEAR	1,364,361	676,936

OPTIONS FOR THE FUTURE

The company's trading position and balance sheet were now healthy and it was positioned with a substantial cash balance and a high credit rating from the financial community to develop and grow further. A number of options for the future of Great Southern Hotels which would ensure its ongoing success were being examined. One such option was simply to consolidate and adopt a 'steady as she goes' approach. Significant restructuring, expenditure and management

Exhibit 5

Balance Sheet @ 31/12/1987

	1987	1986
	£	£
FIXED ASSETS		
Tangible Assets	6,493,910	6,016,624
CURRENT ASSETS		
Stocks	201,815	231,493
Debtors	420,287	477,441
Bank and short-term securities	1,664,993	1,193,845
	2,287,095	1,902,779
Creditors (amounts falling due within one year)	(1,595,689)	(1,415,650)
NET CURRENT ASSETS	691,406	487,129
TOTAL ASSETS LESS		
CURRENT LIABILITIES	7,185,316	6,503,753
Creditors (amounts falling due after		
more than one year)	(236,276)	(242,138)
TOTAL	6,949,040	6,261,615
CAPITAL AND RESERVES		
Called up share capital	2,489,795	2,489,795
Capital reserve	3,094,884	3,094,884
Revenue reserve	1,364,361	676,936
	6,949,040	6,261,615

effort had gone into turning the company around over the last four years. The priorities of the 1984 corporate business plan could continue to be extended to improve levels of service and physical standards, to increase operational efficiency, and to pursue a determined and selective marketing policy. Alternatively GSH might consider a more vigorous and aggressive stratagem of growth.

One consideration that would have had a bearing on such a choice was the possibility of Great Southern Hotels being acquired in total or in part by an outside interest. An Irish or international hotel chain seeking expansion or an air/sea transport company examining diversification might view the group as an attractive prospect. As GSH was in state ownership any such acquisition could be achieved only with government approval. A number of issues would have to be addressed here. What value should be put on the hotel group, particularly in view of the sizeable injection of Exchequer funds in 1984? To what extent did Great Southern Hotels have a societal dimension to its objectives? In view of management's and staff's commitment during the turnaround process, would any break-up or effective asset-stripping of GSH's properties be equitable? In the event of GSH being sold to private sector interests should the government retain an equity stake and what size should this be?

Towards the end of 1988 three parties did in fact express an interest in acquiring a majority shareholding in Great Southern Hotels. The government received bids in the region of £7–£8 million each from Ryanair, Irish Continental Group and Aer Lingus. The board of GSH expressed positive interest in the Aer Lingus bid. However, the government decided not to proceed with any of the bids at that juncture.

In assessing the options for strident growth, Great Southern Hotels considered adding to its portfolio of hotels and filling in some obvious gaps in its network. The hurdle to achieving this could be seen in the fact that it cost about £75,000 per bedroom to build a five-star hotel in Dublin. A joint venture with private sector interests was a realistic possibility: the developer or investor would build and own the hotel with GSH having a contract to manage the property and possibly hold a minority stake. For instance, the new Dublin Hilton Hotel was contract-managed by Hilton Hotels, who had only a 10 per cent equity stake in the consortium of interests owning the new hotel. Other types of joint venture with the private sector might involve setting up subsidiary companies, with sizeable operating independence, to exploit opportunity in developing accommodation and facilities around the country. Special tax incentives such as the Business Expansion Scheme were a consideration here.

Another possibility, most likely on an international scale, was to attempt to franchise the GSH name—let other hotels use the Great Southern Hotels name on a franchise basis. This could obviously involve benefits of economies of scale in marketing and management being achieved very quickly. This franchise approach had been used very successfully by Aer Lingus in developing their Omni group of hotels in the US. A GSH brand name could be further extended in franchising selective catering activities, restaurants and even tours.

In terms of growth options for existing (as distinct from adding new) properties, ideas here included the building of an all-weather facility, extension of conference facilities and the building of golf bungalows in the 270-acre property which the company owned in Parknasilla.

Whatever course Great Southern Hotels decided on it was doing so against a background of increasing optimism about the development of the Irish tourist industry. A series of national forums, special task groups and reports from the Irish Hotels Federation (see Appendix B), the Irish Tourist Industry Confederation and Bord Fáilte all played a role in inspiring a government policy that, with the right management, investment and marketing, revenues from tourism could be doubled in the coming four years—and up to 25,000 new jobs created (it cost the relatively low investment of £800 to develop a job in tourism). As Great Southern Hotels looked beyond the end of 1988 into the 1990s, it saw itself as a state-owned concern having a role to play in this endeavour. Its chairperson, Ms Eileen O'Mara Walsh, encapsulated this view at a press conference when she argued that 'the name GSH can be exploited as a marketing tool well recognised in the international tourist industry'.

APPENDIX A

Extracts from Chief Executive's Review of 1987

(Source: 1987 Annual Report)

Sales and marketing

Great Southern Hotels allocates 2.5 per cent of revenue each year to marketing. This is low by international standards but is almost double the average for the Irish hotel industry.

Much of our marketing effort is designed to counteract one of our long-standing problems—seasonality. Some years ago it was decided to provide conference facilities in each of our hotels. Our Killarney and Galway hotels have long enjoyed international reputations as convention centres and now both the Corrib and Rosslare hotels play host to important local and national conferences. These facilities for meetings and social functions are being sold aggressively and we are now well positioned to develop this important shoulder season activity. We have enjoyed good conference business during 1987 and the prospects for 1988 are particularly encouraging.

One of our outstanding successes over the last two years has been the increase in home holiday business. The attraction of comprehensive leisure facilities including indoor pools in all locations, free accommodation for children in some hotels and a competitive pricing structure generally have combined to convince a sizeable segment of this market that Great Southern Hotels does provide value for money and a realistic alternative to overseas holidays.

1987 saw the launch of our first promotional campaign aimed specifically at the senior citizen market. We were very gratified by the response and by the high level of satisfaction with our product and service reported by these valued guests. A much-expanded promotion is planned for 1988 and we will be linking in with a number of senior citizen travel programmes from the UK. We believe that there is very considerable potential in this particular market segment, not only for Great Southern Hotels but for the hotel industry generally.

Our hotel group is marketed in North America, Europe and the UK through the tour operators and travel agents who feature this country in their programmes. Overseas representation is provided by CIE Tours International and Utell International. Consumers and travel agents in most countries can now make toll-free reservations at any Great Southern Hotel.

An important part of the marketing effort involves promotional trips to our principal overseas markets. The chief executive, sales manager and hotel managers visited existing and new contacts in North America, Britain, and Europe during 1987. Great Southern Hotels participated fully in the consumer and trade promotions organised by Bord Fáilte.

Great Southern Hotels and the community

Great Southern Hotels provide 175 year-round permanent jobs and a further 300 seasonal jobs. Most of these jobs are in areas where industrial employment opportunities are very limited—Sneem, Rosslare and Killarney.

Long before the advent of professional training centres for the hospitality industry, Great Southern Hotels set standards for the Irish hotel industry. Clear evidence of this is shown by the fact that most of Ireland's Grade A* and A hotels are managed by professionals who either worked with or received part of their training with Great Southern Hotels.

In 1985, the company's purchasing practice was changed. The long-standing centralised purchasing function was discontinued and this important responsibility was transferred to the hotel managers. Local traders now provide the bulk of each hotel's needs and a significant contribution is thus made to local economic activity and employment.

The company's substantial refurbishment programme has given, and continues to give, substantial employment to local construction industries.

It is company policy to buy quality Irish goods where possible. This policy is vigorously pursued although not always to the company's cost advantage, a further indication of the need for greater competitiveness in Irish industry. In one area in particular, tableware, we have not been able to buy quality Irish products. Irish producers of glassware and chinaware should recognise the substantial market opportunity which exists in the hotel business.

The company's investment in marketing, both at home and abroad, is substantial. The success of that effort is evident from the trading results in recent years. What is not so evident is the enormous benefit derived by tourism and other traders in the areas around our hotels. We are confident that our commitment to excellence and our development plans for the future will continue to bring prosperity to the communities in which we operate

APPENDIX B

Extract from *Tourism: A Plan for Growth*

(A study on tourism in Ireland commissioned by the Irish Hotels Federation and published in January 1987)

Accommodation capacity in Ireland—findings and conclusions

The total number of overseas visitors in 1985 was 1.9 million. These visitors broke down approximately into business (20 per cent), holiday (40 per cent), VFR—visiting friends and relatives (30 per cent) and other (10 per cent). They stayed in broadly two types of accommodation, namely flexible accommodation and non-flexible accommodation. The former type includes tourists visiting friends and relatives (49 per cent), self-catering (15 per cent), paid serviced (excl. hotels) (9 per cent) and other (12 per cent). We believe that increases in this category in the number of overseas arrivals can be dealt with as and when the need arises.

However, non-flexible accommodation, which includes hotels and accounts for 15 per cent of overseas accommodation, requires capital investment initiated two to three years in advance of requirements.

In 1985 the nightly hotel bed capacity in peak season was 39,251 (20,036 rooms). Due to the seasonal nature of tourism many hotels are effectively full during the summer months. Using the broad assumptions that overseas tourism patterns do not change significantly except that there is a spread into the shoulder season, the hotel industry would be capable of dealing with a 90 per cent increase in overseas arrivals as envisaged in the government plan but would require a small increase in capacity in year 3 of about 3 per cent which by year 5 would have accumulated to about 20 per cent of current capacity, i.e. an extra 4,000 rooms. However, this assumes that tourists would stay in whatever grade and location was available.

Assuming the overseas preference as to location does not change, in order to accommodate a 90 per cent increase in overseas arrivals, extra accommodation would be required as early as year 3 in Dublin, Cork/Kerry and the Midwest. The total increase over all regions at the end of the five-year period would be about 4,650 rooms.

By looking instead at the grade preference of overseas visitors, an increase of 90 per cent in overseas tourists would require extra capacity from year 1 but only in the higher grade A*, A and B* totalling at the end of the five-year period 5,600 rooms.

In conclusion, to accommodate an increase of 90 per cent in overseas arrivals it would be necessary to: spread demand into the shoulder and off-peak months; increase capacity in critical grades and regions; and spread demand into areas of spare capacity. We would also refer to our earlier comments that the price of the Irish tourist product, especially in the hotel and catering sectors, would need to be frozen in real terms, and standards raised to improve customer perception of value for money.

Questions

1. Critically analyse the performance of Great Southern Hotels during the 1980s.
2. Was the turnaround more or less surprising because of the company's being in the public sector? Do you think the same levels of management and marketing efficiency and effectiveness are likely to be achieved where ownership of a commercially driven enterprise is vested in the state rather than in the private sector?
3. Do you envisage that GSH will have difficulty in the years ahead in sustaining the level of performance achieved during the turnaround?
4. Consider implications of the possible avenues of future development for GSH. Address in particular the issues that would arise if Great Southern Hotels were to be acquired by private non-state interests.
5. Develop in detail your preferred option for the development of GSH in the years ahead.