



HOTEL RESPONSE · INTERVIEW RESOURCE

The conversation. The practical takeaways.

Paul Woodley × Richmond Dinh

Why Hotels Make Millions Despite Terrible Service

A companion to the 28:20 Never Settle Podcast interview, covering pipeline protection, transparent leadership, and CRM reactivation.

Inside this file

1. Six key takeaways, summarized from the interview
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Editorial note

The takeaways are an editorial summary, not verbatim quotations. The transcript reproduces the supplied transcription with paragraph breaks added for readability. Transcription errors, repetitions, and spoken claims have not been silently corrected. No timestamps or unverified speaker labels have been added.

Paul's accounts of 30 years in hospitality, 96 groups, \$7 million in group business, and other results are his own statements in the interview. They are not independently verified or a promise of results. Statements about market conditions, contracts, timing, pricing, or availability reflect the recorded conversation and should not be treated as current advice or offers.

Watch: <https://richmondinterview.hotelresponse.com/>



Six key takeaways

01 Protect what you can influence

Paul distinguishes decisions outside a sales leader's control from actions the team can take: protect group relationships, maintain communication, and prepare a practical response.

02 Lead transparently through uncertainty

Explain what is known, acknowledge what is not known, and connect team members' concerns with the work ahead. Paul describes trust and direct communication as central to his approach.

03 Understand each group client's stakes

Group organizers have their own events, stakeholders, and commitments. Paul describes contacting at-risk groups directly during a hotel transition rather than leaving clients to guess what was happening.

04 Prepare before a brand or management change

Paul calls the point when the old brand leaves "day 0." His story emphasizes having a response plan before reservation systems, staffing, and client confidence are disrupted.

05 Revisit the relationships in your CRM

Paul discusses CRM reactivation and focused direct outreach as ways to start sales conversations. The interview does not establish that any particular hotel will achieve the results he describes.

06 Address the leader's mindset as well as the sales task

Fear and uncertainty can affect leadership. Paul describes his five-day one-on-one challenge as combining practical sales work with leadership and mindset; faith-informed discussion is available for those who prefer it.



Your next conversation

- Which group clients need a clear update from us?
- What can our team influence this week, and what is outside our control?
- What do we know, what remains uncertain, and when will we update the team?
- Which past CRM conversations are worth revisiting?
- What support does each team member need to take the next step?



Paul Woodley

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About the five-day challenge

Paul describes the format in the interview. To ask about current details, pricing, and availability, use the separate challenge request form on the interview page. Downloading this resource does not enroll you.

Questions: paul@hotelresponse.com



Complete supplied transcript

Original transcription preserved; paragraph breaks added for readability. Read the editorial note at the beginning before relying on specific figures or statements.

Have you ever checked into a hotel and got really bad service and thought, "How does this place even survive?" "We've all felt that before and been there before. And here's what most people don't know about the hotel industry. The revenue doesn't come from having good service. It comes from the sales department, and that's what most people don't know. And I know this because my guest today did this for 30 years for some of the biggest hotel brands in the world. We're talking about Marriott, Hilton, Hyatt, and he's helped save \$7 million in group business during one of the most challenging rebrands that you'll ever hear about in that space. I'm here with the one and only Paul Woodley, who helps underperforming DOSMs, which is directors of sales and marketing, fix their revenue strategy before the ownership group fixes it for them. So Paul, I'm excited to have this conversation with you.

Of course, more selfishly, like, I mean, I'm, I'm actually very curious about how hotels make money, and just as a side note, how much they have to make to break even, and what actually runs hotels and all that kind of stuff. So Paul, welcome to the Never Settle Podcast. Excited to have you on. Thank you, Richmond. Good to be here. Very cool. Well, first of all, uh, 30 years in this game, let's start with, uh, like how did you get to the top of, like, that, like the sales game and marketing game? How did you do that in your career? Yeah, it's very interesting because, uh, I never really wanted to be a manager growing up. You know, my father, he used to be an executive for CBS Records back in the day when there was a CBS Records, and he got laid off when I was a kid, and I remember witnessing that, and I had said to myself, "I'll never be a manager," because if, if, if companies treat people like that, um, like, you know, fire them for no good reason, in my little brain I thought it was no good reason, then I don't want to be a manager.

And then you fast-forward until I got a little bit older and, um, here I am. I'm, uh, I'm selling ladies' shoes. You know, before my journey into hotels, I actually was a ladies' shoe salesman for, like, 9 years working for Saks 5th Avenue and Lord & Taylor. So, uh, I guess one of my super gifts is I can look at a woman's foot size and guess their shoe size, so. But, uh, a little weird, yeah, sometimes. But, uh, but, uh, yeah, th- but there I am. You know, I, I was, uh, going through school and I wanted a, a, a second job and, um, to pay some of my school debt, and I got into hotels by the avenue of front desk, which many people do, and I was a night auditor. That's working the graveyard. And I worked the graveyard shift for, uh, 5 years, my first 5 years in the game, uh, while I worked as a ladies' shoe salesman. And just, so I was running, I was working 2 jobs at the time. And then it got to a place where, um, my manager, my hotel manager, one day said, "Hey, Paul, you know, you should really consider going into management.

"And I had these thoughts again of, you know, I'll never be a manager. Um, and back then I was trying to be an entrepreneur, even in my 20s, you know? And so I was like, "No, you know, I make more money doing 2 jobs hourly than you guys making management. "Back then, management, I think, was, like, 24K or something like that, and I think I was making way more collectively between my 2 jobs. But anyways, you know, my journey starts with, um, really getting my foot in the door on the overnight shift, 'cause I did the overnight because when I was looking for a second job, I was thinking, "What can I, what second jobs out there on the overnight shift can



I do? "And there was gas station attendant and blah, blah, blah. And my father actually was a night auditor at the time. So that's how I got into the game. Um, and I was lucky enough to start with one of the world's best hotels still to this day, and that was with the brand Fairmont. And I was, um, I worked for Fairmont Copley Plaza Hotel in Boston my first 5 years, and that was a 5diamond hotel.

So my, my learnings in the beginning was coming from Saks 5th Avenue, selling high-end luxury shoes to women, now here I am in a 5diamond hotel environment and, um, yeah, just learning from, from the ground up. And eventually that took me into sales, uh, fast-forward maybe 15, 20, 17 years later. Wow. Wow. Well, you're definitely highly credible for this conversation then. So as you're talking about the shoe thing, you reminded me, I don't know if you remember that show-MarriedWith Children, Al Bundy, you know? Yeah. The people- Of course. Unfortunately, yes. That was my nickname. Oh, was, uh, was Al Bundy your nickname? Yeah. People found out when I did, yes. Too funny. Too funny. They don't have sh- they don't have sitcoms like that anymore. I mean, you know. Um- No, no, they don't. So let's talk about hotels. How many hotels, like percentage-wise, are struggling? And then- Yeahand then what are they misdiagnosing about the problem and, and that keeps them struggling? Yeah, for sure.

You know, on, the outside world that's not in hospitality, um, would never imagine the underpinnings or underworkings of, um, the revenue that, that a hotel, that, that needs, a hotel needs to survive. It really is, it's heavily labor-intensive. Uh, to give you an example, um, a 360-room hotel, um, a full service hotel that's got, you know, 30,000 square feet, which was the hotel that I learned many of my systems from, it's running a payroll about 200, \$250,000 a month, and that's with about 50 to 75 employees. So very labor-intensive. And, um- The revenue, so the profit margins are very low. And so how a hotel generally works is if a, if a person, the listeners really know, it's really a franchise model for the most part, just like a McDonald's or any other franchise. So if you wanna be, if you wanna own a hotel, you can own a hotel as an individual, but for you to put that flag up on your building, like a Marriott, like a Hilton sign or something like that, any sign, um, the rules of the game is you have to have a management company represent you.

So there are management companies, a middleman if you will, that are, you know, they, they prove themselves to run hotels and this payroll, the HR aspects. And so a hotel owner has to hire a management company to run their asset, and sometimes we call them asset managers. So we're all familiar with booking travel through normal means, like, uh, through travel agents or even w- what we call the OTAs, the online travel agencies, like Priceline or Expedia and so forth. But, um, but when all is said and done, the, uh, profit margin is very low and many, many hotels out there are just getting by with their payroll. And so what's happening currently in this market, and this happened since COVID, is in 2019, that was kind of the industry's benchmark year for the world really. Um, this, this is when occupancy levels are very high. I think the, uh, national average in the United States was roughly about 72% occupancy. The revenue per available room, we call that RevPAR, that's the, the, that's the average r- revenue per available room, uh, was very, very high, 2019.

And so a lot of owners, what they did, and we probably would do the same, is they refinanced their hotels because the market was so well in 2019. And some of the moves as you refinance your hotel, a lot of times they put the money back into the hotel, uh, for, um, CapEx to repair the hotel because it, you have to repair your hotels. You have to update it every 10 years per the flag's brand standards, like that's the thing. And but some owners, uh, so what happened as, as we all know, COVID hit in 2020, and now you have all of these, um, over-leveraged properties now. So what happened was, when they refinanced all these hotels at basically 80%, you know, you go to the bank for a refinance, you're telling the bank, "Hey, we're running 80% occupancy. "The



bank finances it based on that, but then COVID hits and now you have all these hotels that, because everyone stayed at home, if you remember, everyone w- went remote, um, now you have, uh, travelers, the occupancy dropped like half.

And so now here we are, 2026, and you have many, many hotels that are s- that, that are way behind, not hitting their notes, the owners, and going into foreclosure. And so it opens up a whole nother, there's a whole nother market, s- uh, an aftermarket if you will. So before a hotel goes into foreclosure, they hire another management company called the receiver, or the bank hires a receiver. This is a bank person, a representative, that helps save the assets so the hotel can keep on running, uh, while it's, you know, bleeding out money, while they're trying to figure out, A, do we close the hotel or not? So my situation, uh, was that I was in a, a profitable hotel, or up until a point, and the owner, um, defaulted, and therefore it triggered the bank to, um, to, um, to, uh, re- uh, put in a receiver. And then once the flag, like a Marriott flag or a Hilton, once they see that the bank is, is pulling back, they threaten to pull the flag down or we call it a flag, the sign down.

And so when a hotel has the sign pulled down, then everything goes to pot for that hotel because now they don't have the brand support like a Hilton Cent- you know, or a Hil- a Marriott. They don't have the support or reservation systems. So it really is a very, very difficult situation for everyone involved because now it's moving towards foreclosure and the, and that's inevitably what's gonna happen. So currently as we stand, there are a lot of, there are many dozens of hotels in every city and, and you'll see, and sometimes you won't even know they're in, going through this process, but it, but it is a thing. And my, um, I've learned that through this process, you know, basically how to save a hotel, uh, by saving its pipeline, and that's where I kind of, my journey in, in this space of teaching hotel management companies and directors of sales who were in my shoes how to save the asset without any resources from their management company who's getting kicked out by the bank, uh, or even, uh, or the owner who's also getting kicked out of the bank.

Now you're just one-on-one with the bank, and you're trying to convince the receiver or the, the bank, "Hey, we have a plan. "But, uh, but most hotels unfortunately, they just bleed out. They go to foreclosure. Hmm. That makes- Okay. And so, a- and this is as a director of sales and marketing for, for hotels. Is there any situation where, you know what, it's too late? Now, for someone watching this, and, you know, this is obviously quite niche, but if you're watching this and you're, you're in that industry, and you're thinking, "Man, it's too late for me. I can't do that. No way. No way he can- no way we can have this conversation. Bank's coming for me. "Like, is it ever too late? I- i- it can be. It can be. So, um, you know, one of the, one of the reasons why I- uh, coaching appealed to me, you know, after all of this, was the mindset that is involved in being the person, the head of, of leadership team, which, which I was at.

So there's nothing you can real- if you are a director of sales, um, where you have a team of people, you have direct reports, and your, your, your responsibility is top line revenue, there's only so much you can do. So when someone goes through a, a situation like that, as a individual, as a director of sales and marketing, the only thing that you can do in a, in a time like that, because you can't do anything about the bank or the note or who's your, gonna be your next boss or management company. But what you can control is you can control, um, protecting the pipeline because, uh, people in those shoes have that ability if they're good enough. And they ha- and you have, um, should you choose to be a leader, uh, the responsibility to protect your team. So in a situation like that, your team members, your other sales managers, they're worried and concerned about their job, 'cause most likely they're gon- most, they're gonna be let go because now the asset is no longer profitable and so forth, and that, that's gonna happen.



So if you are a sales leader, in my opinion, is you need to become what I call a transparent leader, a person who i- leads from the front, is transparent with your team, and you share what's actually happening from above, and you come with a strategy to first and foremost, um, protect your team. So I like to say that, you know, uh, there's a radio channel we all dial into, the, the special, the, the special FM channel we all like to hear, and many people have heard of this, the WII FM channel. What's in it for me, right? We're all tuned into the what's in it for me channel. And so when, when stuff is going not your way, you know, the, uh, to protect the team, um, you have to dial in one-on-one, like, "Hey, let me sell you the dream. What's in it i- if you stay on board with us, even though I have no guarantee you're gonna really stay here, um, let me, let me connect it, let me connect the, your dream outcome with our dream outcome, uh, of the business revenue.

"So any of the, the thing you can control is really just saving your team and trying to, um, trying to, uh, you know, do what we did, and that's, um, save the pipeline. At the moment, the pipeline was \$9 1000000, \$7 million, and which is, uh, healthy enough to get a hotel, buy a hotel at least another year of business. Which is a huge amount of time. Okay. So for someone watching this thinking, um, "How do I, like balance the whole notion of, okay, I'm raising my hand, we're, we're, we're in a bit of trouble right now," but not panicking the team at the same time. You know what I'm saying? Yeah. Um, you know, I've learned that, um, when you are a soldier per se or a captain, you know, on a, on a corporate team, if you will, um, unfortunately, most people are in, in on that channel I just talked about, the what's in it for me. It's, uh, that people are always caring about who, number one. So my, I feel my calling at the moment is really making people problem aware of, you know, what, like you said, what, what ca- i- if you see the signs.

Because a lot of current hotel directors of sales and marketing, they think that they are w- okay, but be- but this, this kind of information is not shared. I didn't really know until, that this was all gonna ha- was gonna happen within, I think I had, like, 3 weeks lead time to come up with a plan. So I guess w- what I'm hoping our podcast can do is make people aware that, hey, if you see the, the, you know, the, the rain clouds and the, you know, be, be aware that, you know, this is a thing, that you immediately have a plan of action should it happen to your hotel. I would gather that it's probably, you know, 30% p- at least 30% chance that a, a person, um, a hotel is gonna go through this situation, and there's thousands of hotels around the world, right? Um, but um, but yeah, my campaign, if you will, is to make people problem aware, and, um, and if they find that they are in that situation, to deploy, I don't know, an emergency game plan, which is kind of what I, I share in my program, that if this was to happen, whatl call it day 0.

Day 0 is the day that the flag is pulled off- Your hotel. Because the, the old brand has to go through a de-identification process, and when day 0 hits, the old brand pulls all of their reservations out of your hotel. And in my case, that was 3,700 reservations. Practically overnight, the old brand is trying to get out of your hotel and put it into their other sister hotels, because they're not gonna keep it in your hotel. So when you're gonna lose 36, 3700 reservations in a few days, um, you, you need to, um, y- y- you need a strategy. In, inBut the strategy for a full service hotel is group. And so group sales, that's where, you know, you have a block of rooms, you have a group, you know, and you're familiar with this, Richmond, because you do events too. Um, that is really the hidden treasure in all of this, is if you can protect the group side of the equation, which is not picked up. You know, when you book a block of rooms, you have time to book reservations in there.

Uh, but if you can protect your group, um, which is the only thing a director of sales marketing in his team or her team can do, um, you can, um, you can survive. And in my case, I had 96 groups on the books that were at risk, and we contacted every single one of them through an email blast. And we, we, we told them, "Hey, the



hotel is going through a management change. We don't know - we don't even know who the management or the flag is going to be, but we make a promise that we are still gonna honor your contracts. "Because the risk in this situation is that a hotel, um, that all of these groups can cancel their blocks, and these, these, their contracts, um, with a change of ownership. There's a, there's a clause in there. And if you do business, you can see - if you do hotel contracts, there's usually a clause in there that if, should a hotel change its, uh, management, um, that you can cancel without penalty your, your group. And many of these groups are worth, you know, tens of 1000, if not hundreds of thousands of dollars.

In my case, it was \$7 million worth spread over 96 groups. Um, and we - did not lose one. So there, there's a process. And the key is being that transparent leader that you need to be, where you just tell people, "Hey, this is the situation. Do you want to work with me or not?" And, and in our case, they trusted us and we were able to save their business. Now, keep in mind, and cut me off anytime, but every group has their own business outcome. So they're doing their own retreat, they're doing their own annual. They're, they have their own stakeholders, right? I believe you do your own event too, you know, for your team, uh, in December, right? So imagine if the hotel just called you today and said, "Hey, we're not gonna be the hotel anymore. We're gonna go unbranded. We're gonna be an independent. We don't know what we're gonna be, and we're gonna probably let go 50% of the people." Well, you as a customer, you will be very, very concerned at that moment, right? As you can imagine, everyone is concerned because now your business is at risk.⁹⁰ You know?

And so it's a really, uh, sticky situation, but it can be overcome with the right process and methods. Hmm. Well said. Well said. Okay. Um, well - we're gonna talk about your tiny challenge in a second. Like, there's a one-on-one challenge with you. Um, or actually, we might, might even talk about it now, 'cause you, you run a 5day one-on-one challenge. And as far as I know, there's no cost to it at the moment, but there will be soon, I'm guessing. And yeah, like how to use one. So can you tell us more about what is a challenge? What, who is it for? And then what's kind of the end outcome of it? So this is 5 days one-on-one with Paul, the man you see right now, who has worked with some of the biggest brands in the industry. Tell us more about the challenge. Yeah. Thanks, Richmond. So, you know, we have a, um, a - we have a premium offer per se, where we do a done-for-you service which costs a lot of money for, for everybody, but for a hotel it can be, um, budgeted.

But I learned that, um, there needs to be a smaller educational piece to our business that can educate our directors of sales and hotel owners about the need for this, uh, process that we go over in this 5day challenge. And so the, the origin of the 5day challenge was there because, um, the, it will take a few days for a person to understand the, the, the process, right? Of, of, of like, like how to be a transparent leader, how to create an email blast, how to deal with contract language, um, how to save your team, you know, because, you know, if your, if your, if your whole team left, it's just you. You know? So there are, it's multifaceted problems that you have when you're in a, this situation. But I've learned that ultimately, even in my own journeys, um, that aside from business challenges like such, that the individuals, that the leaders that are responsible for the outcomes of their business are operating in a state of fear and anxiety to the point where they become ineffective in leadership.

And so part of the challenge is to, um, help that leader, uh, understand that their problems, um, that they're experiencing is not because of them. Um, that, uh, it's not their fault. And so we go through a mindset, uh, shift in, in, in my challenge, and my challenge tends to, um, uh, attract, uh, Christian leaders too. And so my challenge is kind of a biblical structure of leadership so that I've noticed that in our field, that there are a lot of Christian leaders who feel some kind of way of, of failure. They feel like it's a spiritual problem, and part of the



challenge is to help those individuals understand that, that the problems that you face are, are not spiritual problems. They're really just you're framing your, you're, you know, you're, you're, you're self-identifying these issues with who you are as a person.

So the challenge is part mindset, part getting you to, getting that individual to. And it doesn't have to always be Christian, but you know, it's open to those that, you know, struggle with, um 'Cause I noticed that Christians, 'cause I'm a Christian, um, we, you know, we, we, we get stuck when, when the knowledge base is too, um, scientific, shall I say even faithless. A lot of Christian leaders want a faith-inspired, strictly s- you know, word of God kind of framework. So the challenge is hybrid, where if it's, because my audience tends to be Christian because they know that's who I am, um, if that's that type of person we oftentimes go that direction. But if it's strictly secular or strictly business, we just, we, we, we just handle the, um, the mindset of leadership, how to be a transparent leader. And then at the end of it all, and we teach them how to do the framework, they can do it for free. They, they will have all the tools during this 5day challenge, and at the end of the 5 days, the outcome, the goal is that they're gonna get back to pace.

They're gonna get back to, to black. Right? Which is why they're coming in the first place. They're coming because the, you know, here we are October, when we're, we're, we're doing this in October, late October. The end of the year is coming. As business people, we have annual budgets, and many business owners are looking at that gap, they're behind, and, um, and they don't know how to bridge that, that gap. And so at the end of this challenge, we will bridge that gap. The, we will systematic- We will, well you're down 200K, 500K, it doesn't matter, the sys- the, the process will teach that hotel how to do direct marketing sales a very specific way to hit their CRM, r- we do a CRM reactivation, and, um, get, get back to pace. We call it getting back to black, get back to pace in, uh, within 90 days, if not 30 days. So that's what we did in my situation. We were able to, in, in, in less, in 30 days we were able to book \$460,000 worth of new business from the ether, um, and that's what I'm gonna share in this challenge. Wow. Wow. All right.

Well, how does someone, how does someone apply to be in that challenge with you then? Let's, let's put a keyword in the comment section below, or even private DM you. Um, what would be a great word to type down below? Yeah. Uh, I would say, um, I was, uh, let's do, um, let we can do a k- a hotel keyword that a hotel person will resonate with. Yeah. And that hotel keyword will probably be, um, let's do RevPAR. R-E-V-P-A-R. Type RevPAR. That's like the number one metric that all hotel sales management companies and owners care about. Revenue per available room. So the keyword- So good And, uh, yeah, they'll get in contact with me I love, I love industry lingo. Okay, so comment revpar below or even send Paul a private DM if you wanna keep the conversation private because I understand that for some of you watching this right now might be like, "You know, I don't really wanna publicize that th- this hotel's going down," or whatever the case may be. So send him a private DM and he'll get back to you on how you can apply to have one of those spots in his 5day one-on-one challenge.

He only allocates a few spots a month, and so it will go fast. So make sure you comment revpar below or send him a private DM. Paul, any final words of wisdom, maybe even from a biblical sense since you were talking about that, just philosophies around life that someone could get value from? Uh, yes, for sure. I would just say just generally try to be a, a transparent leader, whoever you are. Uh, whether that be, uh, as a professional or whether that if you're a mom or dad, uh, try to lead from the front, try to be transparent, um, and, uh, live a life that, um, you don't need permission to live, um, your best life now, you know? So I think my, uh, words of encouragement to your audience, uh, to my audience is, um, know that you're loved by God, and know that,



um, that this too shall pass, whatever your challenge is. And if you're a hotel person, uh, there is a process and a system that can get you back to black.

And if you're just an individual who is struggling in general, yeah, please reach out to me too because, um, I certainly can help you, um, you know, get clarity and give you some biblical next steps, um, framed around the word of God, um, to give you that, what I call biblical confidence. And I think if we all can have biblical confidence, uh, the sky is the limit. Very good. Well said, well said. Paul, appreciate you, and thank you for being on the podcast. Thank you, Mitch. I really appreciate it.

