



## Front Office

by Patti Halter, CHA

# Ensure that Fall springs you into 2009 success: Time to reflect and take action

*Another great article from The Rooms Chronicle®: the #1 journal for hotel rooms management! \*\*\*Important notice: This article may not be reproduced without permission of the publisher or the author.\*\*\* College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com*

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While 2008 is winding to an end quite quickly, it is the time of year that most hotels are creating their 2009 budgets and marketing/sales plans. Most properties conduct this exercise annually. This article is addressed to those hotels that currently *do not have* this process in place. If this is something that your property does not do annually, perhaps this is the year and now is the time to begin.

No property is too small, nor excluded because of its location, where a minimum of a Room and Revenue Budget should not be in place. This, as well as a plan that outlines how the hotel intends to achieve the forecasted rooms and the revenue by month should be in place at every property. The budget acts as your guide; your road map for the coming year. Consider this question; in your lifetime have you achieved your greatest personal successes by just “being here”? Or was it due to your intention of achieving that success in advance, with a plan and a vision? Most would agree that they prefer not to leave their lives to chance, but set out with the end result in mind. And this is what the budget and marketing plan truly is; a map to success for your hotel.

When calculating the forecasted rooms that the hotel will sell by month in 2009, it is essential to have an accurate history of how the hotel performed in the past 12 months; preferably 24 months. Additionally, research what the industry experts are saying about the economy and the travel industry indicators for next year. Smith Travel Research, PKF Hospitality Research, and PricewaterHouseCoopers are three reputable sources for that type of information. Then, examine what is happening in your hotel’s neighborhood. Are new properties being built resulting in a higher supply of rooms next year? What type of business is the local convention bureau or tourism chamber bidding for or currently has on the books for the coming year? What local factors do you believe will boon or bust occupancy in your region next year?

Recently, September of 2008, PKF Hospitality Research announced that they predict a minimal increase to ADR of 1.3 percent in 2009, significantly less than in 2008. In addition, they forecast a continuing decline in occupancy. Knowing this type of information is critical in order to begin creating a room and revenue budget.

Be as realistic as possible when creating this guide, as the hotel and its marketing team will be using it throughout the next year. This is not a time for wishful thinking, nor is it a time to sandbag! Use as much of the hotel’s marketing and reservation staff as possible to help you create and to essentially “buy in” to the revenue projections for your hotel’s success, as this will be the team that will help you to achieve these goals.

Depending on the booking patterns at your hotel, it may be advisable to set up an estimated room and revenue budget by weekday and weekend, as well as by season, in order to be effective. If the property commands a significantly higher ADR and occupancy on the weekends, or on specific days of the week, break out that data by weekday and weekend. While this is more time consuming, it will generate more accurate and reliable results.

Finally, determine what market segments will comprise the reservation mix at the hotel. If you are anticipating extensive corporate/government business, what steps are the hotel and its marketing team doing right NOW in negotiating pricing and gaining the clients’ estimates for their monthly contribution to the hotel’s occupancy? Have hotel salespersons been out visiting and discussing the preferred pricing these clients will receive at your property and convincing them on the reasons why they should be staying with YOU versus your competitors? What contracts do you have in hand? Have you visited your contracted clients to ensure that another hotel down the street will not woo them away from you? Are your negotiated rates loaded on your brand’s central reservation system or in the GDS, where most clients prefer to book? If not, it might be time to take action. The clock is ticking and 2009 will be here before we know it. ✧

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