

THE OVERVIEW

ISSN 2048-4844 FEBRUARY ISSUE 2016

CARL - OFF TO PASTURES NEW



USALI - A Professional Speaks
Rare Burgers Endangered

Welcome to THE OVERVIEW

Dear members,

This issue of The Overview marks the end of an era for those of us at HOSPA, as Carl Weldon moves on to pastures bells and whistles at HFTP Europe. We all wish him well and hope to see him back at HOSPACE, where his exhortations on us to “sparkle” have seen more than one sequin lost to the dance floor.

Carl leaves HOSPA in great shape, with a new name and a new sense of purpose, bringing together sectors which have gone from being very much the backroom boys to the forefront of the hospitality industry. In this era of yield management, online travel agents and ubiquitous Wi-Fi, it is the members of HOSPA who are now being called upon to drive businesses forward and come up with the innovations which will set them apart in the face of ever-growing and ever-more diverse competition.

The customer has never been more demanding, as the internet has bought the world to the bored employees' lunch hour, making them more eager to try food and hospitality from around the world, preferably on their doorstep. As choice proliferates, so loyalty subsidies, and attracting the same customer twice becomes an almost-impossible goal.

The internet has also taught the consumer to be frugal and even the High Street's established names have entered the vouchers game, with smartphones being waved at the end of every meal. But what might have been a killer to an industry which is not known for its precision is still manageable with the skills being taught by the education division here at HOSPA.

The same, of course, cannot be said for those who attend Carl's cricketing days every summer. You can never have too much Pimm's. You can never have too many fancy crisps. You can have too many meltable cupcakes.



Katherine Doggrell

Editor | katherine.doggrell@hospa.org

→ In February's issue...

- | | |
|-------------------------------|-----------------------------------|
| 2. Introduction | 13. RM vs CRM |
| 3. Carl Weldon to join HFTP | 15. Rare burgers endangered |
| 4. Carl - Stay Connected | 16. USALI - a professional speaks |
| 5. Congratulations | 19. HTNG membership agreement |
| 6. A business for all seasons | 20. Fragility in the North |
| 8. Leading Learners | 22. Events |
| 9. Hacked off | |
| 11. Hotels shaking up parking | |

HOSPA

Hospitality Finance, Revenue and IT Professionals

Editor

Katherine Doggrell
+44 (0) 7985 401 831
katherine.doggrell@hospa.org

Editorial Board

Paul Nisbett
Chairman - Finance & Accounting Committee

Bryan Steele
Chairman - Information Technology Committee

Michael Heyward
Chairman - Revenue Management Committee

Alec Jones
Taxation Committee

Membership & Events

Robert Maloney
Membership Officer
rob.maloney@hospa.org

Jane Pendlebury
jane.pendlebury@hospa.org

Jenny Rose
jenny.rose@hospa.org

Tel: 0203 418 8196

Professional Development

Debra Adams
Head of Professional Development
debra.adams@hospa.org

Jane Scott
Programmes Coordinator
jane.scott@hospa.org

Tel: 01202 889 430

Publisher

Hospitality Professionals Association

The Overview online

You can login to the membership area on the HOSPA website and read this journal online plus archived copies in the members' area are available at: www.hospa.org

Cloud-based hospitality software for hotels, groups, apartments and pub chains



www.guestline.com • sales@guestline.com • +44(0) 1743 282300

HOSPA CEO Carl Weldon steps down to join HFTP as COO - Europe

After 11 years of exemplary service to HOSPA Chief Executive Carl Weldon is leaving in March to join HOSPA's strategic partner, US-based HFTP (Hospitality Financial and Technology Professionals), and take up the newly-created position of HFTP Chief Operating Officer (COO) - Europe.

Carl was appointed Chief Executive of HOSPA's forerunner BAHA (British Association of Hospitality Accountants) in 2005, and was responsible for the development and growth of the Association - resulting in the transformation of BAHA into HOSPA, with a broader remit to meet the current needs of hospitality professionals. This was not only for those in finance, but also the major growth areas of Revenue Management and IT. Allied to the 2011 rebranding, the BAHA Annual Conference and Exhibition became HOSPACE; and last year's HOSPACE 2015 attracted a record 460 delegates.

During Carl's tenure, the Association has been reorganised and re-energised. For example in 2012, HOSPA invested in social media - starting with 178 followers on Twitter, which now has risen to 15,431 followers. Today, HOSPA's LinkedIn Group has 5,417 members. In addition to BAHA/HOSPA Professional Development's long established Financial Management Education and Training Programme (ETP), 2011 saw the introduction of the HOSPA Revenue Management ETP. In 2015, a record number of learners enrolled on HOSPA's Education and Training Programmes.

Commenting on Carl's departure, HOSPA Chairman Chris Upton said:

"Carl will be greatly missed - we owe him a great debt for his drive and determination to transform BAHA into HOSPA and make this Association relevant to today's needs, and one to be proud to belong to. Under his tenure, HOSPA has become a major voice in the industry, its membership has grown significantly, global recognition has been gained; and HOSPACE has become one of the biggest and most successful annual events on the hospitality calendar."

Carl said:

"I will remember my time with BAHA - where I was a member before I was Chief Executive - and then the transformation into HOSPA with fond memories. I would like to thank all of those members and sponsors who have seen us through and into HOSPA - and also those who make HOSPACE the great event it has come to be. As with many of these things, it's the people - who have helped and contributed along the way - that make for an enduring success. I will not be going too far away as I will be responsible for maintaining the relationship with HOSPA for HFTP."



Stay Connected – now and in the future



HOSPA CEO Carl Weldon uses his final column to stay in touch

At the recent HOSPA Revenue Management Members' Meeting at the Le Meridien Piccadilly we asked the assembled group what they wanted in the future. The great news is that Revenue Managers - really beginning to understand what being part of an Association really means now - responded with the following:

- Keep the format fresh
- Link with other associations
- Encourage wider audiences (not just RM)
- Encourage networking - including social media
- Have some RM leaders present, with a possible debate?
- Create RM standards?
- Define the role(s) of Revenue Management

We realised on the last point that HOSPA has already created and defined some of the career paths for the Hospitality Guild - for example here <http://www.hospitalityguild.co.uk/A-Career-in-Hospitality/Career-tools/Career-Map#/role/Revenue-Manager> but that we have not featured this on our own website - proving that it is always valuable to hear directly from you - our members. The other aspect of the above is of course is that of one of the most valuable aspects of being a member of any association - staying connected - or networking.

It is very easy to stay in the office day-to-day (even in a busy hotel) - and so become isolated. It is even easier to stay in your business and never pop your head 'above the parapet' and look at the outside world of the profession you are in. Being a part of HOSPA you have access to this monthly magazine and the exclusive members area of the website (you will need your membership number and password) - and our professional development courses and qualifications.

But the area you will obtain huge value - and get a kick from - is meeting others in your profession - finding out what they do and how they do it - what they are planning to do and what they have to do to achieve this. It took me a while to convince some Revenue Managers that this does NOT mean sharing your RM Strategy with others - much like the Finance Managers do not sit down and compare their P&Ls. It means sharing thoughts on roles, standards, approach and technical aspects while listening to leadership in the industry.

This is why the sharing of discussion between Revenue Management, Finance and Technology departments or roles is so important. An IT Director recently shared his thoughts with me on doing a hospitality technology certification - the biggest value he assigned to his learning process was understanding

how IT and technology fitted in with the rest of the hotel. It made him more 'connected'.

We must remember that our hospitality guests want to stay connected also. In today's world of social media, email and fast-loading information apps our customers need access to their own networks.

If you look up 'Stay Connected' on Google one of the highest ranking results is this website address - <http://www.hiltonworldwidestayconnected.com/> . It says "Hilton Worldwide developed the StayConnected programme to ensure our guests receive high quality, consistent, internet access and support at each of our hotels". If the industry as a whole does not all aspire to this - our guests will come and connect with us - but as not-very-happy complaining guests which is not the kind of connection, we really want.

We must remember that technology is affecting us all in many ways - but that we still want to meet up with people. You do need to look up about six inches from your Smartphone or tablet to meet others - but that will get you a much better feeling of 'Staying Connected' .

When I look at the recent press release about what we have done at BAHA and HOSPA over the past 11 years a great deal of it has been about these connections. The new website, the new Overview (and electronic version), HOSPACE with over 460+ attending, regional members' meetings, members lounge at Hotelympia and Hospitality Show, HOSPA's now extensive social media reach, HOSPA Blog, career and future career scholarships, professional awards, jobs board, Finance and IT Directors' dinners - to name but a few. All of these have helped

HOSPA members and others connect and interact with others in their professional field.

It has been my absolute pleasure to lead and develop both BAHA and HOSPA over the past decade or so. It has been fun a lot of the time - which has also been a key part of our approach. When I look back I am sure it's the people I will miss most - the discussions and debate - and the partnerships and dedication of those that really do make a difference to the development of an organisation like HOSPA.

I have been a member of this organisation since the early 1980s' when I used to receive Russell Kett's 'pink sheets' of information through the post - and I will not be going far - really just only 'over the road' and I will be still 'connecting with' and indeed supporting HOSPA via HFTP.

I am sure I will see you in the future at a HOSPA members' meeting or even at HOSPACE or Hotelympia from 29th February to 3rd March as I am there for the whole of what will be my last week.

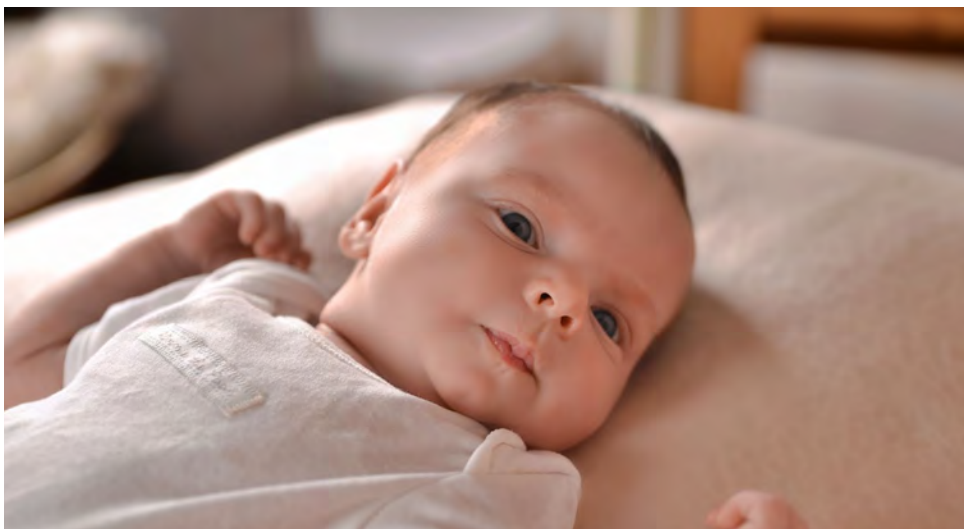
If you going to attend Hotelympia, make sure you register (for free) via the HOSPA specific link for Premier status (www.hotelympia.com/hospa)

After that please do 'Stay connected' with me. I am on LinkedIn and Twitter and my phone number will remain the same at +44 7831 616982.

I wish HOSPA members and HOSPA the best for the future and I look forward to supporting you from a different perspective in the future.

→ ANNOUNCEMENTS

Congratulations



Congratulations to one of our Financial Management learners, Kamila Lipnicka, who gave birth to a baby boy, Adam, on Christmas Day, weighing in at a healthy 8lb 13oz! Not fazed by having a newborn to worry about, Kamila sat her Stage One exam just three weeks later. Kamila works as an Accounts Assistant at the Radisson Blu Belfast, who supported her throughout her studies and for her exam. Best wishes to you all and good luck with your results Kamila!



Chris Denison Smith
Director, FM Recruitment

A Business for all seasons

It's the time of year when the ski resorts are full and beach resorts are advertising ahead of summer. According to STR Global, RevPar grew 9.1% at US ski resorts last year. But while demand for ski holidays remains high, the industry is limited by its seasonality. And now ski resorts are facing risk from changes in climate. Abnormally high temperatures have affected snow levels during months that should have been reliably profitable for the sector.

Whether you are running a ski resort or anything else that is largely built around one activity make sure that you have sufficient diversity in the activities that you offer and that you're applicable all season. Finding revenue streams that remain constant all year round could benefit any hospitality business. Here are some examples of 'All-Season' strategies:

Maximise your assets

Take a look around you. Are you making the most of your surroundings? Sunbathing loses value as an activity as soon as the first cloud appears in the sky, but sunshine is not the only factor driving people to take a holiday. Travellers are increasingly seeking a fun and memorable experience. Any exciting activity that can hold guests' attention for a meaningful period of time is valuable.

Do you have at your disposal the right environment for outdoor activities and sports (ones that don't need snow or any specific weather conditions)? Could thrill seekers set off down a hillside on wheels? Could families enjoy a hike or bike ride through a forest? Do you have the kind of waves that will attract keen surfers any month of the year?

Make it easy for your guests to get the most from their surroundings with minimum organisation. Guests that arrive in peak season might already have plans in mind, but those who aren't there for the main attraction, whatever that may be, might need a helping hand. Offer them opportunities to learn new skills and set challenges that guests will want to attempt. Be prepared to offer any related services or equipment that may be needed, or find out which other local businesses can help.

The more different activities you can add to your list, the less risk there would be to your bottom line if circumstances outside of your control change.

By the seaside

If you are a beach resort that is more applicable in summer, take a look at walking activities, fossil hunting or geological tours to attract visitors in the colder months. And keep on top of information about local museums and aquariums that you can point your guests towards on a rainy day.

Expand your offering

If your surroundings aren't offering up a natural solution, it may be time to invest in facilities for a new venture. Can you increase the extravagance of your evening entertainment? Hosting talented performers, and recognisable names could attract fans. Building an indoor space for sport, games or interactive experiences would also widen your appeal. Businesses that have space for events have the opportunity to expand into the lucrative wedding or corporate market.

If you can't host events yourselves, targeting business travellers from nearby venues could also help fill rooms. Whatever you encompass in your new strategy, service levels should match or improve those of the existing business.

Pricing

Any seasonal changes will always dictate room rates. In quieter periods sending a special offer out to loyal guests is a great way to fill rooms. Clinton Campbell, Director of Revenue, Apex Hotels discusses seasonal price changes:

"You position your hotels at a certain level, so to charge a higher 200s in August versus double digit figures or sub 100 in the Winter period is quite difficult. Managing your reputation and the way that you come across can be a little bit of a challenge and it's done just through the value of what you're selling on to your guests."

Encourage wellness and self-improvement

Wellness is great addition to any hospitality offering, and can appeal to guests by a beach, up a mountain, or in a city, at any time of year. It is predicted to become a \$3.4 billion industry by 2018.

As the industry evolves, new opportunities for tourism continue to emerge. A report by Spa Finder suggested 2016 will see more parents actively sharing their wellness practices with their children. This means that family oriented wellness activities could become popular.

The momentum of growth in the wellness industry reflects the mainstream interest in self-improvement and improved life balance. New devices and apps are being created to help

people in these ambitions. So be aware that your guests may come equipped with an Apple Watch or Fitbit, or be tracking their health and activity on their phone.

While some resorts may have the means and opportunity to open up a full spa with pool, sauna and treatment rooms, this is not the only way to connect with this market. Consider bringing in wellness experts to share knowledge about healthy eating, or to host fitness classes, or meditative practice; anything that allows the guest to feel like they have taken some time for themselves. This could be offered all year round, or a specialised event could bring guests in whenever demand is normally low for you.

Festivals and religious holidays can be notable factors in seasonal demand. Hala Choutanay, Regional Managing Director, HVS Dubai discusses the holy cities in Saudi Arabia:

"This is not necessarily reflective of the whole of Saudi Arabia because naturally with the religious tourism these markets will always grow. You've got a growing Muslim population which naturally would feed into it more. The pipeline for Makkah specifically is extremely aggressive. There's always going to be seasonality in that market, but the case of oversupply is existent."

Wine and dine your guests

Draw in local guests with a strong F&B offering that goes beyond basic amenity. Estimates show that the restaurant industry will be worth \$3.8 trillion by 2019. It is unquestionably fantastic for year-round income with high street eateries fully booked up every Saturday night. Chain restaurants and bars have been

drawing business away from hotel restaurants for years but many hoteliers are now making moves to improve their own dining experiences.

Some shining examples of London hotel restaurants are The Dining Room at The Goring, Dinner by Heston Blumenthal, and Fera at Claridge's. But you don't have to have a Michelin star to find added value in F&B.

Word of mouth is powerful in hospitality, so start by raising awareness in your local area. Let everyone know they are welcome, not just guests. You may start to see some repeat business and recommendations and can capitalise on this on special occasions.

Consumers are increasingly aware of the need for sustainable business practice. Considering local sourcing of food, could also give you a boost.

Advertise

Whichever 'All-Seasons' solution is best suited for your business, there is a marketing opportunity in this change of strategy. This gives you a reason to shout about your hotel. Niche activities should be advertised to the communities that care about them. Update your website and social media to show everything you offer, don't let potential customers make decisions based on assumptions. Showcase the many opportunities guests have to enjoy your services throughout the year.

Ewa Maliczowska is a regular contributor to HOSPA, and a Consultant at Madison Mayfair, a business which focusses on recruiting managerial positions for the hospitality industry. Ewa specialises in Revenue and Sales & Marketing roles in the UK and internationally.





Leading learners: A monthly look at each of our highest achieving learners

Each month we'll be profiling one of the Education & Training Programme Learner Award Winners – learners who achieved the highest combined examination and assignment score for their programme intake and stage during 2015.

Studying through flexible, distance-learning is a big commitment, and almost all of our learners are working in full-time positions and are often juggling competing priorities with family and work, which is challenging enough, so this makes the results achieved by our outstanding learners, even more remarkable.

This month we meet Marisa Palmero who achieved the highest grade in Revenue Management - Operational Management Stage, which she completed in March 2015.

During this stage of the course, Marisa learned about performance measurement, yield tactics, segmentation, mix and channels, approaches to pricing, forecasting, rate allocation and inventory control and the operational assignment required her to analyse a service business of her choosing, that currently showed no, or little, use of RM techniques and to propose a revenue management strategy for that business.

Marisa is currently working and gaining experience as a Cluster Revenue Executive for seven hotels at Malmaison & Hotel Du Vin.

Eight years ago Marisa found herself working in hospitality. Her first role was as a hotel receptionist in the Italian seaside resort of Rimini.

Since then she has constantly worked on her professional development, subscribing and enrolling herself on different courses, including Hotel Management and Marketing. This led her to the position of a Hotel Operations Manager, responsible for the start-up and launch of a small 40-room hotel.

During one of the courses she attended in Italy, she was introduced to something that particularly caught her attention

and curiosity - Revenue Management. Since then she started looking into the subject further and attended other short courses in the field of Revenue Management.

However, realising that she needed more in-depth study for a career change into Revenue Management, Marisa decided to move to the UK, to learn from the best institutions and work for companies where it was being implemented. The local hotels were mostly family businesses, and Revenue Management was a technique too advanced for that time and location. In fact, there were only a few companies in the whole of Italy which were actually offering professional Revenue Management implementation and consultancy.

Whilst delving further into the subject, Marisa came across HOSPA and its widely-acclaimed Revenue Management course. Marisa says:

"This course gave me the necessary understanding of Revenue Management and I strongly believe that it will be a valued stepping stone for my career. I hope to have the opportunities to meet great mentors and to work for ambitious companies. Let us see what the future holds."

Marisa embarked on the Strategic Management Stage, in September last year and is finalising her project and on schedule to complete this March.

Enrolment for the three levels of the Revenue Management and Financial Management programmes starting in March 2016 is currently open. Each programme is studied in three stages - Introductory, Operational and Strategic stages - each costing £750 + VAT. To learn more about which level is right for you or to enrol visit <http://www.hospa.org/en/education> or email education@hospa.org

Hacked off



Hyatt Hotels Corporation joins the ranks of the hotel groups to be hacked. Katherine Doggrell investigates the growing trend.

The end of last year saw Hyatt Hotels Corporation confirm that it had identified malware on computers that operate the payment processing systems for Hyatt-managed locations. As soon as Hyatt discovered the activity, the company launched an investigation and engaged leading third-party cyber security experts.

Hyatt has taken steps to strengthen the security of its systems, and said that customers could feel confident using payment cards at Hyatt hotels worldwide.

It added:

"As always, customers should review their payment card account statements closely and report any unauthorised charges to their card issuer immediately. Payment card rules generally provide that cardholders are not responsible for unauthorised charges that are timely reported."

The company was the latest in a growing trend, with 2015 marked by a number of hotel companies suffering at the hands of the unscrupulous, who have spied a weak target.

In October Hilton Worldwide confirmed that it is investigating a possible security breach in a number of restaurants and gift shops between 21 April and 27 July.

The potential credit card hack is the latest in a series for the sector, with Mandarin Oriental being hit in March and warning that such attacks were "increasingly becoming an industry-wide concern".

Hilton Worldwide said:

"Hilton Worldwide is strongly committed to protecting our customers' credit card information. We have many systems in place and work with some of the top experts in the field to address data security. Unfortunately the possibility of fraudulent credit card activity is all too common for every company in

today's marketplace. We take any potential issue very seriously, and we are looking into this matter."

It is thought that the sites, all in the US, were operated under franchise. Reports have suggested that the breach may date back as far as 2014, but the company has not commented further.

Starwood Hotels & Resorts also confirmed that malware designed to collect payment card information had been detected at 54 hotels in North America. It said there was no indication that the company's guest reservation or Starwood Preferred Guest membership systems were impacted.

"Protecting our customers' information is critically important to Starwood and we take this issue extremely seriously" said Sergio Rivera, president, The Americas.

"Quickly after we became aware of the possible issue, we took prompt action to determine the facts. We have been working closely with law enforcement authorities and have been coordinating our efforts with the payment card organisations. We want to assure our customers that we have implemented additional security measures to help prevent this type of crime from reoccurring."

The previous month saw Mandarin Oriental reassure customers following a credit card breach in March that it found no evidence of misuse of credit card PINs, or any other personal guest data.

The group discovered a malware attack on its credit card systems at 10 hotels, which may have been used to acquire the names and credit card numbers of guests who used a credit card for dining, beverage, spa, guest rooms, or other products and services.

Mandarin Oriental commented:

"After a thorough investigation, we now know more about the

incident and are notifying affected guests. We have established a call centre that is prepared to address any questions our guests may have about the breach. We regret that this incident occurred and are sorry for any inconvenience it may cause. We take the safety and security of our guests and their personal information very seriously, and the trust our guests place in us remains an absolute priority."

Ryan Wilk, director at cybersecurity group NuData Security, commented:

"This credit card breach announcement is just one of a spate of similar hacks that have occurred over the last year or so targeting hotels.

While we can't know for sure what hackers long-term plans are, it does seem credible that they are targeting specific industries that likely have the same exploits in order to maximise their efforts before moving on to the next industry. Once they get the card numbers, hackers then sell them on the Dark Web, use them directly in credit card cycling scams, or tie them to other data leaks to create full personas ripe for identity theft or fraudulent account creation, likely contributing to the overall increase in account takeovers we've seen, over 100% increase since February 2015."

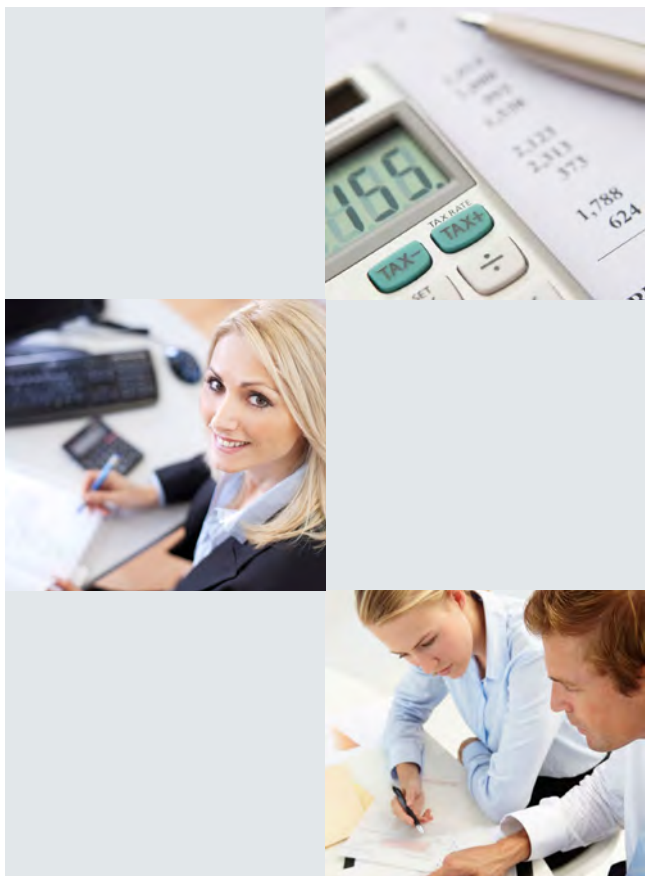
The issue has become more pressing in the US, after the Federal Trade Commission in the US ruled that it could punish companies that fail to take adequate measures to store data securely.

At the end of last year Wyndham Hotels and Resorts settled with the FTC after the FTC's investigation of data breaches that occurred at some of the company's hotel properties from 2008 to 2010.

"We are pleased to reach this settlement with the FTC, which does not hold Wyndham liable for any violations, nor require Wyndham to pay any monetary relief. We chose to defend against this litigation based on our strong belief that we have had reasonable data security in place, and that the FTC's position could have had a negative impact on the franchise business model. This settlement resolves these issues, and sets a standard for what the government considers reasonable data security of payment card information. Safeguarding personal information remains a top priority for our company at a time when companies and government agencies are increasingly the targets of cyberattacks."

Several years ago, Wyndham Hotels and Resorts was the victim of sophisticated cyberattacks by criminal hackers, who accessed customer information at certain Wyndham Hotels and Resorts-brand hotel properties. The company promptly alerted law enforcement agencies, retained computer forensic experts, implemented significant security enhancements, and assisted franchised Wyndham Hotels and Resorts-brand hotels in reinforcing their information security. Wyndham also made prompt efforts to notify the hotel customers whose information may have been compromised, and offered them credit monitoring services. To date Wyndham has not received any indication that any hotel customers experienced financial loss as a result of these attacks. The FTC conducted an investigation of this matter and Wyndham cooperated fully.

So far, the big hotel operators which have been targeted do not appear to have seen their reputations affected. But with the sector viewed by hackers as soft, it is only a matter of time before consumers start to view security as important a factor as a decent bed and free W-Fi.



HOSPA

Hospitality Finance, Revenue and IT Professionals
Professional Development

We are currently enrolling for the March 2016 intake on the Financial Management and Revenue Management programmes.

Make contact with HOSPA today to find out how you can kick-start your career in hospitality.

We recognise that nurturing talent and building expertise is key for the future success and growth of your organisation.

Our courses are developed with credible content, rigorous assessment and recognised accreditation, meaning your investment in developing your career in finance or revenue management is in capable hands.

education@hospa.org / +44 (0) 1202 889430

www.hospa.org

How hotels are shaking up the parking industry



In the past, hotels with a car parking facility were faced with limited choices - engage a major operator to run the car park or keep it for hotel guests use only. And then there was a digital revolution...

As is the case with so many industries today, the car parking sector is being radically disrupted by digital companies offering a maverick approach. Today's Online Parking Marketplaces (OPMs) are unlike traditional car park operators, in that they have no need to purchase or lease spaces, and instead seek to match buyers and sellers via their websites, apps and in-car systems. In the hospitality sector, OPMs currently promote themselves as a convenient way to easily convert empty car parks into revenue. Whilst the OPMs soak up comparisons to Uber and Airbnb, the reality is that a more reliable comparison lies in the OTA experience of the hotel industry than any other - why is that?

Today's parking industry: where do hotels fit in?

A quick analysis of the parking industry confirms it's dominated by a small number of large players who hold the much needed inventory, typically in the form of large multi storey car parks. Beneath this top tier, lies a highly fragmented second tier of smaller car parks that have been developed for ancillary uses,

such as parking for hotel guests. It is these locations that are of significant interest to the OPMs as they are typically well located, well presented and offer 24/7 support via the hotel reception. Based on this it is possible for hotels to make significant parking revenue, in some cases exceeding the non-guest revenue of other facilities like cafes or restaurants within the hotel.

OPMs offer varying solutions to hotels, but fundamental is the expectation that revenue can be earned from known low usage periods or excess capacity, coupled with the use of hotel staff to provide on-site operational support for the OPM customers. For this, the OPMs have followed the industry standard of charging ~20% of the transaction value for the introduction of buyer and seller.

Comments Ian Blake, Head of Security at The London Hilton on Park Lane:

"Since bringing the management of the hotel car park in-house we have seen our sales through the OPMs grow significantly to

the point where this is now our main source of parking customer acquisition. Our experience to date has been very positive and certainly helped increase revenue for the property”.

Who’s competing for your business?

Currently in the UK the OPM industry is dominated by 4 major players who are all competing for the hospitality sector.

Parkopedia is a highly regarded global parking information provider that is looking to increase its product offering to customers by including a booking service as well as locations and other details. Parkopedia have licensing deals in place with a number of the major car manufacturers that sees their drivers use Parkopedia to find parking.

JustPark started life as parkatmyhouse.com and recently rebranded as they looked to diversify beyond empty driveways. JustPark currently holds the biggest share in the hotel space.

YourParkingSpace has recently transitioned from offering longer term parking solutions, to more of a one stop shop, offering both short and long term options at over 250,000 locations throughout the UK.

ParkJockey was originally founded in the US and set up operations in the UK after that. ParkJockey tends to focus on parking for major events and has an agreement with Ticketmaster in the UK.

So far, so good - so what is the problem for hotels with a parking facility?

There are a number of considerations that hotel operations and revenue managers should take into account when approached by an OPM looking to monetise their empty car parks.

Reliance on a single OPM

Some OPMs lobby hard for exclusivity. It is difficult to understand how this can be in any way beneficial for the hotel, even if a minimum monthly payment is assured. In this situation the OPM essentially sits between the hotel and the parking customer and over time is able to develop significant leverage once the hotel is reliant on the OPM for all extra parking revenue. As a hotel, how would you feel being reliant on a single OTA to market your room inventory?

Operational Considerations

Can the OPM integrate with existing car park equipment, or are they able to install their own. If not this results in the hotel de

facto running the car park, letting the OPM customers in and out of the facility, in addition to ensuring any customers who have arrived early or stayed late have paid the top up amounts. Hotels need to consider the impact of this effort on their staff, who should be focussed on hotel guests not car parkers. Look for a solution that allows OPM customers to have minimal interaction with the hotel staff.

Keeping the focus

It’s always important to bear in mind why the car park exists in the first place - for the hotel guests. Some OPMs “guestimate” when utilisation levels will be low and then sell that capacity. An ideal solution allows the hotel to book spaces ahead of the OPMs so that any major events etc don’t result in guests missing out in what is normally a low utilisation period.

Reputation

When parking operations are not adequately supported this can lead to customer dissatisfaction associated with the hotel. While this stems from a peripheral service, it affects the hotel’s reputation nonetheless. Make sure you ensure any agreements with OPMs stipulate total transparency of any customer feedback they receive.

System Administration

Some OPMs offer their own availability and pricing system (just like a PMS does for hotel rooms) with user interfaces and processes. Administering two or three of these systems can be time consuming and may result in overselling of car parks which is highly undesirable. Look to have a centralised system for the management of pricing and availability of the car parks.

About the Author

Martin Cleland-Pottie is the founder and CEO of bookaPark. bookaPark provide specialised booking and entry/exit systems to car park operators of all sizes, including hotels. bookaPark was awarded the HOSPA Entrepreneur award at the 2015 HOSPACE conference. To understand more about how to get more out your hotel car park you can reach him at mcp@bookapark.com

HOSPA

Hospitality Finance, Revenue and IT Professionals
Professional Development



Resolving the conflict between revenue management and CRM



Revenue management focuses especially on short and long term profit maximisation, customer relationships management focuses on a long term relationship with the customer, but where is the link?

CRM and revenue management

Revenue management focuses especially on short and long term profit maximisation and is an essential tool for hotels to make profit. On the contrary, customer relationships management (CRM) focuses on a long term relationship with the customer in order to increase the profit no matter how much revenue is going to be generated.

Revenue management

The purpose of revenue management is “to maximise revenue and ultimately profit through improving sales” and the revenue manager has to set the right prices in order to sell the maximum number of rooms at the highest price the customer is willing to pay. This is done by “increasing the operating efficiency and effective management of three main areas: pricing, inventory

control and costumer mix or market segment. Capacity constrained service industries are faced with the problem of allocating their perishable inventories to demand from different market segments with the goal of maximising their revenue.

The least understood aspect of revenue management (RevM) appears to be the need to devise business policies and procedures as a precursor to gathering the information needed for accurate forecasting, and then the continued enforcement of them as necessary ingredients of the constant refinement of inputs needed for successful RevM. In addition, the sheer volume of data that needs to be processed and the difference in the optimisation algorithms from company to company requires the extensive use of computers and specific mathematical skills. As such, few hospitality companies have the internal resources to develop effective revenue management programs on their own.

Customer relationships management

CRM is a relatively new business strategy that has its roots in sales force automation and has been enabled largely by advances in and the decreasing cost of information technology. Given the relative newness of CRM, citing a traditional definition is difficult. Customer Relationship Management (CRM) is a strategy used to manage the hotel's interaction with customers. Its goal is to find, attract, win customers and retain a good relationship with them.

According to CRM Guru.com, "CRM is a customer-centric business strategy which dictates re-designing of functional activities, drives re-engineering of work processes, and which requires CRM technology to implement." In essence, CRM is about enabling customers to have what they want, when they want it and how they want it - it is about identifying, retaining and growing a company's most valuable customers.

While the concept of CRM may be simple, the implementation of a comprehensive CRM strategy is not. To begin, effective CRM requires a complete change in most companies' strategic orientation from a product to customer focus. This usually requires not only substantial investments in technology to enable the identification and tracking of customers, but also a re-engineering of business processes to enable the delivery of products and services tailored to the needs of specific customers.

allows hotels to maximise their revenue, but little research has been done on its effects on the customer relationship. In fact, revenue management implies customer conflicts. It can be viewed as unfair by customers. For instance they may ask, "Why do people who stay at identical hotel room sizes end up paying different prices?" If the hotel does not set loyalty program guidelines, it may happen that loyal customers discover that others pay less because they booked earlier or later and they may never book a room in that hotel again. Using revenue management, hotels maximise their profit and increase their revenue in the short term, but might lose some clients and not perform in the long term if they under-evaluate the customer relationships management.

Conclusion

Studying hotel revenue management and making a link with customer relationship management is important in order to find solutions to overcome the potential managerial conflict that can arise between them. Hotels utilising revenue management strategy have to consider how it will impact customer reference prices and transactions and ensure that customer perceptions of fairness are not adversely affected.

There are a variety of scenarios in which revenue is not maximised due to either short-term revenue enhancement at the expense of customer-specific data or vice versa. And yet,

"While the concept of CRM may be simple, the implementation of a comprehensive CRM strategy is not."

The adoption of CRM in the hospitality industry has been impeded by a number of factors. These include the persistently fragmented nature of the industry, the disparate, proprietary and relatively immature nature of IT systems, and the additional complexity associated with managing a perishable product that is sold through a variety of distribution channels. However, more rapid progress is being made due in part to the continued consolidation between hospitality companies and hospitality IT vendors.

Much research is being done in the marketing field on customer relationships management that shows CRM has a strong focus on the management and development of profitable customer relationships. The implementation of CRM activities generates better firm performances when managers focus on examining the value of customer.

Maintaining a good relationship with a good customer is another way to maximize profit for hotels, because they provide services and have a strong incentive to satisfy their customers. This is why it is difficult to imagine how could a hotel making profit without considering CRM.

Every bit of feedback hotels get from customers is valuable, whether it's positive or negative and whether they agree with it or not. Hoteliers have to take the good and the bad and realise the value of both.

Both revenue management and customer relationship management have an influence on profit maximisation, but work in different ways with different objectives. Revenue management

for the most part, this is the state of the industry. There are both business and technical issues to be overcome. Nonetheless, as RevM and CRM become more widely accepted and less expensive, traditional RevM concepts will be merged with those of CRM, one-to-one marketing and business intelligence to create even greater revenue maximisation. The benefits associated with doing this should outweigh the costs - especially if the blending of the two strategies is undertaken at the outset.

About the author

Ahmed Mahmoud has more than 18 years of international hospitality industry experience, specialising in revenue management implementation and execution. He began his career in 1992 holding a variety of management positions with such top hotel chains as Accor Hotels, Hyatt International and Starwood hotels. In 2006 Mr. Mahmoud founded revenueyourhotel.com, a website dedicated to revenue management and designed to help individual hoteliers and hospitality businesses improve their market penetration, deliver service excellence and increase their profitability. Ahmed also offers consulting and online training to both independent hoteliers and hotel chains. He is a frequent keynote speaker and seminar leader at many hospitality industry events in addition to his successful roles as an educator, author and consultant.

This article is reproduced with kind permission of eHotelier.

Rare burgers face extinction



The rise of the posh burger has been the saviour of the high street restaurant sector, but they are now sparking health fears.

Chains such as Gourmet Burger Kitchen, Byron, Five Guys and smaller outfits including Grillstock have whet the appetite of the cash-strapped consumer, who is looking for quality food without being gouged in the wallet.

Helena Childe, senior foodservice analyst, Mintel, said:

"The growth in 'better burger' concepts in particular is largely reflective of higher consumer expectations, with ongoing demands for fresh, 'real' food. The success of this can be seen in the rise of established 'better burger' players such as Gourmet Burger Kitchen and Byron Burgers over recent years. The emergence of new US players such as Smashburger and Five Guys is arguably leveraging this proven demand for 'better burgers' in the UK whilst further tapping into consumers' ongoing demand for fast service concepts."

However, the trend is under threat from health concerns, with a recent case in Portsmouth which saw a burger restaurant face closure after its owners lost a landmark £125,000 court battle over whether it can serve its medium and rare burgers. They had launched a legal challenge against Portsmouth City Council after being served a Hygiene Emergency Prohibition Notice, which banned them from selling their burgers medium/rare. However, after a four day court case at Portsmouth Magistrates' Court, a judge ruled that the council was simply 'doing its duty' due to the risk involved in serving 'undercooked' burgers.

"This case demonstrates that the local authority, Portsmouth City Council were judged to have taken the correct action in serving a Hygiene Emergency Prohibition Notice on the 6oz Burger Company who were serving rare burgers without being able to demonstrate that they had a robust, validated system in place to ensure food safety. The judge was satisfied that the health risk condition existed when the notice was served. Following this it is likely that other local authorities will be encouraged to take action where they feel there is a risk to the public from rare burgers from establishments that have not put into place the necessary controls to produce a safe burger which is less well cooked", said Lisa Ackerley, Food Safety Expert, BHA

The FSA have also recently announced that businesses will have to display an advisory notice when serving medium or rare burgers, even if they have robust control systems in place. The BHA is planning to contest this as it has no legal standing because unsafe food is an offence regardless; it doesn't make the product any safer, and it causes an unnecessary burden to businesses.

The BHA said that it recognised that when cooking medium/medium rare burgers in uncontrolled conditions, they may be unsafe. Unlike steak, if the inside of a burger is not cooked, it is often not safe to eat because when meat is minced, the outside surfaces are mixed up with bacteria inside and this means that bacteria, such as E. coli will be mixed all the way through the burger.

The BHA believes wholeheartedly that only safe food should be sold, in accordance with the law.

"However, it is important not to dwell only on the colour of the burger, for colour is not a true indication of meat safety. There are a number of controls that businesses can use, and are using, to ensure that their burgers are safe. It would be unwise therefore to assume that all rare burgers are unsafe because this is not the case", says Dr. Lisa Ackerley, Food Safety Expert at the BHA.

Firstly, temperature and time controls, such as measuring the temperature at the centre of the burger, will provide a microbiologically safe product that may still be pink in the centre. This is in line with guidance from the Government's Advisory Committee on Microbiological Safety of Food.

This could mean cooking at:

- 75°C for 18 seconds
- 70 °C for 2 minutes
- 65°C for 13.6 minutes
- 60 °C for 93 minutes

Many of the larger chains are using methods such as sous vide cooking to pasteurise the burgers first prior to final cooking on a griddle. This will produce a juicy pink burger that is safe.

Another example of control is where companies are using beef that has been treated on the outside before mincing using a

number of different processes such as steam or lactic acid. Such beef may have been tested and declared E. coli free before being sent to outlets.

In September 2015, the Food Standards Agency accepted at its Board meeting that a number of control methods might be used to achieve safer medium rare or rare burgers. Local Authorities need to be informed if companies wish to do this, and will verify the company's validated HACCP systems to check that they are safe. This process has been carried out by a number of companies to the satisfaction of their Primary Authority or Local Authority.

Where companies do not take these steps, the local authority may take enforcement action and indeed has taken (in the case of the 6oz Burger Company in Portsmouth) to prevent the sale of potentially unsafe food.

Currently the FSA also wants businesses to display and advisory notice warning customers of the dangers of eating undercooked burgers if they are young, elderly, pregnant or otherwise vulnerable. The BHA contests this on the grounds that companies who have gone to such efforts as to ensure that their burgers are safe need not put such a notice up as it is counter-intuitive. It is not mandatory to display such a notice, and discussions are still in progress about this issue between the industry and the FSA.

For the consumer, that occasional burger treat, so beloved during the downturn, may be about to become even more rare.



USALI 11th version - a hospitality finance professional speaks

A step forward?

Trying to design an accounting "system" to report on something as diverse and ever changing as the global hotel industry presents a major challenge especially when the system seeks to cater for the interests of so many stakeholders. The Eleventh Revised Edition of the Uniform System of Accounts for the Lodging Industry effective 1st January 2015 seeks to create such a system. Has it achieved its aim?

Like all systems, one of the major requirements is to have statements whose composition is readily understood and universally accepted so that benchmark comparisons based on the system are valid. The new edition sets out very clearly the details of what goes where and the clarity is excellent. A Revenue and Expense Guide helps facilitate the allocation of revenue and expenditure and this resource is available online.

Major changes

This edition has also brought in some notable modifications such as the introduction of a new overhead department - Information and Telecommunication Systems The new

ITS department recognises, amongst other things, the transformation of the telephone department from a profit centre to a cost centre, with the domination of the mobile phone and the arrival of so many different hand-held devices to facilitate communication and data transfer.

The ITS department also consolidates all the expenses and costs for IT systems which have become an integral part of the infrastructure of all hotels. So whilst it was fairly easy to track IT system capital expenditure, the scattering of the related on-going costs throughout the various operating and overhead departments made control difficult. Given their importance in terms of both their critical nature and value, the consolidation into one department and the ability thus to benchmark is to be applauded.

In addition, revenue management has become an essential tool in most hotels with the introduction of systems such as Easyrms, Ideas and Duetto. These systems have revolutionised many aspects of the sales and reservation processes and have led to the employment of experienced yield and revenue managers. The costs for the department have therefore been reclassified as part of the Sales and Marketing Department, with, of course, the exception of the IT costs. The argument as to who should control this department seems to have been

resolved, at least from an accounting standpoint!

Howard Field has already published an article on the changes made to service charge and the basis on which service charge should be treated as revenue and payroll cost.

There have been significant changes in terminology which appear to bring wording closer to GAAP. Given the diversification in the type of investors, this can only be beneficial.

Other helpful modifications

In addition to these changes, methods for apportioning packages and dealing with gross or net reporting are clearly explained. Of course, allocations are often influenced by non-accounting issues such as varying rates of value added tax and values which are fixed by legal contracts such as franchise agreements. It will be interesting to see how these conflicts are resolved in practice.

The new edition gives detailed information on what is to be included in each account and then gathers the accounts into relevant categories. This means that a number of new costs have been incorporated into the revised Operating Statements, a good example of this being payroll. However, these additional costs emphasize the changing nature of the business, with, for example, all the new website and e-commerce costs. The question therefore arises as to how hotels will deal with additional new costs in future. According to the Eleventh Edition, they will have to be added to one of the existing lines, but a sub-analysis on a sub-schedule will be permitted.

The key to success

Key Performance Indicators are covered in the Financial Ratios and Operating Metrics section. These tables appear to be less prescriptive than the Operating Statements section, which allows them to be tailored more closely to the underlying businesses.

Included in this section is a note on channel analysis. We will discuss this later.

The overall presentation

Financial and Operating Data can thus be presented in three different areas:

1. The Operating Statements where unnecessary lines may be deleted but no lines may be added.
2. Sub-schedules that summarise and aggregate supporting information but which consolidate back into the prescribed lines.
3. Financial Ratios and Operating Metrics. The format of the Operating Statements is heavily regulated which therefore requires the production of sub-schedules to feed into these statements leaving only the third section really free to tailor the financial information and statistics.

Impact on the reviewer

Many existing users, on the basis of current formats, take a slightly different approach on the presentation and items to be included in a detailed Summary Operating Statement. The current summaries often include key data such as:

1. An analysis of departmental operating expenses showing cost of sales, payroll and other expenses by department with

the resultant departmental profit by department.

2. Undistributed Operating Expenses split between payroll and other expenses.
3. If possible, details of the larger minor operating departments especially if these are limited in number, in the case of smaller hotels or hotels with only one or two main activities e.g. spa or golf.
4. A summary of the payroll costs by category highlighting the cost of fixed and variable staff (leased and outsourced labour)
5. Additional statistical information such as GOPPAR, TREVPAR and F&B spend per guest.

Admittedly, the schedule might run into two pages for larger properties, but the benefit is that the key numbers which are normally benchmarked are clearly visible, which means the reader does not have to scrutinise multiple sub-analyses to get key information.

From summary to detail – The Rooms Department

Schedule 1 shows the required analysis for Rooms Revenue. This will probably require a sub-schedule to highlight all the sub-segments that a property might want to track. Is this really necessary? Surely, the addition of a few additional lines in one of the business segments would not cause any problems provided the existing categories and totals are retained. Look at the Discount line to see the varying types of segment involved. Although the room segmentation appears to be mandatory in Section 1, it becomes the preferable method of reporting in the Financial Ratios and Operating Metrics Section?

Business Mix versus Booking Channel

The one issue that is not fully discussed is the analysis between commissionable and non-commissionable rates. The industry appears to struggle with this as even STR Global do not appear to be able to produce a report showing arguably the appropriate turnover information - revenue net of direct selling costs such as travel agent commission. The question often arises as to the relevance of performance tests in operating agreements when it is not clear whether a true comparison is possible due to travel agent commission being ignored. If an operator is threatened with a performance test termination, what prevents that operator from buying in business by incurring significant travel agent commission costs?

From the other side why should an operator not benefit in the performance test calculations from cancellation charges when the hotel might have suffered the loss of a large event, but had nevertheless secured a substantial cancellation fee? Surely the room's related element of the cancellation fee needs to be included in a performance calculation? Some more drafting for the lawyers perhaps?

From income to expense

Moving onto the operating departments expenditure, the payroll section appears to be well analysed with new and appropriate categories. Only the Salaries and Wages are analysed by department but a reasonable report writer will permit the other costs to be analysed by department if required by the stakeholders. The current version requires companies

to split their Salaries and Wages between Management and Non-Management functions. The other payroll categories are not analysed in this manner. However, a large percentage of these costs will be attributable to Management - Bonuses and Incentives, Employee Benefits and Payroll Taxes.

The proposal is made to carry out the analysis by title, but with some flexibility if confidentiality would be breached in some departments. The problem with using title is the assumption that the title actually designates the function in full. However, it is not certain that this would be the case in small hotels or where titles are used as a reward in place of financial recognition.

Given that the management costs might not have been previously analysed, it might take some time to have true comparatives. Perhaps this is something for the Financial Ratios and Operating Metrics rather than the Operating Statements, where, perhaps, a slightly more pragmatic approach might be taken. When looking at payroll costs per occupied room or by customer, it is hard to justify leaving out the management of a department.

Other expenses - where are the categories?

With regard to the Other Expenses, three questions spring to mind:

1. Does USALI have to be so prescriptive? Are hotels going to be forced to introduce a new chart of accounts in order to be in compliance? It is difficult to imagine that third parties will be allowed access to the prescribed level of detail for benchmarking purposes.
2. Would it not be more sensible to categorise the Other Expenses under four to five headings with a clear explanation of what goes where? In that way, additional expenses could be added and, where practical, the detail lines making up the category could be shown.
3. Why arrange the lines in alphabetical order. Surely, a more user-friendly approach could be found, such as ordering by type of cost - variable, semi-variable and fixed costs. This would also help forecasting and budgeting.

Food and Beverage

This department probably requires more levels of analysis than most other departments.

The current format requires a total of food revenue and beverage revenue for all venues. Surely a sub-analysis should be permitted on Schedule 2. To show separately minibar and other income, which may be minimal, and not separate out the main restaurant and other outlets seems somewhat strange. Surely it should be possible to view the main Food and Beverage Summary and see immediately the highest revenue producers.

A range of analyses is permitted under Financial Ratios and Operating Metrics. Perhaps the main statements such as total food, beverage and other revenue by outlet might be included in the Operating Statements.

The third analysis to be added to the Operating Statements might be revenue by meal period. This might highlight opportunities for both revenue generation and cost containment.

Sub-totals might also be helpful in some establishments - restaurants, bars, lounges etc.

The comments on payroll and other expenses in Rooms above also apply to the Food and Beverage department.

Other Operated Departments

This is perhaps the most irksome schedule, with only the total line being transferred to the summary. Where there are only a few minor operated departments in a hotel, why not show them in more detail directly on the Operating summary. This schedule could then only be used for truly Minor Operated Departments. To be obliged to constantly drill down might prove quite irritating and time consuming. Given the caveat on Page 188, under the Ratio Analysis, Comparisons to Other Properties and Industry Averages, given the differing offer of the subject hotels, it would appear helpful for the reader to see the properties' facilities on the summary.

Detailed statements by activity are obviously required but these could link directly to the summary.

The other schedules

One issue that arises with the other Operating statements is the introduction of new categories, as mentioned earlier. Perhaps administration costs in the undistributed departments might be grouped. Other categories might be developed, such as bought in/third party services. It is always good to highlight contracted fixed costs as well as variable costs.

Although there is a schedule - Schedule 14 - analysing Payroll-related Expenses - there is not the equivalent for Salaries, Wages, Service Charges, Contracted Labour and Bonuses. As in many cases this is the major cost, this would be a helpful tool for most reviewers with top-level consolidated numbers on the Operating Summary Statement. The information is available in the Financial Ratios and Operating Metrics but an overall summary would be useful to highlight the major variances and allow the reviewer to home in more efficiently on these.

Next Steps and Further Considerations

There are probably two steps that could be taken in the short-term. The first of these would be to allow greater flexibility and customisation in the Summary Operating Statement, whilst maintaining the required lines. And the second would be to create a forum for discussion of the system that would have as an aim to create a more international standard that would draw in the views of other specialists such as sales and marketing professionals and engineers.

The flexibility would include the ability to:

1. Create a more detailed Summary Operating Statement by adding lines from the current underlying Operating Statements and adding new Financial Ratios and Operating Metrics in the Statements.
2. Permit some sub-analysis in the Operating Statements such as the names of the venues in the Food and Beverage Schedule 2 and a break-down of the Discount segment in the Business Mix.
3. Create a summary of Labour Costs.
4. Allow companies to introduce new nominal ledger accounts

but within the current categorisation structure.

5. Move the Management/Line staff categorisation from Operating Statements to Financial Ratios and Operating Metrics, as the analysis will be quite subjective and perhaps needs to be handled in a less prescribed manner.

The new forum would also seek comments from a wider group to ensure that the system may be utilised as an international reporting system by all types of user. The aim would be to create a system, whose ease of use was paramount that could be tailored, for example, to a group of spa hotels or a group of golf hotels, not just large city centre commercial hotels.

The medium-term steps would be to look at the Other Expenses and channel analysis. By categorising the other expenses, new nominal ledger account codes could be introduced but added under the appropriate category. As mentioned earlier, the categorisation might include a variable element, where costs that arise with room night production are collected together and items that move more with revenue are allocated.

By allowing greater flexibility, the acceptance of the System might be enhanced as it would allow both hotel chains and independent hotels to adapt the system to their own needs but still retain an internationally-agreed reporting structure.

The aim is not to create a tool to consolidate information for the whole industry but rather to allow individuals to read and understand how their properties are operating in a clear and transparent manner.

And with greater focus on the channels, it might be possible to get to a net revenue by channel taking into account substantial direct selling costs such as Travel Agent's commission. STR Global then might be able to compare apples with apples, especially in low seasons where substantial commission might be payable.

Overall, the Eleventh Revised Edition presents an interesting start to create a system based on "a commonality of definition and understanding". However, there is a lot to be done to present more meaningful information in a more digestible format and to create an environment and process that allows for updates on a more regular basis.

So far the system is limited to historic cost accounting, but what about developing a system that also includes business on the books, social media development an F&B source of business to give stakeholders a better feel of their businesses?

David Bridge, Adafabridge Hotel Consultancy

→ ANNOUNCEMENTS

HOSPA announces joint membership agreement with Hotel Technology Next Generation

Royal Automobile Club becomes first HOSPA Corporate Member to join HTNG

HOSPA is delighted to announce that it has formed a 'Joint Membership Agreement' with Chicago-based Hotel Technology Next Generation, the global trade association dedicated to defining technology solutions and their deployment in hotels.

HOSPA and its IT Community believe there is much to be gained from the reciprocal membership agreement with HTNG. The joint agreement enables HOSPA members - both corporate and individual - to become HTNG members as well by upgrading their membership and paying a 'top-up' membership fee, in the region of an extra £145 per year. The Royal Automobile Club became the first HOSPA Corporate Member to take up the offer.

Commenting on the HTNG agreement, HOSPA Chief Executive Carl Weldon said: "We are delighted by the joint membership agreement with HTNG. It provides an invaluable, additional opportunity for HOSPA members - especially those in hospitality IT, who continuously need technical information and updates in a fast changing technological world. The global benefits created by HTNG membership include: access to HTNG technical information, specifications, workgroups, and major conferences in Europe.

"Vice-versa for an additional HOSPA membership fee, HTNG members can benefit from HOSPA's Professional Development and Education Training Programmes; our monthly magazine 'The Overview'; the HOSPA Hospitality Finance, Revenue Management and IT Communities and their topical events; regular London and regional membership meetings; as well as our major annual Conference and Exhibition, HOSPACE, and its unrivalled networking opportunities.

We are very pleased to welcome The Royal Automobile Club as the first HOSPA Corporate Member to take advantage of this exciting new initiative with HTNG."

Bryan Steele, Head of IT, The Royal Automobile Club, and Chairman of the HOSPA IT Community, added:

"We are very pleased to become the first HOSPA Corporate Member to take up the offer, with a number of our IT members also joining HTNG. This gives key members of the team access to the rich technical library and workgroups for which HTNG is renowned. We see this as a great additional resource, from which our small IT team will benefit."



Signs of Fragility at North East Hotels

The 4.0% increase in profit per room recorded at North East hotels in December, which contributed to a very positive 6.7 per cent year-on-year increase in GOPPAR (Gross Operating Profit per Available Room) for 2015, belies a tough end to the year for hotels in the region, as top line performance nose dived, according to the latest HotStats data.

Further to achieving a RevPAR (Revenue per Available Room) peak in October, at £67.43, as a result of St James Park in Newcastle hosting three fixtures in the Rugby World Cup, significant volume declines in November (-4.3 percentage points) and December (-5.5 percentage points) contributed to consecutive months of RevPAR decline at North East hotels of 4.1 per cent and 5.4 per cent, respectively.

Despite the decline in the last two months of the year, hotels in the North East successfully achieved growth in TrevPAR (Total Revenue per Available Room) in 2015 (+1.8%) on the back of the 4.9% increase in 2014. Cost savings in labour (-3.4%) and overheads (-5.6%) enabled hotels in the region to record the 4.0% growth in GOPPAR for the month to £24.82, which contributed to a second consecutive year of profit growth for hotels in the North East in 2015 at +6.7% in 2015, further to the 10.9% increase in 2014.

Bristol Hotels Finish 2015 With a Flourish to Once Again Record Huge Annual Profit Growth

A 6.6% year-on-year RevPAR increase in December contributed to hotels in Bristol recording a 16.3% increase in profit per room for the month. The strong finish to the year ensured significant growth in profit was achieved to year-end 2015, also at +16.3%.

Further to the 11.2% increase in 2014, consistent and strong growth in achieved ARR (Average Room Rate) throughout the year fuelled a 12.0% increase in RevPAR for 2015. Achieved ARR for the city peaked in October at £92.93, as the city benefited from demand displaced from Cardiff during the

Rugby World Cup. December was also only the second month in 2015 that the city has recorded a drop in occupancy, which fell by 1.1 percentage points, further to the 1.0 percentage point drop in November.

Bristol remains a key regional hotel market in the UK, driven by the financial sector, the city's role in the domestic and international aerospace industry and its growing leisure profile. The ongoing growth in the commercial segment has been key to the top line growth recorded at hotels in Bristol, with the achieved rate in the corporate segment increasing by 7.2% in 2015, to £78.52, with a 17.8% increase recorded in the achieved rate in the residential conference segment, to £85.64. The only point of concern for the city in 2015 was the 18.5% increase in Rooms Cost of Sales, to £5.96 from £5.04 in 2014. However, this does not seem to have hampered the ability of local hoteliers to drive profit growth, with a 32.3% GOPPAR increase recorded over the last 24 months.

Astute Leeds Hoteliers Overcome Revenue Drop to Achieve Strong GOP Growth

Despite recording a 2.5% increase in RevPAR for the month, hotels in Leeds suffered a 1.1% decline in TrevPAR in December, which was primarily due to a year-on-year drop in food (-4.5%), beverage (-1.7%) and conference and banqueting (-5.0%) revenue.

However, due, in part to a 5.2% saving in labour costs and a 7.6% reduction in overheads on a per available room basis, equivalent to a combined drop to £54.14 from £57.84, GOP recorded at hotels in Leeds increased by 13.7% for the month.

The positive GOPPAR movement in December, to £43.07 per available room, from £37.88 during the same period in 2014, contributed to a 12.0% profit increase being achieved at hotels in Leeds for year-end 2015. As a result of the movement in revenue and cost, profit conversion at hotels in Leeds was recorded at 33.4% in 2015, against 31.1% during the same period in 2014, an increase of 2.3 percentage points.

The month of December 2015

	Dec'15	Dec'14	Var b/w	
NORTH EAST	Occ %	61.7	67.2	-5.5
	ARR	71.06	68.94	3.1%
	RevPAR	43.85	46.33	-5.4%
	TrevPAR	93.28	99.12	-5.9%
	Payroll %	34.1	33.2	-0.9
	GOP PAR	24.82	23.86	4.0%
BRISTOL	Occ %	64.2	65.3	-1.1
	ARR	80.35	74.13	8.4%
	RevPAR	51.59	48.38	6.6%
	TrevPAR	100.99	95.57	5.7%
	Payroll %	30.6	32.4	1.8
	GOP PAR	29.21	25.11	16.3%
LEEDS	Occ %	68.6	69.1	-0.6
	ARR	79.62	76.99	3.4%
	RevPAR	54.58	53.22	2.5%
	TrevPAR	111.72	113.01	-1.1%
	Payroll %	27.4	28.5	1.2
	GOP PAR	43.07	37.88	13.7%

The Calendar year to December 2015

	YTD'15	YTD'14	Var b/w	
NORTH EAST	Occ %	76.1	76.8	-0.7
	ARR	71.92	68.32	5.3%
	RevPAR	54.76	52.47	4.4%
	TrevPAR	97.54	95.82	1.8%
	Payroll %	31.6	32.1	0.5
	GOP PAR	26.57	24.91	6.7%
BRISTOL	Occ %	76.5	75.5	1.1
	ARR	82.91	75.05	10.5%
	RevPAR	63.45	56.63	12.0%
	TrevPAR	102.27	94.36	8.4%
	Payroll %	29.5	31.1	1.6
	GOP PAR	32.92	28.30	16.3%
LEEDS	Occ %	77.5	76.8	0.8
	ARR	75.38	71.24	5.8%
	RevPAR	58.44	54.69	6.8%
	TrevPAR	103.58	99.47	4.1%
	Payroll %	28.4	29.3	0.9
	GOP PAR	34.60	30.89	12.0%

The twelve months to December 2015

	Rolling'15	Rolling'14	Var b/w	
NORTH EAST	Occ %	76.1	76.8	-0.7
	ARR	71.92	68.32	5.3%
	RevPAR	54.76	52.47	4.4%
	TrevPAR	97.54	95.82	1.8%
	Payroll %	31.6	32.1	0.5
	GOP PAR	26.57	24.91	6.7%
BRISTOL	Occ %	76.5	75.5	1.1
	ARR	82.91	75.05	10.5%
	RevPAR	63.45	56.63	12.0%
	TrevPAR	102.27	94.36	8.4%
	Payroll %	29.5	31.1	1.6
	GOP PAR	32.92	28.30	16.3%
LEEDS	Occ %	77.5	76.8	0.8
	ARR	75.38	71.24	5.8%
	RevPAR	58.44	54.69	6.8%
	TrevPAR	103.58	99.47	4.1%
	Payroll %	28.4	29.3	0.9
	GOP PAR	34.60	30.89	12.0%

Average Room Rate (ARR) - Is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

Room Revpar (RevPAR) - Is the total bedroom revenue for the period divided by the total available rooms during the period.

Total Revpar (TrevPAR) - Is the combined total of all revenues divided by the total available rooms during the period.

Payroll % - Is the payroll for all hotels in the sample as a percentage of total revenue.

GOPPAR - Is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

For more information please:

call +44 (0) 20 7892 2222
email enquiries@hotstats.com
visit www.hotstats.com
or follow us on Twitter and LinkedIn

Members' Events

1 March

The HOSPA Debate: Finance at Hotelympia

Time

13.15 – 14.00

Where

Hotelympia, London ExCeL, Royal Victoria Dock, 1 Western Gateway, London E16 1XL

Focus on Efficiency

What are the key benefits of implementing the new edition of USALI? How have operators gone about implementing them, what were the lessons learned and what issues arose?

Speaking

Paul Nisbett, Finance Committee Chairman, HOSPA - Chair

Roberto Amodei, Area Director of Finance, UK and Ireland, Hyatt Hotels Corporation

Richard Harrington, Regional Director Finance Europe, Langham Hotels International

David Nicolson, VP Finance, Europe, Jumeirah

1 March

The Big Event at Hotelympia

The Big Event at Hotelympia is back!

Springboard will be hosting The BIG Event at Hotelympia 2016 and this time with a touch of St. David's Day celebrations to get the party going.

This spectacular event will take place on Tuesday 1st March 2016 at ExCeL London and will be the Gala Dinner for this year's Hotelympia - the largest and most well-known Foodservice and Hospitality Trade Show in Europe, it will be a night to remember with guest Chefs creating a superb menu, fine wines to match, an entertainment extravaganza and special guests.

Funds raised from this event will support The Springboard Charity's work to help young, unemployed and those facing barriers to work into sustainable employment in the hospitality, leisure and tourism industry. The funds raised will support individuals through a programme of sustained support, skills development, work experience and mentoring to help them to get a great job in a fantastic industry.

Join us for an unforgettable evening!

Book your ticket NOW! www.springboard.uk.net/events

Prices

Premium table of 10 (located close to the stage and includes champagne) - £1950 +VAT

Silver table of 10 - £1600 + VAT

Standard table of 10 - £1250 +VAT

Individual ticket - £160 + VAT

Key sponsors are Fresh Montgomery, Hotelympia, DRP, Leiths, Compass UK & Ireland & ExCel London

For more information about Springboard visit www.springboard.uk.net

Venue

Excel London

Time

6.30pm

Details

Royal Victoria Dock, 1 Western Gateway, London E16 1XL

Event Phone

0207 921 0420

Event website

<http://springboard.uk.net/events>

Dress Code

Black Tie/Dress to impress

The Springboard Charity

The Springboard Charity has supported young, the unemployed and those facing barriers to work into sustainable employment in the hospitality, leisure and tourism industry for the last 25 years.

Springboard provides a range of opportunities for sustainable employment, or vibrant careers in hospitality, leisure and tourism through;

- Free specialist careers information
- Taster work experience opportunities
- Development programmes to help maximise the chances of obtaining sustainable employment
- Pre-employment and mentoring programmes
- Educational teaching resources, information, support and student activities to teachers in schools and colleges

Springboard equips people with the knowledge and skills they need to achieve their potential.

Springboard also works closely with the industry to help attract more talent and address skills shortages. In doing so, it has the support of over 180 different industry establishments and suppliers.

For more information about Springboard, visit: www.springboard.uk.net

Or contact:

Louise Routh on 0207 921 0428 or lousier@springboarduk.org.uk

Victoria Dele on 0207 921 0428 or victoriat@springboarduk.org.uk

3 March

ICAEW - Major Incident Planning - Are you prepared?

Join ICAEW for the first in a series of tailored forums that will bring you updates on what you need to be prepared for with major incident planning. The first session will focus on some of the key issues for the insurance industry coming from the UK and European Regulators, along with an update on cyber security and the new sentencing guidelines. The forum will explain the current trends and offer practical advice to help guide you through the insurance industry's ever changing risk issues.

Time

08:30 - 11:30

Location

ICAEW, Chartered Accountant' Hall, Moorgate Place, London, EC24 6EA

For more information please go onto the website: <https://events.icaew.com/ShoppingCart.aspx?com=detailview&iid=2525&rid=232&range=03/03/2016&returncom=productlist&source=search>

10 June

BDO - London Members Technical Update

Time

8:30am: Breakfast/registration and networking

9:00am: Presentations

10:30am Q&A and further networking

11:00am: Close

Where

55 Baker Street, Marylebone, London

10 November

HOSPACE

Location

Sofitel London Heathrow

HOSPACE is a one-day annual conference and exhibition hosted by HOSPA which is the UK's leading educational organisation for Professionals involved in Financial Management, Revenue Management and IT within the hospitality industry.

HOSPACE 2016 will enable UK and international delegates to get an informed and cutting-edge view from an international line-up of inspirational experts – all icons in their own field – about the latest key financial, revenue and IT management issues and developments; as well as the commercial aspects that connect these together to maximise profitability and create value.

Highlights include: 'A Leaders' Panel' comprising a line-up of some of the UK hospitality industry's most influential executives who will be looking at present issues, trends and developments affecting all hospitality professionals; two major HOSPA Spotlight Panel Sessions that will examine in detail key topics of the day that affect all our Members and delegates; and a programme of industry specific workshops and technical updates – all led by top specialists in their subjects.

As in past years, HOSPACE will be supported by a growing and increasingly influential exhibition of hospitality technology solutions – providing delegates with a 'one stop shop' to view and interact with the latest and 'best in class' technologies – covering all eventualities for any hospitality business, whether they be start-up, established independent, or multi chain-owned, operations.

HOSPA Sponsors & Patrons

Gold Sponsors include

Avvio
Barclaycard
Exponential-e
Guestline
Selima
SiteMinder
Sky Business
The Nav People

Acentic
Avenue9
BDO
bookaPark
DAM Good Pensions
Digital Alchemy
First Data
FM Recruitment
Fourteen IP
Fresh Montgomery
Fretwell-Downing Hospitality
HFTP
Hospitality Quality Consulting OG
HotStats
IDeaS - A SAS Company
Infor
Kerry Robert Associates
Keystep
Maxxton
Oracle Micros
PAR Springer-Miller
Premier Software Solutions
PricewaterhouseCoopers
QDOS Communications

Rate Tiger
Save Money Cut Carbon
STR Global
XN Hotel Systems

HOSPA Partners

Fresh Montgomery (Hotelympia 2016)
HFTP (Hospitality Finance and Technology Professionals)
Hotel Marketing Association
Hotel Technology Next Generation
Smart Report

HOSPA Education Partners

CIMA
Open University
Oxford Brookes University
Cornell University
HFTP

HOSPA thanks the following companies for being Founding Sponsors of our relaunch as HOSPA as an Association for Finance, Revenue Management and IT Professionals. These companies have enabled the development of the HOSPA brand, new members' website and other facilities.

Beacon, Global Blue, BT Wi-Fi, Daisy, Amex, Fourth, Watson, Worldline, Farley & Williams.

Sponsor of the HOSPA Calendar

Hospitality & Leisure



Servicing your needs

We provide sale, acquisition, valuation, rating, property and building advice.

Edward Symmons
www.edwardsymmons.com



Watson, Farley & Williams



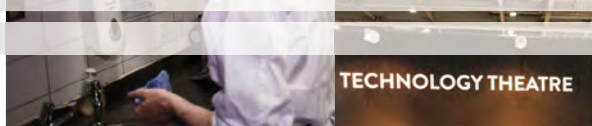
THE HUB OF ALL HOSPITALITY TECHNOLOGY KNOWLEDGE IN ONE PLACE



Whether you are a technology specialist or a hospitality professional with an understanding for the importance of technology to continued business performance, you can't help but have been affected by the relentless gallop of technology. During Hotelympia 2016, the HOSPACE Hub, sponsored by the Hospitality Professionals Association (HOSPA) will help technology specialists, hoteliers, restaurateurs and publicans to better understand and harness for their own outlets, the very latest technological advances.

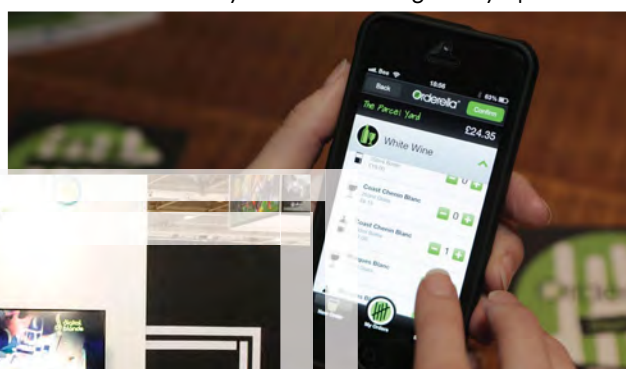
Visitors can expect to see a host of innovative new solutions throughout the four days. Exhibitors include: Oracle Hospitality who will be demonstrating its innovative cloud, mobile, and guest experience technology; global payment provider Elavon Merchant Services; cloud based hospitality management company, Kobas and fully-integrated property management system provider, Springer Miller.

If your company or outlet has a vested interest in utilising technology to strengthen your business practice, then make the HOSPACE Hub a key destination during Hotelympia 2016.



With Discovery, Delivery and Efficiency as key watchwords, the HOSPACE Hub will offer focused panel discussions around acquisition, service experience and efficiency for both guests and diners. Hot-button subjects will include: distribution; reservations; marketing and loyalty; point-of-sale; up-selling; table management; in-room technology; service automation; supply chain and inventory management.

The Hub will welcome a number of key influencers and experts onto its stage, including: Google UK's Head of Hospitality, Terri Scriven, who will be talking about how sites can, with limited resources, make digital channels a boon rather than a bane; CEO of Hotelympia Innovation Award winners, Orderella, Denis Collet, who will be discussing functional technology and how its development is being driven by a whirlwind of customer demand; Digital Blonde Karen Fewell and My Ly, Senior Marketing Manager for YO! Sushi, who will be debating the merits of digital marketing on a budget and Tom Valentine, Co-founder, Secret Escapes, who will be investigating the developing of relationships between booking agencies and restaurants and hotels.



The UK's most comprehensive hospitality event, Hotelympia, returns to the fold in February 2016 (29th February – 3rd March) ExCeL London. Registration is now open, so don't delay and book a place at *Your Show*:
www.hotelympia.com/hospa

Follow @Hotelympia on Twitter for the latest show news and keep up-to-date on any new announcements.

HOSPA members receive exclusive Premier Club benefits.
To gain access to the Premier Club hosted lounge, refreshments, and free cloakroom register at
www.hotelympia.com/hospa