

# THE OVERVIEW

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**TAKING COUNCIL -**  
TOURISM'S JOINT PROJECT  
WITH GOVERNMENT

**MAN ON UNIFORM -**  
HOWARD FIELD ON CHANGES  
IN HOTEL ACCOUNTING

**BRIDGING THE GAP -**  
THE IMPORTANCE  
OF TRAINING

# Welcome to THE OVERVIEW

Dear members,

If only we could all just get along. With so many different facets to the hospitality sector and so many interest groups, there is often war where there could be mutual co-operation - see this month's feature on the online travel agents for a case in point.

So it was with some relief that we welcomed the formation of the Tourism Council, a body which will, for the first time, bring together the industry and government. It includes stakeholders from all areas - so Whitbread will sit alongside Google and Expedia.

With one year until the next General Election and no financial jurisdiction, the Tourism Council's work will be cut out for it. Carl Weldon comments further on the Council in his column on page 3.

Here at The Overview we're looking forward to next month's annual quiz night in London on 17 July - hope to see some of you there - but gathering in a steamy pub racking your brains isn't the only way you can join HOSPA, as a number of opportunities have opened up.

In line with HOSPA's Articles of Association and ongoing policy to promote new energy and ideas, the HOSPA Council wishes to invite applications from the senior membership of the Association for the following three key roles: HOSPA Chair, HOSPA Deputy Chair (Chris Upton has applied to be considered for the position of HOSPA Chair) and Chair of the HOSPA Finance Community Committee.

The above posts, will begin - subject to ratification by the HOSPA Council - immediately after the AGM in September 2014.

For job descriptions and how to apply: Please visit the HOSPA website and see the article in The Overview on page 4. The closing date for applications is 18 July, the day after the quiz. Maybe don't leave it until the night before.



*Katherine Doggrell*

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# HOSPA

Hospitality Finance, Revenue and IT Professionals

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## The Overview online

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# Tourism Council hatched

## Carl Weldon reports from the BHA Summit on the launch of the Tourism Council and thoughts on the industry in general.

The BHA Summit in early June truly is a UK hospitality industry-wide event, with a number of calls for action to drive the sector forward, as well as a focus on the role of the sector in the wider economy.

## There were a number of interesting insights from senior figures:

- *Alan Parker former CEO at Whitbread and BHA Chair commented that the best way to predict the future was "to shape it"*
- *Fergus Ewing, minister for Energy, Enterprise and Tourism and Member of the Scottish Parliament, said that tourism was the most important industry for Scotland*
- *Kit Malthouse, Deputy Mayor of London with responsibility for Business and Enterprise, said that London Partners believed North America was largest potential market for London*
- *VAT and Air Passenger Duty are still considered to be too high and could be deterring travellers*
- *Air Passenger Duty is the only thing that Richard Branson and Willie Walsh ever agreed on!*
- *Helen Grant Minister for Tourism announced the formation of the Tourism Council with Simon Vincent of Hilton Worldwide as Co-Chair (great credit here to Ufi Ibrahim of the BHA for making this happen within only three years).*

**Skills and Enterprise Minister, Matthew Hancock said:** "Small businesses in towns and villages across the country are the bedrock of our tourism industry and an important part of the wider economy. We must do everything we can to ensure they have the right environment to thrive and grow.

"This includes making sure that young people are equipped with the skills to work productively in this sector. Last year, there were over 27,000 apprentices in Tourism, Leisure and Hospitality roles and I am keen for this number to increase. This council will support the development of skills, the sharing of best practices and provide means for tourist businesses to innovate and grow." The Council will be made up of 22 members representing industries engaged in transportation, hospitality, entertainment, travel, accommodation and services actively marketed to inbound and domestic travellers. Signed up members include VisitBritain, VisitEngland and the British Hospitality Association along with companies such as Whitbread, Easyjet and Expedia.

**Simon Vincent, president, EMEA, Hilton Worldwide said:** "This

is the first time we have had a cross-Government council looking specifically at tourism. The active involvement of both the Tourism Minister and the Minister for Skills and Enterprise means the council can focus on the key areas of skills and training and quality of service, in the first instance. Taken together, these things are central to helping deliver growth, competitiveness and innovation in our industry."

For more information about this exciting initiative, please visit the BHA website at [bha.org.uk](http://bha.org.uk)

## Some of the panels at the event focused on other talking points of the industry:

### Funding and banking :

- *Accelerating Investment Panel said that branded restaurant returns had driven deals and returns beyond GDP growth*
- *Equity and debt is now much more competitive for good regional UK deals, even so with good management teams, said Heiko Figge MD of Moorfield Group*
- *Restaurants are benefiting from the conversion of A1 units to A3 by some councils*
- *Average spend on the High Street is higher in leisure centres, such as Westfield*
- *Hotels are increasingly favoured as an asset class*
- *An interest rate hike is expected in Q1 or Q2 of 2015*
- *Banks are still in balance sheet repair mode - but once complete lending will start again.*

## Another aspect discussed was Social Media and its effects on business today:

- *Younger people (Generation Y) today are more like each other than like their parents and check social media 70 to 100 times a day*
- *To encourage younger employees or recruits as an employer you must ensure that your technology is up to date*
- *Only 7% of CEOs have social media accounts - how does this affect their understanding of the sector?*
- *Expedia's VP & GM, EMEA - Gary Morrison - said that the company invested up to GBP360m each year in its technology.*

My overall impression was one of an industry making great strides forward and able to communicate with government at last.



# Three Major Opportunities to bring expertise to HOSPA Council and Finance Community

In line with HOSPA's Articles of Association and ongoing policy to promote new energy and ideas, the HOSPA Council wishes to invite applications from the senior membership of the Association for the following 3 key roles:

## HOSPA Chair and HOSPA Deputy Chair – with responsibility for:

- Liaison with the HOSPA Chief Executive to monitor the implementation of strategic plans
- Liaison with the management committees of the 3 HOSPA Communities for Finance, Revenue Management and IT; and the HOSPA Council to develop future strategy with attendance at periodical meeting
- Liaison with the HOSPA Membership and Events Office and Professional Development team to ensure that HOSPA is run in accordance with the Association's Rules and Regulations; and that HOSPA's operational practices meet the requirements of the auditors
- Liaison with HOSPA Patrons and Sponsors

**The HOSPA Deputy Chair will stand in for the HOSPA Chair when unavailable, in all the above mentioned duties**

## Chair of the HOSPA Finance Community Committee – with responsibility for:

- Overseeing the work of the HOSPA Finance Committee and implementing changes approved by the HOSPA Council. The Finance Chair will also sit on the Taxation Committee that has a wider membership including the BHA, HMRC. Each committee meets three times per annum
- Liaison with the Chief Executive
- Coordinating the activities to promote CPD and raise the profile of finance within the hospitality industry
- Organising Members' Events (sourcing topics, speakers, dates, venues, refreshments, guest lists and articles for The Overview and the HOSPA website).
- The Chair will be appointed a Director of HOSPA

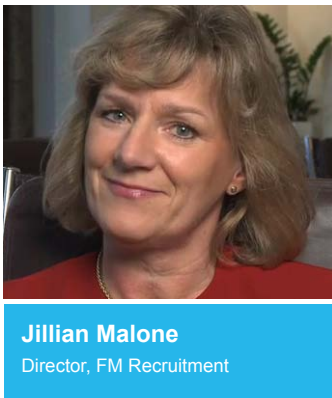
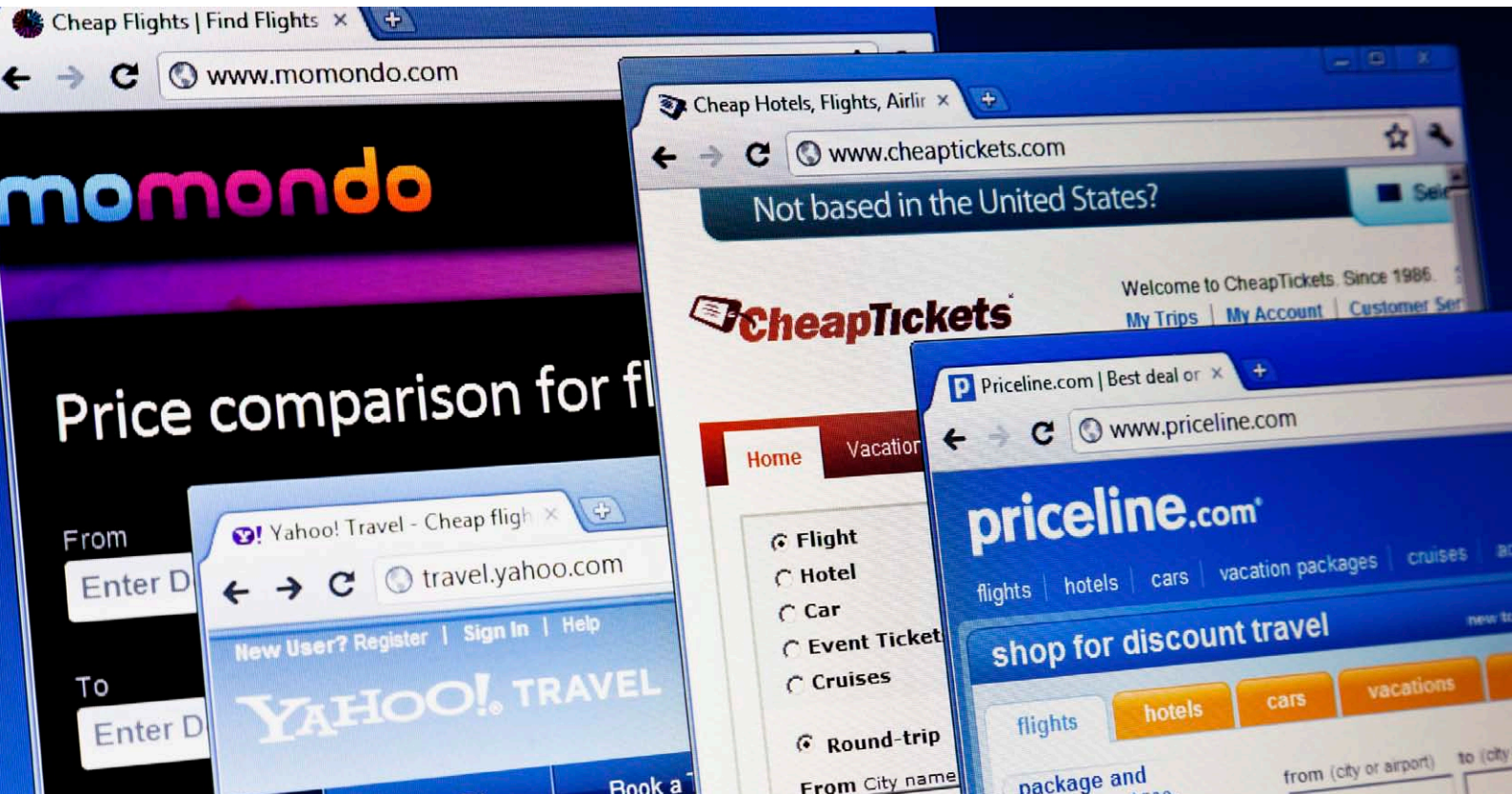
*HOSPA would like to thank the outgoing HOSPA Chair Paul Dukes and the outgoing Chair of the HOSPA Finance Committee Diana Mountain for their invaluable and immense contributions, dedication and commitment to the Association at such a momentous time in the Association's development. Equal thanks go to Chris Upton, current Deputy Chair, who has applied to be considered for the position of HOSPA Chair.*

The above posts, will begin – subject to ratification by the HOSPA Council – immediately after the AGM in September. If candidates would like further information about these exciting roles, please contact HOSPA Chief Executive Carl Weldon at [carl.weldon@hospa.org](mailto:carl.weldon@hospa.org) (Tel: 07831 616982).

If you would like to apply, please send a letter of application – with an up-to-date CV – to the HOSPA Membership and Events Office at: Longdene House, Haslemere, Surrey GU27 2PH.

**Closing date for applications: 18 July 2014**

## → FM RECRUITMENT



**Jillian Malone**  
Director, FM Recruitment

### OTAs: friend or foe?

The easiest way to get pulses racing amongst hotel senior executives is to drop the 'O word' into conversation. Mention Online Travel Agencies (OTAs) and suddenly everyone's got an opinion - usually a strong one. There will be much gnashing of teeth at how Booking.com, Expedia and Laterooms take valuable commission away from a hotel's bottom line. But marketing directors know that OTAs sell rooms and are here to stay. Indeed they are a significant pillar to many sales and distribution strategies. So, asks Jillian Malone, are the OTAs friend or foe?

Online travel agents have embraced the digital world as a new business platform. They have taken full advantage of automation and efficiencies, have shaken up the industry, and have forced prices down.

Their efficient booking processes appeal to today's time-strapped, bargain-hunting customers. They do represent a fantastic way for hotel brands to distribute product to a large market, but there are drawbacks. Aside from the commission mentioned above, OTAs are, of course, an intermediary, therefore your brand will have reduced direct engagement with customers (and they won't book through your site).

TripAdvisor recently reported that 95% of global travellers said price was the most important factor in booking accommodation. This is where OTAs have won out. They have acknowledged this and made it the heart of what they do. Yes, hotel owners and managers pull out all the stops to maximise efficiency in an effort to hold prices down. But we also believe quality and service are the most important factors in the hotel experience. This difference of perspective has allowed OTAs to grasp massive market share.

## The rise of a new distribution channel

Some industry insiders grudgingly admit that hotels have not traditionally been good at distribution. That there has historically been laziness in recognising technology changes. Instead of promoting our own websites, we sleepily watched OTAs launch into the market and establish a position between us and our customers.

Before we knew it we were paying a commission on business that was rightfully ours (or so we thought). Trying to stop the rot, many hoteliers cut rates, effectively cannibalising profits further. Russel Sharpe, COO in the Hotel Division of Landmark Hospitality offers this salutary judgment on how widespread the reach of OTAs has become. "Now, like a disease, they have spread, and we can't do without them! We find a high proportion of our business coming through them. And we are paying them a commission just for distribution rights. It's a necessary evil. I can't see how in the future - because they (OTAs) have bigger money to spend on technology and marketing - they will ever diminish. And if they start thinking about going into hotels... then we have to face an even bigger challenge."

## Why are OTAs the enemy?

Here are the top four reasons hotel managers 'go ballistic' at the mention of OTAs:

**1. Murderous commissions.** Hotels typically pay OTAs a commission of 15-25%, sometimes more. Of course these rates will vary over time; but it is commissions that grate the most with many hotel insiders.

**2. Stranglehold conditions.** Have you ever read the OTA contracts? They're full of eye-watering restrictions that control not just a brand's presence on an OTA network, but even how brands may change prices on their own sites. EU hospitality lawyers rub their hands with glee as they try to get to the bottom of such restrictions.

**3. That's my reputation you're holding.** There's no recourse for direct response to negative comments on the OTAs (whereas a switched-on brand manager can reply directly to review-based sites such as TripAdvisor).

**4. Whose customers are they, anyway?** OTAs have established such a strong market position that many travelers visit them first. It's not just the price that keeps OTA customers loyal. The online experience, usability and cross-platform simplicity have all been honed to a fine art.

*The French hotel trade has formed Fairbooking to try and counter the power of agency intermediaries. The aim is to preserve reasonable profits for hotel owners while still offering customers attractive price reductions or other goodies such as free breakfasts, upgraded rooms or bonuses. Customers benefit from more availability and a more personalised service. It is an admirable initiative; but how will it stack up against the monumental marketing power of the OTAs?*

## OTAs are our friends

Not everyone loathes the OTAs. Commercial realists recognise they form an increasingly important sales channel. Here are three reasons to welcome and work with OTAs.

- **Payment by results.** Yes, you had to pay a commission on OTA sales. But at least the customer booked, right? Yes, you could have spent the same budget on advertising. Since when did advertising guarantee bookings?
- **Massive advertising platform.** Being present and correct on the OTAs means benefitting from their vast reach. OTAs promote themselves (and your hotel) across online, posters, TV and any number of other channels. Could you afford to do the same?
- **OTAs were born online.** There's a lot to be learnt in the way OTAs design their websites and mobile apps. While more than a third of all travel booking is done via mobile, some (even some very large) hotel chains don't have mobile-responsive sites. OTAs have got customer usability hard-wired into everything they do, making research and booking enjoyable and seamless. They can teach us a thing or two.

- *Online Travel Agencies account for one-third of online hotel bookings.*
- *40% of all hotel bookings are made through mobile devices.*
- *87% of independent hoteliers say 'OTAs make it harder to compete'; 87% say 'OTA commission should be capped'.*
- *In the UK, OTA booking.com charges the lowest commission and is 'easiest to use'; Expedia has the highest commission and is the 'hardest to use'.*

## How to optimise your relationship with OTAs

Pascal Gauvin of InterContinental Hotels Group (IHG) offers these fascinating tips on managing the OTA relationship. "In the Middle East, OTAs are exceeding every single website's revenue. But not for IHG. The beauty of working with OTAs is that you open and close whenever you want. If I'm in need of business, I open. If not, I close it down. It's up to me to manage it properly. So, just work with the environment: adjust, listen to customers, open and close - and manage it."

## Reality bites

The best managers adapt to a changing environment. They know that OTAs are here to stay. They argue that it doesn't matter where a booking comes from; rather the challenge is to give that customer the best possible experience and a reason to book directly next time around. To make a loyalty programme compelling; offer a strong promotion, obtain permission to stay in touch email. They see how OTAs can bring a customer right through the first stages of the sales funnel: Awareness, Consideration, and onward to a Sale. But, crucially, they know that the final stage - Loyalty - lies in the hands of the hotel.

<sup>1</sup>Umi Digital research, February 2014.





## HOSPA Education Programmes exceed learner expectations

The HOSPA Education programme in Financial Management has now been running for well over 20 years and has evolved and changed significantly over this time as both industry needs and available technology have developed.

HOSPA's approach is to seek feedback from each learner on completion of each Stage, which has led to the course being continuously developed to reach the high standard at which it is at today.

From recent feedback from the Financial Management course, learners informed HOSPA that the course was 'relevant' or 'extremely relevant' with every respondent falling into one of these categories. This was backed up by more than 90% of learners commenting that they would recommend the course to a friend or colleague and that the majority of the learners had actually discovered the course in this manner.

When asked why they were studying on the HOSPA Financial Management programme, more than 90% of respondents commented that they wished to understand their job better and all learners stated that they were looking to gain or learn new skills. Once they had completed, we were delighted to find that this had been achieved with more than 90% agreeing that the programme had helped them to understand their job better and all respondents stated that the course helped them to improve their understanding of the finance function.

HOSPA also discovered that 50% of learners had been awarded a promotion in their workplace, of which, half stated that the content learnt on the programme was responsible for their promotion. The Financial Management programme is offered alongside the HOSPA Revenue Management education programme which has now been running for nearly four years and graduated its first batch of certified hospitality Revenue Management professionals back in March 2013.

Since its launch in September 2011, the programme has proved very popular within the industry, not just for revenue professionals, but also for hotel managers, front desk staff and even finance professionals wanting to know more about the art and skill of revenue management and how it can improve the bottom line. As with the Financial Management programme, the HOSPA Revenue Management programme undergoes a regular review

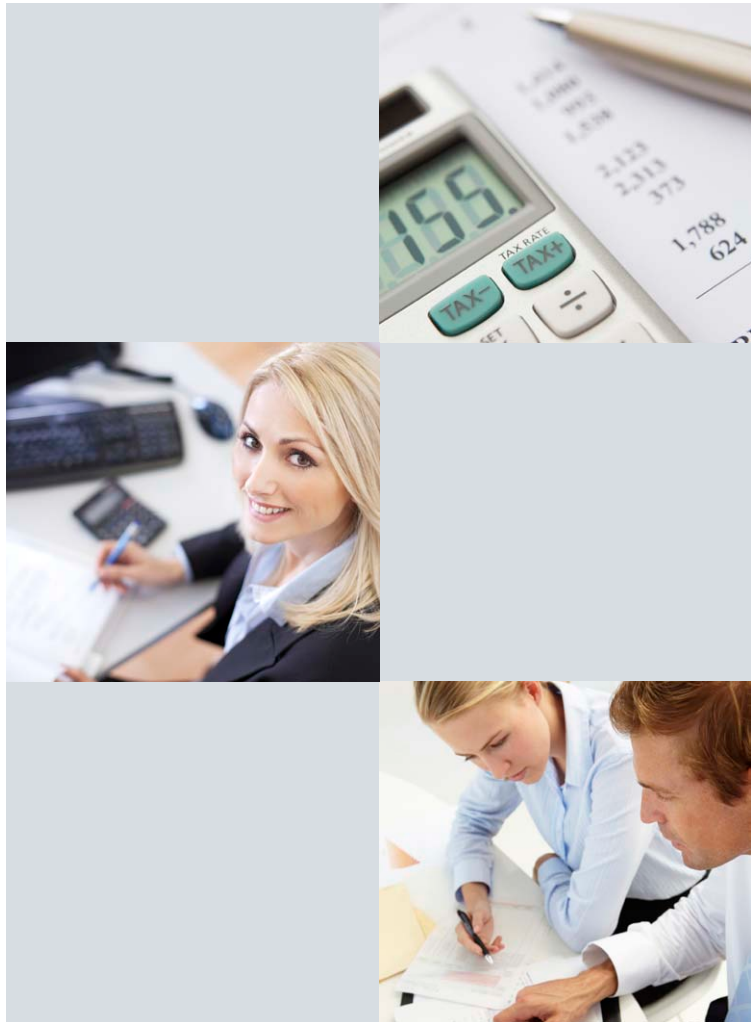


process to ensure it meets the learner requirements as well as industry standards and best practice.

Both the HOSPA Financial Management and Revenue Management Education Programmes are flexible distance learning programmes aimed at aspiring hospitality accounting and revenue professionals who wish to gain the necessary knowledge to be able to manage the respective hospitality department. The courses are studied in three Stages, with each Stage costing £750, and taking six months to complete.

We are currently enrolling for the September 2014 intake for both Financial Management and Revenue Management. For further information or to enrol, please contact Wayne Gosden on +44 (0)1202 889430 or email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

A recent report from HotelNewsNow stated that "when a director of revenue management leaves, it can cost a company between \$250,000 to \$500,000 in revenue" – it is therefore imperative to invest in talented people to keep them on board and up-to-date with industry best practice; can you really afford to not spend £2,250 training your revenue staff to avoid costing your company up to £300,000 per annum?



# HOSPA

Hospitality Finance, Revenue and IT Professionals  
Professional Development

**We are currently enrolling for the September 2014 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.

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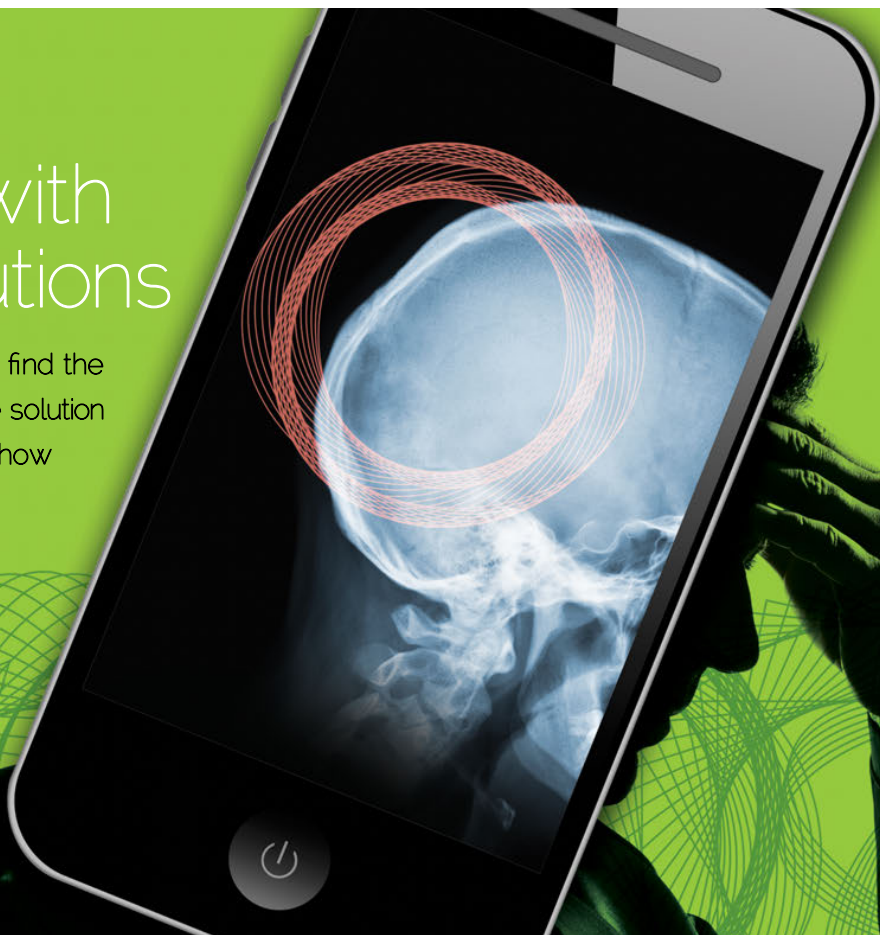
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## Let IT reign

IT is designed to make our lives easier, it is there to enhance our product and service offerings, offer our guests a seamless electronic journey through our establishments, from booking via a simple yet comprehensive booking engine, to connecting their devices to the guest Wi-Fi, utilising the in room entertainment and then departing via the check-out having had a great stay.

Yet in many cases IT has a stigma attached to it, general perceptions of IT is that it is costly, systems are poorly integrated with one another and most commonly IT Systems are unresponsive, faulty and just get in the way of providing the guest a service. Yet IT is designed to make our lives easier? IT represents 2% of our annual spend, which compared to other industries is 1.5% less, so why is there an underinvestment?

The reality is that IT should be making our businesses more efficient and our guest journey seamless, however many organisations have had their fingers burnt with IT projects, stories of the promised software functionality in the sales pitch that three years on is still in development to a lack of employee buy in that has left an IT system idly residing as an expensive resident, plus a myriad of other reasons why IT has been a failure. Of course this is not true of all implementations and systems, there are plenty of projects that have met the expectations of the business and are offering great value, however there are some key considerations when it comes to investing into IT.

Establishing solid foundations – Some of the most important systems are the ones that fundamentally underpin our business operation. Ensuring a robust and functional Property Management System (PMS), Accounting System and EPoS are in place is the first step, these three areas should ensure that there is no loss of revenue from your operation and that the guest journey is smooth. Often it is these three systems that can cause hospitality businesses the biggest headaches, each hospitality operation

whilst on the surface is similar to the next, the inner workings of the businesses will be very different, the product and service offering will be relatively unique, after-all all hoteliers want to stand out from the crowd. So before evaluating what is available in the marketplace for your business, spend the time analysing your business requirements and understand how companies can meet them.

Engaging expertise – It is often perceived that by employing the services of third parties it will increase the cost and risk of selecting and implementing new IT systems. However in many cases investing into the pools of expertise can pay dividends, not only in bringing experience in driving the costs of technology purchases down through experience of the wider market, but also in bringing a fresh view of your business and how it operates. When appointing third parties it is important to ensure that they have the relevant hospitality industry experience, it's not just about understanding IT it's about understanding the industry.

Avenue9 was created from demand of the industry, there was a recognition that the industry needed an independent source that could coordinate multiple vendor relationships, provide assistance in the procurement of systems that are fit for each and every client based upon their requirements rather than promoting the latest and greatest release. Avenue9's approach is to work with its clients to understand the inner-workings of our clients and make recommendations of how technology could reside and ultimately add value to the business.

Investing in IT is just like any other investment, it needs to provide a return, sometimes the return is invisible, however as our guests becoming more and more technology savvy we need to ensure their journey is seamless.

[www.avenue9solutions.com](http://www.avenue9solutions.com)



## Cheer from leaders

**Highlighted thoughts on revenue management from this year's RMAPI conference, culled for our HOSPA members.**

**T**ackling the challenge of keeping updated of developments in a continually changing market environment was the theme in the presentation from Shauna Campbell, Director Revenue Management UK & Ireland at InterContinental Hotels Group. According to Shauna, the need for Revenue Management and Revenue Managers in particular to adapt and evolve with the times is becoming more important than ever before. At IHG, this evolution is manifested by a revision to their definition of RM from "Selling the Right Room to the Right Customer at the Right Time at the Right Price" to "Selling the Right Room to the Right Customer at the Right Time at the Right Price on the Right Distribution Channel with the best cost of sales efficiency".



Developments, especially regarding the way that technology has pervaded society has demanded that Revenue Managers constantly reassess and recognise how customers are changing the ways in which they access and consume product. "This means understanding.... how shopping is becoming social", Shauna stated. She outlined the strides that IHG were making in observing and responding to online reviews and the implications of such material for RMs in terms of the impact on price elasticity's of demand.

Citing some intriguing examples including clothes hangers in Brazil, the power of the social network she claims is "something that will start the next evolution (in Revenue Management)". Indeed, by illustrating how people consume their social and their addiction to both the content and the technology itself, citing that 13m Britons fear being out of cell phone contact and have a feeling of anxiety when they lose touch" Shauna suggests that the next evolution is upon us already. 'Big Data' has direct implications for RMs and Shauna considered the subject of using this enhanced knowledge of the potential guest, to offer personalised pricing and the challenges this would bring. On a wider note, people should be aware of the dangers of allowing 3rd parties access to your online fingerprint and that brands need to address these concerns by offering reassurance on how they will use the data they have access to.

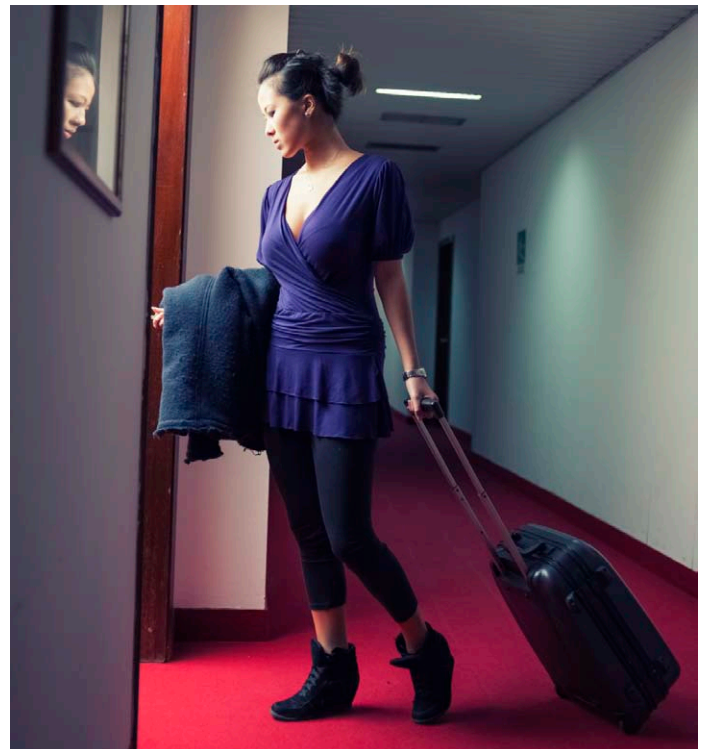
In closing, Shauna re-iterated the challenge in keeping right up to date with the latest developments and how as Leaders, we, in turn, endeavour to keep our teams in the know.

In his presentation, "Shaking the money tree: Revenue Management in the 21st century", Alex Dietz, Principle Industry Consultant from SAS Global Hospitality and Travel Practice used the analogy of practitioners climbing a ladder to harvest dollars from the money tree with each rung of the ladder representing greater complexity and finding that the incremental benefits are often smaller.

Pointing to new challenges to the paradigm, he explored the opportunities afforded by "Big Data" and the emergence of "Big Analytics" to exploit such opportunities. Alex's view is that the times of compromise are past and that rather than converting historical data in to simple sets of figures, we should all be recalibrating using ALL our history, enabling more sophisticated analysis of individual markets and segments to create not one simple, but many forecast models. What is more, we ignore at our peril the importance of Brand Reputation, a key element of "Big Data".

Showcasing two recent pieces of research in to why reputation matters, the conclusions shared were; price is no longer an indicator of quality; review information is more powerful indicator of value over ratings; in the presence of poor reviews and ratings lowering of price drives no additional value; reviews matter more than ratings; negative reviews removes you from the choice set. By harnessing the value of reputation data, Revenue Managers are able to identify where pricing opportunities exist, Dietz added.

Moving on to another example of "Big Analytics", Alex explored the subject of 'Choice Modelling' and the work undertaken by Mumblower, Garrow and Newman in to airline seat choices at JetBlue. Potential seat fee increases when pricing dynamically



of in excess of 10% certainly caught the audience's attention. Wrapping up, Alex returned to the Money Tree and concluded that the Tree has been shaken but that "Big Data" and "Big Analytics" which go hand-in-hand, present the opportunity to get the hard to reach revenues. His presentation was warmly applauded and subsequently widely acclaimed by the membership.

"There is no 'One size fits all' revenue management system", was the opening statement made by Louis de Plessis, General Manager, Revenue Management & Pricing at Virgin Atlantic Airways. In his presentation titled 'The evolution of revenue management systems', Louis looked back at the origin of technology in the practice of RM and how those in airline RM face two main challenges; deciding which system to use and how to get the maximum value from existing technology.

He looked at the various systems available to principles today including leg-based, Intermediate Origin & Destination (O&D) and Full O&D systems and illustrated that each system adds incremental value to the discipline. The emergence of O&D solutions goes some way to addressing the increased complexity created by airline networks versus the traditional leg-based approach and Louis proceeded to work through examples, looking at both the various inputs (pricing data, O&D demand, Flight demand and network demand) and outputs (Bid prices and Group Acceptance prices), to illustrate the benefits for this advance in modelling techniques.

In conclusion, he stated that most systems do a good job at managing seat inventory and that typically the airline sector employs good people to manage their systems and to optimise their capacity. Future improvement in profitability however is going to be about a combination of 2 elements; firstly, undertaking more marginal decisions and the refining of system settings; secondly, turning to Big Analytics to harness the additional knowledge about the potential customer to supplement the optimisation of the existing RM systems.



# → UNIFORM SYSTEM OF ACCOUNTS FOR THE LODGING INDUSTRY



**Howard Field**

Hotel management accounting and the use of the Uniform System specialist  
HOSPA

## A man on Uniform

Howard Field's guide to the new edition of the Uniform System of Accounts for the Lodging Industry. The guide is not intended to be a replacement for reading the book itself, but a way of generating interest and debate. For the purposes of this guide, Howard's comments are in italics.

A summary of the changes reproduced from the website of the American Hotel and Lodging & Education Institute, the following paragraphs and bullet statements highlight the material changes from the Tenth Revised Edition. Additional changes are presented throughout the book which is available now online at: <https://www.ahlei.org/Products>

The arrival of a new edition of the Uniform System of Accounts for the Lodging Industry (USALI) is a significant event for the hospitality industry. Containing changes that are evolutionary rather than revolutionary, it is important that readers and users understand their significance.

*Part I of the USALI is now the Operating Statements section. A small but important change to the sequence of sections so that readers immediately access those related to hotel management accounting. Financial accounting aspects are now covered in later sections.*

## Summary Operating Statement

The following statements highlight the material changes made to the presentation of the Summary Operating Statement.

- "Rentals and Other Income" has been changed to "Miscellaneous Income."
- "Revenue" has been changed to "Operating Revenue" and "Total Revenue" has been changed to "Total Operating Revenue."
- "Information and Telecommunications Systems" has been added as a fifth Undistributed Operating Department (see Part I, Schedule 6).
- "Fixed Charges" has been changed to "Non-Operating Income and Expenses" (see Part I, Schedule 11).
- "Net Operating Income" has been changed to "EBITDA" (Earnings Before Interest, Taxes, Depreciation and Amortisation).
- Two Summary Operating Statement formats have been developed:
  - For operators, a Replacement Reserve is deducted from EBITDA, and the bottom-line is "EBITDA less Replacement Reserve."
  - For owners, Interest, Depreciation, Amortisation, and Income Taxes are deducted from EBITDA, and the bottom-line is "Net Income."

It is not just the terminology that has changed. As will be seen later on, some of the changes relate to the nature of the transactions and where they will be found in future in the management accounts. At the least, the new terms will have to be learnt, and presentation formats brought into line.

## Operating Schedules

The following statements highlight the material changes contained in the operating schedules.

## Multiple Departments

- In all departments, readers are advised to refer to the Appendix at the end of the book that provides enhanced guidance on the reporting of revenues and expenses on a gross versus net basis.

Section V of the book is a very useful and important addition, explaining the accounting logic as to whether the hotel should be accounting for a service as an Operated Department with revenue, costs and profit - or as Miscellaneous Income based on the difference between the amount billed to a customer and the costs

incurred by the hotel. It sets out the criteria and gives examples.

This does not represent a change in practice so much as providing useful explanation of common principles.

- Additional guidance is provided in each revenue-producing department regarding the handling of surcharges, service charges, and gratuities.

Also in Section V, is a significant section on these subjects. Mixing them all together underestimates their potential significance.

The treatment of resort fees and surcharges relating to the provision of services or use of facilities is set out with examples. US GAAP is then cited to cover the treatment these and service charges in relation to what should be accounted for as revenue. The principle stated here is that the charge to the customer represents hotel revenue when it is:

- compulsory or non-discretionary
- automatically added to the account by the hotel
- the amount is not determined by the customer
- the customer is not in control of any distribution

The hotel being therefore is generally obliged to treat the amount charged as revenue, and not to credit the amount to any expense account.

The explanation here is quite detailed, and reflects the result of considerable discussion of a subject that was not fully explored in earlier USALI editions. Service charges were only referred to in connection with Food and Beverage operations, and the distinction between the treatments of service charges and gratuities was not clarified.

It has been recognised in the new edition that there exists a wide variety of different practices, especially in non-US hotels. Practices range from service charge on all types of revenue, including rooms, and of many variations of how the revenues are accounted for and whether there is any distribution made to employees.

The treatment of service charges, is probably the most significant change in the new USALI edition. Where service charges that meet the stated criteria are applied to room rates, they often amount to between 5 and 10 percent of the basic charge. In the Food and Beverage outlets, the range is commonly between 8 and 15 percent. These are substantial amounts and, if not already treated as revenue, they will materially affect future reported revenues and the related operating statistics.

Where agreements for management and franchise fees, or rents, commissions and other charges are related to revenues, it will be essential for reference to be made to the relevant agreement terms. In cases where no mentions were made of the subject, it may be necessary for supplementary terms to be drafted. In some cases, new terms will have to be agreed, and it may be that changes in operating practices will also have to be made.

Fundamentally, the accounting principles applying to service charge revenues should always have been as are now reflected, and the problem is the lack of any uniformity of practice within the hospitality industry and the confusion between what is a service

charge and what is a gratuity.

This whole subject deserves wider consideration, not just for the purposes of the USALI.

– The aggregated salaries and wages of management and non-management personnel are presented on the department schedule [Ed: unfortunately we could not persuade our American cousins to spell this as Labour!]

Categories have been added to each department schedule to provide additional information regarding Labour Costs and Related Expenses.

A comprehensive list of payroll titles is included in Part I. Many hotels organise their labour flexibly, to account for peaks and troughs of demand, and multi-skill their labour force to improve efficiency. Hotels may find that the distinctions in the USALI between management and non-management and the allocations of specific job titles to departments, do not match their practices.

– Service Charge Distribution is presented as a distinct cost category within Salaries, Wages, Service Charges, Contracted Labor and Bonuses. It has been moved from Payroll-Related Expenses-Supplemental Pay.

See above for more on the subject of service charge. It is only where a distribution is made to employees that this cost category will apply. In some jurisdictions where local practice and tax issues apply, it may prove difficult to identify precise amounts distributed to a particular department.

– Contracted, leased, and outsourced labor costs are presented independently.

This is distinguished from services such as contract cleaning carried out by outside companies and not as replacement for the hotel's own employees that forms part of other departmental expenses.

- New expense categories have been added to account for cluster services and department-specific reservations expenses. Where cluster services are provided that include a range of services, it is not always possible for these to be split into labour and other categories, or by department.

- Administrative telecommunications expenses are no longer recorded within each department. All administrative telecommunications expenses are now recorded in the new Information and Telecommunications Systems-Schedule 6 Rooms Department.

- The segmentation that is used to record rooms revenue reflects efforts to provide greater detail and definitions and to align with industry practices.

The greater details referred to here, that are to show on the rooms schedule, will not be those used by every hotel. It is not clear why they need to be set out in detail on this schedule rather than on supporting schedules that can be suitably customised.

- Resort fees are now recorded in Miscellaneous Income-Schedule 4. They are not included in the calculation of average daily rate.

Service charges will however be part of total rooms revenue and will affect these statistics.

- Enhanced guidance is provided regarding the handling of revenues and expenses associated with mixed-ownership lodging facilities.

- Enhanced guidance is provided regarding the allocation of package revenues and the handling of package breakage, which has moved to Miscellaneous Income – Schedule 4.

This guidance as to how to allocate package revenues contains subtle wording changes from the last edition. The example shown has not changed from the last edition of the USALI. This subject remains open to interpretation and practices vary widely. The treatments of package breakage, and of service charge revenue, are among material items that will have an impact. Accounting for package and inclusive revenues re-mains a subject that requires further consideration.

## Food and Beverage Department

- Food and Beverage-Schedule 2 presents the revenues from both food and beverage venues. Separate food and beverage department schedules are not mandatory.

- Enhanced guidance is provided regarding the handling of gift certificate revenue.

- The term "cover" has been replaced with the term "customer" to reflect the number of people served.

## Other Operated Departments

- Telecommunications is no longer an Other Operated Department. Guest room-generated revenues and cost of sales are now accounted for in Guest Communications on Minor Operated Departments-Schedule 3-xx. Function room-generated revenues and cost of sales are accounted for in Audiovisual on Food and Beverage-Schedule 2. All telecommunications-related labor expenses, administrative telecommunications costs, and the costs associated with complimentary phone and Internet services are recorded on the new Information and Telecommunications Systems-Schedule 6.

## Miscellaneous Income

- All resort fees and package breakage are recorded in Miscellaneous Income-Schedule 4.

- Additional guidance is provided regarding the handling of commissions, business interruption insurance, foreign currency exchange, unused or forfeited gift certificates, and interest income.

## Undistributed Departments

The information and telecommunications systems department has been created to consolidate all system-related technology expenses.





- Additional guidance is provided regarding the handling of non-guest-related foreign currency exchange income and expenses.

- The segregation of sales and marketing expenses was eliminated.

- Revenue management and catering sales functions have been clarified as sales and marketing expenses.

- Utility Taxes was eliminated as a separate expense category on Utilities-Schedule 9.

This elimination may cause some confusion where costs such as the purchase of carbon credits apply, that relate directly to the consumption of power and reflect operating efficiency. Consensus was that this was the appropriate category, as part of the hotel's utility costs.

- Contract Services was added as an expense category on Utilities-Schedule 9 to incorporate the cost of energy audits.

For operating management, the key performance measurement is Gross Operating Profit (GOP), so any changes as to what goes above or below this line are the most relevant. After management fees, the remaining items shown on the Summary Operating Statement are not always known by the hotel management unless they are involved in handling the administration of the related payments and accounting.

*and rarely are they fixed, the change of title from fixed charges is logical.*

- The net revenue generated by ownership that is not managed or maintained by the hotel is recorded as Non-Operating Income.

- An Owner Expense category has been added to account for such items as asset management fees, receiver fees, and owner directed market studies and audits.

- Additional guidance is provided regarding the handling of equipment rental, unique municipal charges, and various employee housing expenses.

*After deducting the management fees and non-operating items from the GOP, the net line is called Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). This is the key management accounts figure that reflects the hotel's financial result that will be mirrored by its financial accounts.*

*In the USALI Summary Operating Statement, there is then a deduction of Replacement Reserve. This relates to a common provision in hotel management agreements that is explained in the book, but which will not be relevant for many hotels. There is then an owner's version of the Summary Operating Statement that contains some of the items such as interest, tax and depreciation that are financial items rather than those relevant to operating management.*

## Non-Operating Income and Expenses

*Given that certain revenues as well as costs are non-operating,*

## Financial Statements

*This whole section refers to financial accounting, and largely to*

*US GAAP. As a section of the USALI book, it has been moved from the Part I to Part II, so as not to be confused with the basis of the USALI as the industry's management accounting standard.*

The following statements highlight the material changes contained in the financial statements:

- Revenue and expense categories have been added to the Income Statement to reflect changes made to the Summary Operating Statement.
- A Statement of Comprehensive Income has been added to supplement the Income Statement. An illustrative statement is provided.
- A reference to International Financial Reporting Standards (IFRS) was added.
- Gift certificates and cards have been removed from Other Current Liabilities and made a separate line item.
- Additional guidance is provided regarding the handling of inventories, operating equipment, and preopening expenses.

## Financial Ratios and Operating Metrics

*Operating Metrics are now before the financial ratios, and the explanations have been considerably extended.*

The following statements highlight the material changes contained in Part III-Financial Ratios and Operating Metrics:

- In recognition of the importance of operational and financial analysis, the name of this section has been changed from Ratios and Statistics to Financial Ratios and Operating Metrics.
- Ratios are presented for both operating departments and undistributed departments.
- For each department, a recommended schedule of key ratios is provided.
- A recommended labor cost schedule is provided that presents detailed labor cost data for each department.
- Additional utility and waste consumption ratios are provided, as is a discussion regarding the growing trend to measure sustainability and environmental impact.

## Revenue and Expense Guide

Guidance is provided regarding the proper recording of both revenues and expenses and is available in an electronic format that is both sortable and searchable.

*It will take some time for the industry to absorb and implement changes arising from the new USALI edition. To remain in compliance with the Uniform System, the new formats should be in place by January 2015. This will involve considering the extent of restatement of comparative figures, revising budget and operating statement formats, upgrading charts of account, and related software changes. HOSPA's Finance Technical*

*Committee will maintain links to resources as issues arise.*

HOSPA will soon be running informative and interactive training sessions to update delegates on the revisions contained within the 11th Edition of the USALI. Please keep an eye out for the announcement of these training sessions or to register your interest, please email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

## Global Blue Tax → Free Index 2014



### Chinese shoppers dominate spending

May 2014 was a slower month for international tax free spend in the UK. Chinese shoppers continued to dominate, representing 18% of total international spend, and though average spend per transaction was down 4% YOY, number of transactions by Chinese shoppers saw growth of 15%, highlighting their ongoing desire to shop British. In terms of growth, Kuwait was the strongest across all nations, up 12% YOY, as shoppers flocked to designer stores across the UK, spending an average of £593 per transaction. The ongoing effect of the Ukraine crisis has resulted in a significant decline in spend by Russian shoppers in the UK, down 42% for the month, as they are still choosing to stay at home. Political instability in Thailand this year is also affecting spend from Thai shoppers, with total spend down 45% for May. However, average spend per transaction for both Thai and Russian shoppers coming to the UK still topped £579 and £648 respectively.

[For table see over](#)

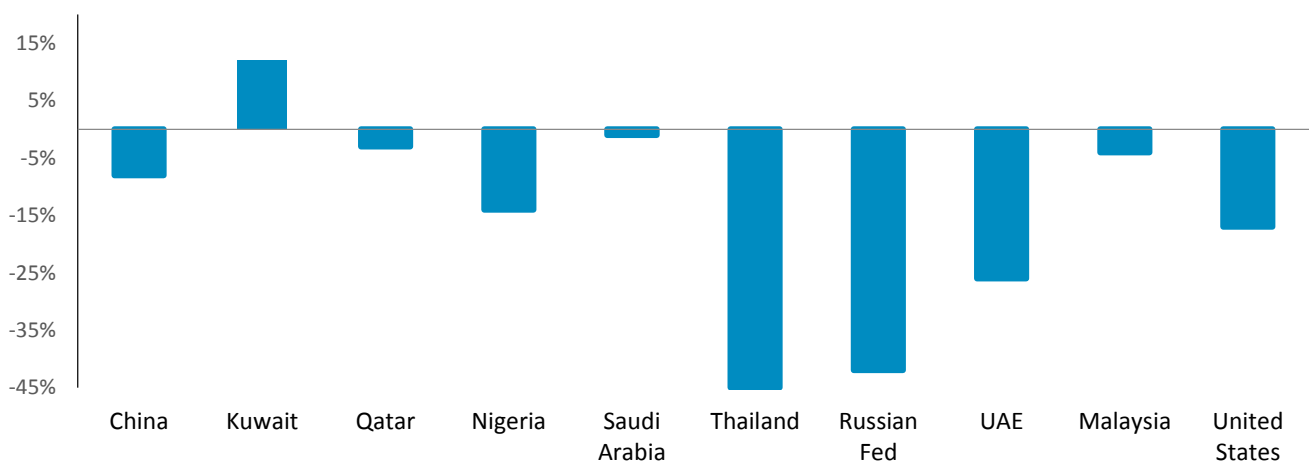


## Global Blue UK's Tax Free Insights **May 2014**

### Top 10 Globe Shopper Nationalities

Country (globe shopper nationality)	Share (% of total tax free sales excluding nations smaller than 3%)	Growth (% growth for May 2014 compared to May 2013)	Average spend (value of an average single tax free transaction)
<b>Total</b>	<b>100%</b>	<b>-15%</b>	<b>£605</b>
China	19%	-8%	£773
Kuwait	8%	12%	£593
Qatar	6%	-3%	£1,547
Nigeria	6%	-14%	£639
Saudi Arabia	5%	-1%	£961
Thailand	5%	-45%	£579
Russian Fed	5%	-42%	£648
UAE	4%	-26%	£1,015
Malaysia	4%	-4%	£535
United States	4%	-17%	£569

### % Growth of Top 10 Globe Shopper Markets



[www.globalblue.com](http://www.globalblue.com)





# Bridging the gap: the importance of training and professional development for the hospitality industry



**O**n the face of it, the UK hospitality industry looks to be in a strong position; employing 7% of the entire working population, or one in every 14 jobs, and in 2011 the sector contributed £40.6bn to the UK economy.

However, when you dive deeper into the figures contained within the People 1st 'State of the Nation report', it is clear there is already a skills gap in the industry which is only set to widen in the future. The report itself states that already "21% of hospitality industry employers report skills gaps, compared to only 13% in the overall UK economy".

## Why are there skill gaps?

Skill gaps exist within a business where employers identify that one or more of their staff are not fully capable in their roles and therefore lack the 'required skills' to perform effectively and efficiently. This can often be a result of the high rate of staff turnover that the industry has always experienced, even to this day; which results in the need to train new staff to be competent in their position.

To a certain extent, the industry's 20% staff turnover rate can be attributed to the organisational structure of the business, i.e. where certain roles only offer part-time employment or temporary contracts. Some would also argue that a lack of progression and promotion in many hospitality roles is responsible for industry staff looking to develop careers in another sector. Either way, high staff turnover will impact on staff capability and lead to skill gaps.

## What is the impact of these gaps?

According to the People 1st report, 50% of hospitality employers reported that skills gaps lead to an increased workload for other staff members, 32% believed it made it difficult for them to meet quality standards, and 31% stated that it resulted in increased operating costs. In an industry like hospitality, where quality and costs are of the utmost importance and staff are already

burdened with heavy workloads, these gaps represent a large issue that needs to be addressed and failing to do so could result in huge drops in profitability for some organisations.

## What can the industry do to bridge the gap?

In the simplest sense, the best form of combat is to provide adequate training and/or CPD (continuing professional development) options for employees. Training can be provided in a number of different ways, at various levels, and can be performed in-house or outsourced to a professional training company.

The state of the nation report commented that skill gaps are most often found among management positions within the hospitality industry and two thirds of employers believe management skills will become even more important in the future, again, reflecting a need to recruit skilled managers or provide adequate training to ensure employees in management positions are proficient in their role.

At HOSPA, we feel strongly that training and professional development is the key to unlocking the potential in all of your employees and in turn ensuring profitability and success for the business. We offer a range of opportunities for members to stay up-to-date with best practice for their discipline in the hospitality sector; from short-courses on accounting, digital marketing and revenue management to longer, 18 month programmes, in Financial Management and Revenue Management.

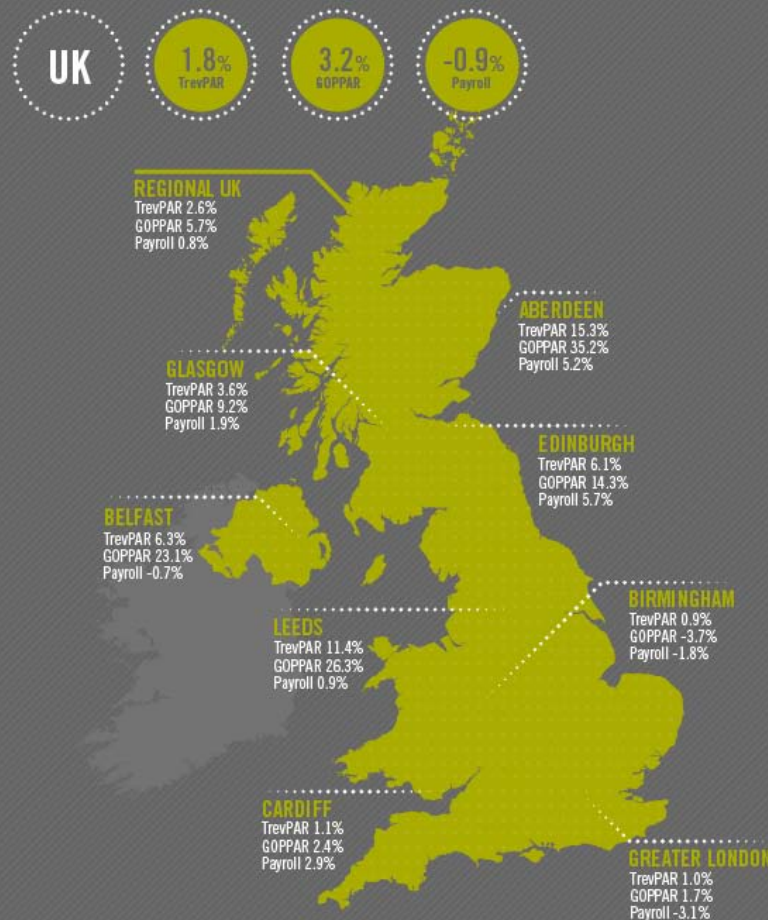
To find out how HOSPA can assist with your professional development requirements, please contact Wayne Gosden on 01202 889430 or email [education@hospa.org](mailto:education@hospa.org).

Please visit the events calendar at [www.hospa.org/events](http://www.hospa.org/events) for a full list of upcoming professional development courses.

Sources: [http://www.people1st.co.uk/webfiles/Research/State%20Of%20The%20Nation/2013/SOTN\\_2013\\_final.pdf](http://www.people1st.co.uk/webfiles/Research/State%20Of%20The%20Nation/2013/SOTN_2013_final.pdf)

## HOTEL PROFITABILITY OVERVIEW

YEAR-OVER-YEAR % CHANGE 2013 IN GBP



## Rates recover in UK

STR Global are delighted to showcase some of their 2013 Annual Profitability Survey results in this edition of the Overview.

Understanding the key role played by market intelligence in achieving commercial profitability; STR Global are pleased, as ever, to be supporting the tireless commitment of the HOSPA team and provide the highest quality performance data to their nationwide membership base.

STR Global continue to see strong rooms recovery in the UK; initially driven by occupancy and now also aided from resurgent rates. The release of this year's Annual Profitability Survey has therefore been eagerly anticipated in order to see how the UK hotel P&L has been affected by heightened rooms demand.

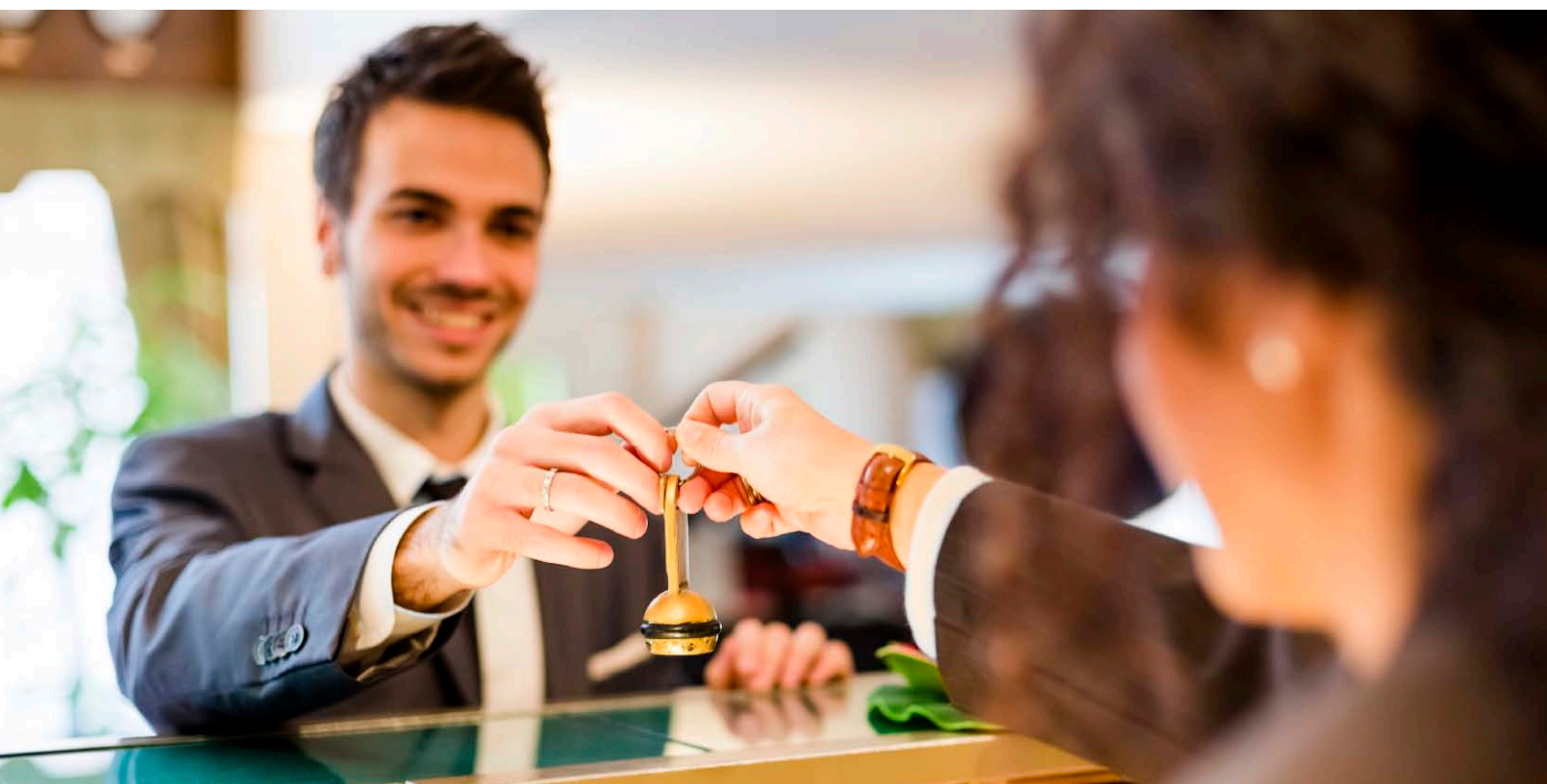
TrevPAR for Regional UK grew by +2.6%, where rooms (+3.5%) grew faster than F&B (+2.0%) YOY. Despite the additional business, good cost control kept departmental expenses low (+0.9%), and undistributed expenses grew a little faster by +2.3%, mainly due to rising utility costs (+6.0%) followed by A&G

expenses (+2.8%). Overall, additional business with good cost control resulted in double digit GOPPAR gains of +5.7%.

With the vote on Scottish independence looming, and largest line-up ever announced for the Festival Fringe; Edinburgh is a city set to make waves well beyond The Lothians in 2014. TrevPAR for Edinburgh grew by +6.1%, as both rooms (+9.0%) and F&B (+9.5%) nearly grew double digit YOY. Despite the additional business, good cost control kept departmental expenses low (+1.3%), and undistributed expenses grew a little faster by +4.3%, due to rising A&G (+6.5%) and Property Operations & Maintenance expenses (+8.4%). Overall, additional business with good cost control resulted in double digit GOPPAR gains of +14.3%.

It is not too late for hotel operators to be part of the Annual Profitability Survey and receive a market specific benchmark completely free of charge, featuring increased line items and a more comprehensive sample than ever before. As a member of HOSPA, the STR Global team would be pleased to help you and can be reached on +44 (0) 207 922 1930 or [profitability@strglobal.com](mailto:profitability@strglobal.com).





## Heathrow soars

Hotels in Heathrow experienced year-on-year increases in April for total revenue per available room (TRevPAR) and gross operating profit per available room (GOPPAR) by 3.7% and 5.4% respectively, in a further boost to calendar-year-to-date results, according to the latest data from HotStats.

In April, revenue per available room (RevPAR) improved by 3.6% to £56.13 thanks to an occupancy surge of 5.7 percentage points to 80.9% and despite an ARR decrease of 3.8% to £69.37. TRevPAR levels were further boosted by non-rooms revenues (+3.7% to £82.37); efficient operating cost control delivered a 2.9% increase in departmental operating profit per available room (DOPPAR). With overheads per available room and payroll remaining virtually flat, GOPPAR performance was enhanced by 5.4% to £26.36 compared to the same period last year, representing a gross profit conversion of 32.0%.

In April, North East hoteliers recorded an increase of 3.9% in RevPAR, according to the latest data from HotStats. However, this increase was not sufficient to deliver profit growth as GOPPAR declined by 7.3%.

RevPAR performance (+3.9% to £48.11) was achieved through rises in occupancy of 1.1 percentage points to 73.8% and in average room rate (ARR) of 2.4% to £65.19. Revenues per available room grew from meeting room hire (+14.4%) and leisure

(+1.1%) while dropping from food (-1.7%) and beverage (-7.9%), and as a result TRevPAR increased by 0.9% to £87.34. Operating costs grew and negated the revenue increases which led to a 4.2% decrease in DOPPAR, and a 0.7 percentage point increase in payroll further impacted profitability, with GOPPAR dropping by 7.3% to £17.81.

Aberdeen hotels experienced a 10.6% increase in ARR in April, and both RevPAR and GOPPAR went up by 5.1% and 3.3% respectively, according to the latest data from HotStats.

This double digit uplift in ARR was at the expense of occupancy, which declined by 3.8 percentage points and led to a RevPAR increase of 5.1% to £78.50. Closer examination of ARR revealed that the corporate rate shot up by 16.1% and this segment accounted for 38.3% of the total number of rooms sold. Rates also surged from Residential Conference (+23.9%), Best Available Rate (+6.8%) and Leisure (5.1%) segments. This month's increase in ARR represented the 19th consecutive positive year-on-year movement for this metric.

Mixed performances were registered in non-rooms revenues; TRevPAR rose by 3.6% which contributed to a 3.1% uplift in DOPPAR. Despite overheads and payroll slightly rising, GOPPAR increased by 3.3% to £47.76.



## The month of April 2014

HEATHROW

	Apr'14	Apr'13	Var b/w	
Occ %	80.9	75.2	5.7	▲
ARR	69.37	72.08	-3.8%	▼
RevPAR	56.13	54.20	3.6%	▲
TRevPAR	82.37	79.46	3.7%	▲
Payroll %	30.8	30.6	-0.1	▼
GOP PAR	26.36	25.02	5.4%	▲

NORTHEAST

	Apr'14	Apr'13	Var b/w	
Occ %	73.8	72.7	1.1	▲
ARR	65.19	63.66	2.4%	▲
RevPAR	48.11	46.30	3.9%	▲
TRevPAR	87.34	86.53	0.9%	▲
Payroll %	35.2	34.5	-0.7	▼
GOP PAR	17.81	19.21	-7.3%	▼

ABERDEEN

	Apr'14	Apr'13	Var b/w	
Occ %	74.2	78.0	-3.8	▼
ARR	105.87	95.74	10.6%	▲
RevPAR	78.50	74.66	5.1%	▲
TRevPAR	112.72	108.76	3.6%	▲
Payroll %	25.0	24.9	-0.1	▼
GOP PAR	47.76	46.23	3.3%	▲

## The Calendar year to April 2014

HEATHROW

	YTD'14	YTD'13	Var b/w	
Occ %	74.6	71.2	3.4	▲
ARR	71.20	72.50	-1.8%	▼
RevPAR	53.09	51.59	2.9%	▲
TRevPAR	79.52	77.31	2.9%	▲
Payroll %	31.0	31.5	0.5	▲
GOP PAR	24.71	23.25	6.3%	▲

NORTHEAST

	YTD'14	YTD'13	Var b/w	
Occ %	69.4	66.4	3.1	▲
ARR	64.31	62.67	2.6%	▲
RevPAR	44.66	41.59	7.4%	▲
TRevPAR	82.66	78.29	5.6%	▲
Payroll %	35.9	36.2	0.3	▲
GOP PAR	14.65	13.38	9.4%	▲

ABERDEEN

	YTD'14	YTD'13	Var b/w	
Occ %	70.5	74.6	-4.1	▼
ARR	107.04	91.55	16.9%	▲
RevPAR	75.51	68.34	10.5%	▲
TRevPAR	110.57	103.24	7.1%	▲
Payroll %	24.5	24.9	0.4	▲
GOP PAR	46.44	41.67	11.4%	▲

## The twelve months to April 2014

HEATHROW

	Rolling'14	Rolling'13	Var b/w	
Occ %	79.2	77.2	2.1	▲
ARR	72.83	74.63	-2.4%	▼
RevPAR	57.71	57.59	0.2%	▲
TRevPAR	85.17	84.56	0.7%	▲
Payroll %	29.2	29.4	0.2	▲
GOP PAR	29.61	29.95	-1.1%	▼

NORTHEAST

	Rolling'14	Rolling'13	Var b/w	
Occ %	74.0	72.3	1.7	▲
ARR	65.25	64.88	0.6%	▲
RevPAR	48.31	46.90	3.0%	▲
TRevPAR	91.91	90.25	1.8%	▲
Payroll %	32.7	32.5	-0.3	▼
GOP PAR	22.30	22.93	-2.7%	▼

ABERDEEN

	Rolling'14	Rolling'13	Var b/w	
Occ %	76.5	77.9	-1.3	▼
ARR	102.36	83.86	22.1%	▲
RevPAR	78.35	65.30	20.0%	▲
TRevPAR	116.94	103.10	13.4%	▲
Payroll %	24.0	25.5	1.5	▲
GOP PAR	51.09	41.39	23.4%	▲

**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](mailto:enquiries@hotstats.com)

visit [www.hotstats.com](http://www.hotstats.com)

or follow us on Twitter and LinkedIn

# Members' Events Forthcoming events

**July 8-10**

## **The Meetings Show**

*Olympia London, Hammersmith Road, London*

**Tuesday 8 July - 9.30am - 5.30pm**

**Wednesday 9 July - 9.30am - 5.30pm**

**Thursday 10 July - 9.30am - 4.30pm**

The Meetings Show has been specifically designed to maximise your time. From 8-10th July Olympia London, buyers and exhibitors will be inspired to do business, develop industry knowledge and networking with the best in the industry. Spread over an exciting week in July, The Meetings Show will be the place to be in 2014.

Join over 3,000 meetings professionals who will experience the benefits of the UK's largest industry hosted buyer event.

Register at: <http://www.themeetingsshow.com/>

**July 17**

## **Excel Skills for Revenue Managers**

*Dukes Hotel, London*

A one-day workshop covering the principal excel skills necessary for analysing data, and creating reports, including how to develop formulas and create macros, creating PivotTables and PivotCharts, and creating reports that use conditional formatting, Lookup references and data filters. Plus - extensive examples on how to apply these techniques and create a reporting platform for your hotel.

HOSPA members receive highly preferential rates please enquire via Ally Dombey [ally@revenuebydesign.co.uk](mailto:ally@revenuebydesign.co.uk)

**July 17**

## **HOSPA London quiz night**

*Prince of Wales, Covent Garden, London*

The event starts from 6pm with a light meal, drinks and networking with the quick fire quiz rounds starting at 7pm prompt. There will be a magnum of champagne for the winning team and various other prizes!

Cost: £25 per head

Teams of up to six.

Book early, places are limited. Email [Jenny.Rose@hospa.org](mailto:Jenny.Rose@hospa.org) or call 0203 418 8196.

We hope to see you there!

**July 31**

## **Revenue Managers Networking Evening**

**6.30pm**

*St James' Court - a Taj Hotel - London*

Come join us for a fun evening at the St James' Court where you will be introduced to your colleagues within the revenue management arena in the UK & Ireland. This networking opportunity will bring together like minded revenue management professionals in an informal and relaxed atmosphere giving you the opportunity to establish new contacts and catch up with friends and colleagues.

£20 cover charge on the door.

Revenue Management professionals welcome

Refreshments and canapes served

RSVP directly to [Jenny.rose@hospa.org](mailto:Jenny.rose@hospa.org) or call 0203 418 8196.

**September 18**

## **HOSPA Revenue Management Workshop**

**London - 9am**

The HOSPA Revenue Management community are pleased to provide a HOSPA Revenue Management breakfast workshop. Venue, speakers and

topic will be confirmed in due course, please save the date in your diary!

To register early, please contact [Jenny.Rose@Hospa.org](mailto:Jenny.Rose@Hospa.org) with your details.

**September 18, 19**

## **Essentials of Distribution and Digital Marketing**

**London**

The workshop introduces the distribution landscape for hotels, and the business models associated with each channel, including OTAs, MetaSearch and private accommodation re-sellers such as AirBnB. We provide an introduction to digital marketing introducing search engine optimisation (SEO), data analytics and pay per click (PPC) campaigns. Participants have the opportunity to work with case studies to evaluate channel cost and profitability and identify which channels to select to distribute inventory to optimise demand and profitability.

Cost: £395 ex VAT - HOSPA member offer £299 ex VAT

To discuss your options, or request further information, please email [ally@revenuebydesign.co.uk](mailto:ally@revenuebydesign.co.uk) or call 020 7635 6810.

**Sept 22**

## **HOSPA IT Members' Meeting - Technology Trends in Hospitality including news from HITEC**

**London**

**6:00pm to 8.30pm Venue TBC.**

Registration is necessary to attend. To register your place at this event, please email [Jenny.Rose@Hospa.org](mailto:Jenny.Rose@Hospa.org) with your details.

**Sept 25**

## **HOSPA Revenue Management Workshop**

**Regional - TBC**

The HOSPA Revenue Management community are pleased to provide a HOSPA Revenue Management breakfast workshop.

Venue, speakers and topic will be confirmed in due course, please save the date in your diary!

To register early, please contact [Jenny.Rose@hospa.org](mailto:Jenny.Rose@hospa.org) or call 0203 418 8196.

**Oct 21**

## **Independent Hotel Show 2014**

**Olympia West Hall, London**

Launched in 2012, the Independent Hotel Show has filled an essential gap in the market, connecting the highest quality suppliers with luxury and boutique hotel decisions makers from all over the UK.

Packed full of expert insight and advice, from informative business sessions to trend reports and new product and service showcases, the Independent Hotel Show is designed to be a one-stop business platform for the luxury and boutique hotel industry.

The Independent Hotel Show will be returning with a number of new ideas & concepts in place we look forward to delivering another quality event for the independent, luxury and boutique hotelier.

**Oct 23**

## **Waste Prevention & Sustainability Training**

We are delighted to provide a one-day training event in Oxford in partnership with arena4finance and the Responsible Hotel Partnership (RHP) covering 'sustainability for finance managers' during the morning and then moving on to cover 'waste prevention' in the afternoon. To register, or for further information, please contact RHP on 0845 5913 635 or email [info@rhpltd.net](mailto:info@rhpltd.net).

**Oct 30**  
**HOSPA Finance Meeting**  
**Time: 8-10am. Venue: 55 Baker Street, London**

Join the finance community at HOSPA for a breakfast seminar run by BDO in the Auditorium at 55 Baker Street. In this comprehensive 90-minute briefing you will hear from experts in financial reporting and tax in the hospitality industry. We will be covering the latest developments in reporting requirements under UK GAAP, including the implementation of FRS 102, and we will review the key tax issues affecting our industry.

To register for this meeting early, please contact Jenny Rose at [jenny.rose@hospa.org](mailto:jenny.rose@hospa.org) / 0203 418 8196.

**Nov 20**  
**HOSPACE**

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.

For further information, please visit [www.hospace.net](http://www.hospace.net) or email [jane.pendlebury@hospa.org](mailto:jane.pendlebury@hospa.org) or for bookings please email [bookings@hospace.net](mailto:bookings@hospace.net)

**Nov 24**  
**Finance for Revenue Managers in Hospitality**

This course is suitable for newly appointed Revenue Managers in hotels seeking to improve their understanding of the business Profit and Loss

account and the impact of revenue management strategies on profitability. To register please contact Wayne Gosden on 01202 889430 or email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

**Nov 25**  
**Finance for Non-Financial Managers in Hospitality**

Finance for Non-Financial Managers is for those who deal with finance on a day-to-day basis in their job roles and need to improve their forecasting and analysis competencies. To register please contact Wayne Gosden on 01202 889430 or email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

**Nov 26**  
**Finance for Spa Managers**

This course is suitable for Spa Managers seeking to improve their understanding of the business Profit and Loss account and performance measures specific to the management of Spa products and services. To register please contact Wayne Gosden on 01202 889430 or email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

**Nov 27**  
**Food and Beverage Cost Control**

Cost Control for F&B Operations is designed for all those involved with the management of food and beverage operations, from head chefs to food and beverage controllers. No prior knowledge of finance and accounting is required. To register please contact Wayne Gosden on 01202 889430 or email [wayne.gosden@hospa.org](mailto:wayne.gosden@hospa.org).

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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.

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**Thursday 20th November**

**Sofitel London Heathrow, Terminal 5**

**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 UK hospitality industry.**

**HOSPACE 2014 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 issues and hot topics.**

### Highlights include:

#### 'Leaders' Panel'

Comprising a line-up of some of the hospitality industry's most influential Senior Executives and leaders who will be looking at present issues, trends and developments affecting all hospitality professionals and organisations.

In addition to the Leaders Panel there will be three main Community Panels and discussions focusing on the current hot topics of the day for debate in:

- **IT**
- **Finance**
- **Revenue management**

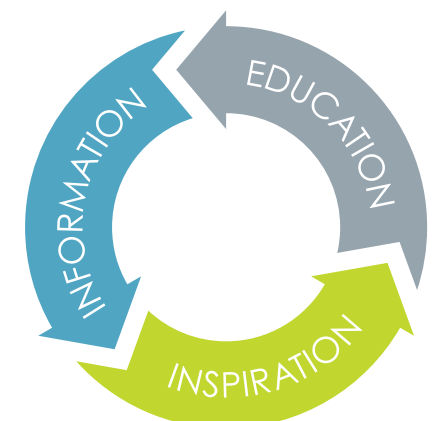
HOSPACE is also home to a leading exhibition of hospitality technology solutions – providing delegates with a 'one stop shop' to view and interact with the latest and 'best in class' technologies – covering all eventualities for any hospitality business, whether they be start-up, established independent or multi chain-owned operations.

Early booking is strongly recommended. For full event information please visit [www.hospace.net](http://www.hospace.net)

### Who should attend this event?

- **Senior Hospitality Business Directors**
- **Hospitality IT Professionals**
- **Financial Controllers and Accountants**
- **Revenue and Distribution Managers**
- **General and Commercial Managers**
- **Young aspiring employees wanting to develop their skills & meet with industry specialists**

And all those interested in keeping up to date on innovations and trends in the hospitality sector and mixing with the experts!



**BOOK TODAY**

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+44 (0)203 4188196

[www.hospace.net](http://www.hospace.net)