



UMMED AHMEDABAD

Case Study



CHALLENGES

Operating effectively as a hotel, but with high cost structure across categories:

- Elevated payroll expenses
- High raw material costs and procurement inefficiencies
- Excessive engineering and utilities costs (HLP and maintenance)
- Weak controls leading to leakage/theft

Workforce issues:

- Poor employer brand among staff
- A stabilised HOD team with low motivation
- Ownership's trust was strong, but the team lacked energy and alignment

No glaring revenue issues, but margin erosion due to unchecked expense base.

STRATEGIC INTERVENTIONS

1

Human capital
reconfiguration

2

Engineering
and utilities
overhaul

3

Expense
control and
procurement
optimization

4

Process
reinforcement
and anti-leakage
measures

5

Incremental
revenue
generation

HUMAN CAPITAL **RECONFIGURATION**

- Personally involved in hiring to reshape brand perception and instill new leadership vision.
- Replaced long-tenured underperformers; promoted high-potential junior staff into leadership roles.
- Rebalanced payroll: lowered leader salaries, raised compensation for down-line performers.

ENGINEERING AND **UTILITIES OVERHAUL**

- Deployed energy-saving assets: switched lighting (filament/CFL → LED), introduced heat pumps in place of diesel boilers.
- Improved equipment efficiency and reduced fuel consumption significantly.

EXPENSE CONTROL AND **PROCUREMENT OPTIMIZATION**

- Brought in a sharp finance controller for cost diagnostics, pricing scrutiny, vendor renegotiation.
- Sourced vendor data from Marriott procurement contacts; achieved supplier pricing equal or lower than Marriott rates.

PROCESS REINFORCEMENT AND **ANTI-LEAKAGE MEASURES**

- Implemented delivery-control process requiring matching bill quantities signed off by security and purchase teams.

INCREMENTAL REVENUE GENERATION

- Won airport flight-catering contract (~₹24 lakh/month at ~30% margin).
- Launched Bakehouse by Ummed—three bakery outlets generating ₹80–90k/day.
- Boosted room revenue by ~10% via enhanced operations and opportunities.

OUTCOMES

Revenue uplift:

+22–23%

overall, factoring in new revenue lines (flight catering, bakeries).

Profitability surge:

Nearly +90%

primarily through expense rationalisation and control.

KEY INSIGHTS

- **Empowered leadership**, coupled with process redesign and expense discipline, can dramatically enhance margins in an otherwise healthy business.
- **Strategic empowerment** from ownership enables bold staffing and cost interventions.
- **Cross-industry benchmarking** (e.g. Marriott vendor prices) is a powerful cost lever even for single-property hotels.
- **Building complementary revenue streams** (bakeries, catering) supplements core services and offsets fixed costs.

 | PROMILLER
GROUP

THANK YOU

