

THE OVERVIEW

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HOSPA launches asset management community



HOSPACE 2018 line up
I'm with the band

Welcome to THE OVERVIEW

The question of whether robots were going to take over the world first reared itself with the advent of washing machines, which caused perplexion at the thought of all those housewives being freed up to drink more gin, leading to the collapse of the modern world order. While it was never addressed that hand washing may have driven more to gin than a surfeit of free time, mechanisation has always gone hand in hand with fear, even before the Terminator series.

As we report in this issue, the sector continues to look to technology to improve our lives and the latest move has been towards more convenient payment methods, most-notably payment bands. Disney first popularised the concept with its MagicBands, on which it made a USD1bn bet that it could free us of our wallets and make us happier.

The MagicBands form the central part of the MyMagic+ experience, providing a way for the system to connect data to guests. This includes connecting park tickets, hotel room keys, payments, and PhotoPass information to the MagicBands. Wave your arm around and pay for things, with no accidentally leaving your wallet on the Pirates of the Caribbean ride.

Meliá is now trialling a bracelet which includes a chip with Bluetooth technology and short-range communication capabilities to access services and make payments.

This is no mere ApplePay - most guests would be happier to give up their wallet than their phone after all - the clue in these technologies is in the connection of data to guests. This is about personalisation and removing friction points, something all businesses should be looking to do, even those who don't have \$1bn to invest.

Reducing customer friction can be as simple as making sure you start toasting the sandwich before you make the latte which goes with it. Don't drive your guests to gin. They have washing machines for that.



Katherine Doggrell

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Making function rooms function



With hotels well on their way to grasping revenue management for bedrooms, it's time to look at other spaces, says HOSPA CEO Jane Pendlebury

I started my hospitality career working in hotels many years ago. It was at a time when revenue management didn't really exist beyond the aim of selling as many rooms as possible. I don't remember much flexibility on rates other than those already negotiated and agreed with booking agents.

How times have changed! Not only have most hotels (large or small, leisure or business focussed) embraced revenue management on bedroom sales - many are now looking to more carefully manage revenue from meeting and event space.

In a recent presentation I attended by Heather Hart, director of Smart Space at IDeaS, she asked some pertinent questions that many hotels and venues would benefit from answering.

- How do you measure success from your function space?
- What % of your time is spent on function space sales?
- What % of your revenue comes from function space?

It's commonly accepted that it is complicated to measure. Reporting can be time consuming and disjointed.

There is so much to consider when working out the basics. With bedrooms, it is relatively simple. With function rooms, much less so. Most venues will have a list of function space with capacity for theatre style, classroom style, reception etc. It is also relevant to list room dimensions (and total square meterage).

So, how to simplify measurement tools? Should it be an income per square metre? It's glaringly obvious to anyone in hotels though why that would not show the whole picture. Often function rooms can be sold with a room hire element, other times with a Daily Delegate Rate (DDR), sometimes both.

Heather suggests focusing on total delegate capacity and - to keep it realistic - using the classroom style set-up.

- So, if your venue has two meeting rooms, one seating 75 people classroom style and the other 45 - the total delegate capacity would be $75 + 45 = 120$.
- Assuming the DDR is £80, the potential daily opportunity value would be $120 \times £80 = £9,600$.
- If this same hotel has 50 bedrooms with an average daily rate of £150, then the potential value of the bedrooms would be $50 \times £150 = £7,500$ each day.

It gets trickier still when trying to decide which business to take and which to turn away for function space. Taking the wrong piece of business can seriously impact profit. However - as in the early days of rooms revenue management - it takes nerves of steel to turn away business when you have the space available on the anticipation of receiving another, better piece of business. Sales people need to steer away from their gut feeling and budget goals, and learn to rely on real historical data, facts, trends and realistic strategy.

These are just the highlights of the tips I picked up. Heather Hart is bursting with suggestions to improve meetings and events (M&E) strategy management. So please do approach her directly on Heather.Hart@IDeaS.com

There are many hotels and venues already a long way down the line with M&E strategy, but there are many more who may benefit exponentially from applying a little more structure and science to their events. Here at HOSPA we aim to help, advise, guide and educate - either through our own courses or by addressing your queries to an appropriate HOSPA member or sponsor.



Miriam Waldmeyer Revenue Centre Manager, formerly at The Royal Lancaster London Hotel

**Winner: Revenue Management Level 1,
completed in September 2017**

Miriam first developed an interest in the hospitality industry whilst at school and after completing her A-level equivalent study in Germany, she decided to test the waters with a full-time Hotel & Catering study and work course with English 2000 School of English, based in Bournemouth. Miriam's six-months' work placement was at the Marine Hotel in Llandudno, Wales, working in F&B and Reception.

Having enjoyed her foray into hospitality, she returned to Germany where she completed a two and a half year dual vocational training programme with a degree in Hotel Services Specialist at the Hotel & Catering College in Kiel, Germany.

After completing her degree in 2002, she moved to Berlin to gain experience, working in various roles from Switchboard Operator to Reservations Agent over a period of five years, after which time she returned to the UK, progressing from Reservations Agent to Reservations Supervisor and Reservations Manager.

After a brief career break to South Africa in 2012, Miriam realised that her real passion lay within the hospitality industry and since her return to London in 2013, she has been building her career in Revenue Management. Having been involved with basic Revenue Management decisions in her previous role as Reservations Manager and being a very analytical person, she knew that this was the direction in which she wanted to go and the field in which to grow.

Miriam joined the Royal Lancaster Hotel prior to its refurbishment (from 2015-2017) with a remit to lead and develop an engaged team through a 2-year refurbishment leading to completion in 2017 as the newly launched 5 star Royal Lancaster London Hotel. Here her role as Revenue Centre Manager, was to support and manage the Reservations Department and ensure strategies are in place as well

as to ensure budgets are achieved and exceeded. She is directly responsible for and manages the revenue function for rooms, food and beverage in the hotel and Basil Street Apartments.

Miriam says that the Revenue Management course has given her the theoretical knowledge of Revenue Management that she was missing and has enhanced her confidence in making Revenue Management decisions, whilst at the same time giving her the opportunity and tools to analyse the current hotel processes and business as well as trialling new ideas.

She would like to develop her role further and move into a position of Director of Revenue Management eventually.

Studied in three Stages, the HOSPA programmes in Financial Management or Revenue Management cost £820 + VAT per Stage and enrolments are being accepted now for the September 2018 programmes. Contact education@hospa.org or visit the website at www.hospa.org/education

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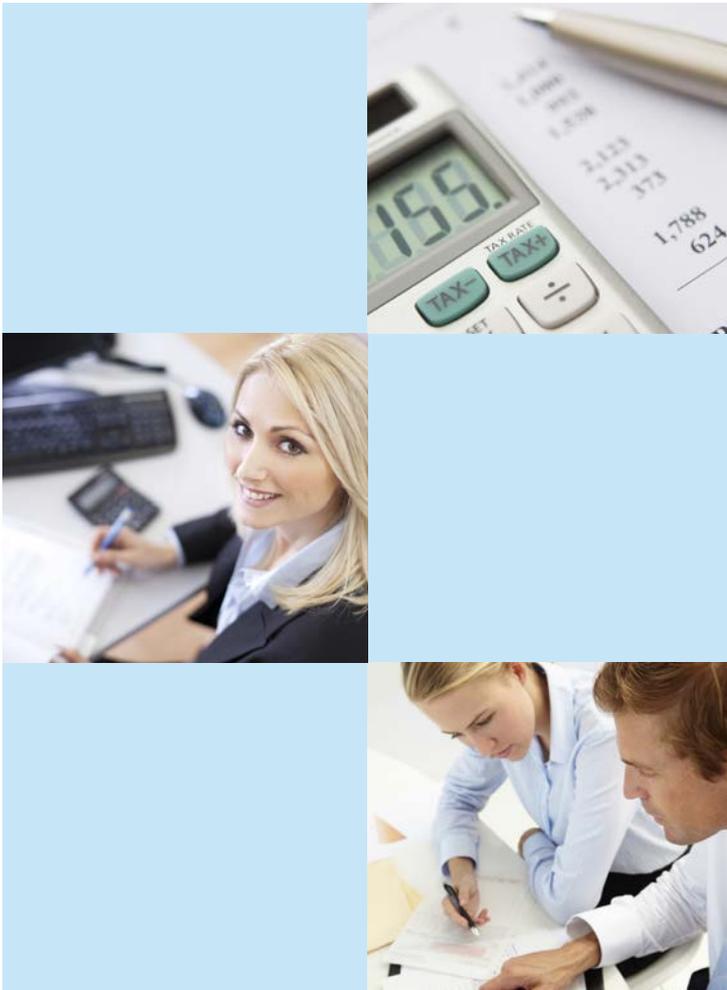
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This amazing service is available to all HOSPA members and can be accessed by logging in at www.hospa.org (Log in > Resources > EBSCO). The commonly used database is the Business Source Corporate found after logging into EBSCO; however members do have access to all the databases listed.

After putting in your search terms you will be shown related articles/journals. If you wish to refine these, the menus down the left side 'Refine Results' will do just that.

Once you open an article, options for viewing and sharing are displayed on the right side of the screen as well as an abstract of the text being shown on screen. The selected text can be viewed online or in a PDF.

For more detailed information view the online guides which focus on using the search function as well as other tools which will show you some of the other resources available.

Online Guides are available at www.hospa.org/en/resources/ebSCO/

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- Creating a Search Alert in EBSCOhost Tutorial
- Business Source: Basic Searching Tutorial
- Business Source: Advanced Searching Tutorial

The currency of cyber trust



New research into the UK public's changing attitudes to cyber security has important pointers for the hospitality industry.

There's no doubt that today's guests are getting more and more tech-savvy. They transact much of their lives online - and when it comes to booking or enjoying a meal out or a trip away, they increasingly expect a digitally-enabled, more personalised experience. In fact, technology is a brand differentiator.

Yet, at the same time, with cyber crime on the rise, the public's perceptions about their online security are also changing, with implications for any organisation offering digital services. To find out more, Atos commissioned a survey of over 3,000 UK consumers looking at their attitudes to cyber crime, what they expect when it comes to keeping their data safe, and what technology they'd like to see more of. For the hospitality industry, the research highlighted key opportunities to improve their cyber resilience.

Focusing on customer experience

Perhaps unsurprisingly, consumers are becoming more mindful of cyber threats and as a result, 'cyber trust' has been eroded. Only 13% say their trust in organisations has grown in the last two years, with 38% saying they do not trust organisations with their data. In fact, hospitality came out as the lowest-scoring sector when consumers were asked which organisations are best able to protect themselves from cyber crime.

The good news is that the research also found that cyber trust is increasingly part of good customer experience - something that the hospitality industry is used to delivering on. Communication is just as important to customers as cyber security technology,

and cyber trust can be a tangible differentiator. 58% said that cyber security is now a deciding factor when choosing which organisations they interact with.

The findings also show that consumers are willing to compromise, to some extent, on the speed and ease of their customer experience in exchange for better security. And they are clear about what means the most to them: 87% say their bank details are their most valuable data when securing bookings or paying online.

Recommendations for businesses

The evolving hospitality market requires businesses to look at reinventing themselves digitally. What's more, data will be increasingly important to drive better customer experiences, gain operational efficiencies and find competitive edge. Yet if organisations are to offer digital services and ask customers to share their data, then customers need to trust that their data will be protected.

There are clear advantages for organisations who approach cyber security in the right way - especially when it comes to differentiating themselves in their market. These opportunities are explored in this report, which recommends five key steps for organisations looking to build and retain the cyber trust of their customers - especially within budgetary constraints.

To get a copy of the research, *The currency of trust: your customers' attitudes towards cyber security*, visit atos.net/cyber-research-uk

Consumer spending up 5% as Brits make the most of the long hot summer



Consumer spending rose 5.0 per cent year-on-year in July, marking the third consecutive month of growth surpassing 5 per cent and the strongest three-month period since Barclaycard began measuring this data in 2014.

Data from Barclaycard showed that essential spending climbed 8.7 per cent in July, driven by a strong rise in supermarkets of 6.7 per cent. Amidst some of the highest prices at the pump since 2014, petrol expenditure also grew significantly, up 13 per cent.

Consumers have been keen to take advantage of the sunshine while it lasts, with almost a quarter (23 per cent) saying the hot weather this summer has prompted them to spend more money than usual on experiences and outdoor activities. Of these, 56 per cent are prioritising spending on day trips, and one in two (50 per cent) are buying more food and drink than normal to enjoy barbecues and picnics with friends and family.

The long spell of warm weather has also been good news for women's clothing, with spend increasing 4.5 per cent - the strongest rise since January 2016 - as shoppers updated their summer wardrobes. Garden centres also continued to enjoy the good growth seen throughout the summer so far, reaching 8.1 per cent.

Along with the heat, England's performance in the World Cup was another factor that boosted pub spending by 16.8 per cent in July, the biggest increase since April last year. Overall, consumers spent 41 per cent more in pubs on England match days than on the equivalent days in 2017, rising to an impressive 73 per cent on the day of the England vs Croatia semi-final, compared with the same time last year.

However, despite a willingness to spend on summer treats while the good weather lasts, shoppers remain cautious about the broader economic picture with confidence in household finances dropping six percentage points from June to 59 per cent last month.

Rising interest rates are another area of concern for some, with one in three (34 per cent) saying they are worried that the Bank of England raising interest rates on 2 August means they will have less spending money each month.

Esme Harwood, Director at Barclaycard, said: "The prolonged warm weather combined with England's World Cup performance has created a short-term boost in spending. With the sunshine showing no sign of abating, spending levels have remained higher than we would normally expect with Brits keen to make the most of the heatwave - whether in the pub over a few drinks or stocking up at the supermarket to enjoy a barbecue.

"It will be interesting to see if this strong level of growth continues as we move into the final stretch of summer. It's clear that some consumers remain cautious about what's to come with interest rates rising and overall confidence in household finances down slightly from June."

Going green for the greens



With weird weather becoming the new normal, environmental activism has shed its hippie roots and become vitally mainstream. Larry Mogelonsky reports on how consumers all over the world are voting with their wallets and selecting hotels that have sustainability programmes firmly in place.

A peculiar trait of any eco friendly initiatives you take, however, is that the majority of the resultant operational efficiencies, which can run well into the millions, are never seen by the guest. That is, most of the actual cost savings are back-of-house and invisible to the customer experience. As consumers will only purchase what they see or know, it is important that you wholeheartedly promote your environmental upgrades, not only to selfishly garner more cachet from prospective guests but to altruistically lend the movement more legitimacy.

Years ago, I glibly dubbed this as the 'going green to be seen' ethos where, even though the front-of-house sustainability upgrades you make may not have as great a direct impact on profits than those made behind closed doors, they are nonetheless imperative for upholding long-term business prospects.

Such eco-friendly ventures and related marketing activities cannot work as a one-off ploy, though. Only by making these a core pillar of your brand identity will you realise tremendous success, both from substantial reductions in on-property energy consumption as well as from the upwardly trending demand from guests for travel accommodations with conservation practices.

So, while you engage an environmental consultant to help figure out a road map for all the back-of-house capital expenditures you will inevitably make, you must likewise plan for how you intend to upgrade your front-of-house operations to reflect your newly enlightened stance on sustainability. Moreover, you must rethink your marketing of all of the above at every possible point of interaction with customers. We can therefore analyse each of the most prominent guest-facing operations for improvements, and then look to what advertising vehicles can spread the good word.

Food outlets

You can't get away with incorporating a few select organic ingredients in the menus of your signature restaurant anymore. Sustainable practices must now be the norm for every facet of

your F&B operations, from locally sourced vegetables and proteins to the proper recycling of food waste for all catered events. This department is an easy place to start because there is widespread documentation of how to make it work.

To understand the serpentine pathway from bolstered sustainability in the kitchen to increased revenues, though, you must first look back at why the locavore movement became mainstream. Not to blur five decades of agricultural history, but local foods, organic, natural ingredients and any other superlative modifiers are all a reaction to the emergence of the global supply chain and the continuous drive for increased efficiencies of food production that resulted in more herbicides, more pesticides, monocrops, GMO, advanced preservatives and a slew of other processes that negatively affect the nutritional value of what we eat.

After a few generations, the toll of all these new chemicals in our foods has added up with the effects being increased obesity rates, more instances of adult diabetes, heightened allergy sensitivities and so on. As the old expression goes, "You are what you eat," and indeed customers all over the world are now highly wary of where ingredients are sourced and how they are processed.

As many of the processes used by the large agricultural conglomerates have been proven to be harmful for the environment in the long-term, switching to producers who utilise more sustainable practices is in essence you voting with your hotel's wallet for a better tomorrow. While there is a sizeable added cost to the operator, healthy eating has an established perceived value, so this cost can be easily forwarded onto the customer. Sustainability and going local not only implies better quality foods but it also means you are putting more back into the community which in turn will mean that your efforts here will drive more support from the neighbourhood.

But how do you start? Small, of course, is the best way with local craft goods followed by key ingredients used in your operations. While it may be logistically and financially impossible

to make everything sustainable, whatever efforts you are able to successfully integrate must be matched by suitable promotions so patrons know you are consciously steering the ship in the right direction. Name your agricultural partners on the menus or make the necessary information available in the foyer of any foodservice facility. If you can recruit a graphic artist, have a map produced that shows how close the farms are to your hotel.

Next comes the implementation of a proper food recycling or donation programme. For this, too, you must be one part environmentalist and one part impresario by highlighting your efforts on the website and perhaps on a nicely constructed pamphlet for onsite distribution. As an emergent trend related to this, inventive chefs are also trying to use every part of a plant or animal in their culinary creations so as to limit the amount of waste produced at the outset. One much-touted example is the beetroot green salad whereby the leaves of the beet are utilised along with the fleshy bulb so barely anything is discarded while preparing the dish.

Now, let's take a closer look at the marketing of other points of interaction with customers to get better ROI from eco-friendly initiatives.

In the lobby and the building in general

While LEED certification is now all-but-required for any new hotel build, incremental upgrades are equally newsworthy because when it comes to helping the environment every bit counts. For starters, any existing badge that you already possess in this regard should be prominently exhibited both online and onsite. For the former, the website is the obvious starting point but this is also great content for any third party as well as social media. As for the latter, display signage at the front desk along with a more detailed handout to elaborate upon the full extent of your environmental policy.

Most of what constitutes a thumbs up from a green building agency like LEED will stem from back-of-house operations. Hence, in order to drive the message home and spark a loyal following, your interior design must likewise exude a sense of place reflective of this newfound brand identity. Procuring lobby art that is made from recyclable materials is less about conservation and more about making a statement that you support sustainability as well as the greater community.

Thinking again of the back-of-house, when you refurbish, one of the foremost criteria for choosing your designer must be how he or she intends to enact gradual change while also incorporating recycled materials. Then there are the usual suspects of converting to LEDs, better boilers and more efficient waterflow machinery for bathrooms as well as the grounds. Also check in to see what government grants can be taken advantage of.

Around the property, there's potential for drip irrigation, incorporating local species of plants into the landscaping or the building of a garden for heirloom crops. While this garden won't be enough to meet the demands of your entire foodservice requirements, it is a token effort that, when properly planned, can be put front and center where guests can see. Another odd bedfellow of the garden is the apiary. A few bold hotels are tucking these away on their roofs or just beyond reach then branding their own hyperlocal honeys.

One final benefit you may have overlooked. While sustainability efforts are designed to save money on the back-end and heighten guest appeal in the front, you must also consider another key stakeholder - your employees. People want to work for places that care. Your associates are the ones who live and breathe your hallways and spaces, so any material upgrades you enact will help to motivate your team. This can be further bolstered by explaining your mission and getting buy-in so everyone knows the importance of what you are trying to accomplish.

In the guestroom

Most of these you should already be well aware of if you have attended any hospitality technology tradeshow in the past three years. Still, though, they are worth repeating and substantiating.

While there are a myriad of in-room sustainability upgrades you can make, none are more explicitly guest-facing than the smart thermostat. These can be finely attuned to conserve energy by not heating or cooling rooms when no one is present. As well, with the rise of IoT guestrooms, these can be linked to the PMS so you can have just-in-time temperature settings for when a guest arrives or leaves.

Next best is a towel recycling programme as well as something as simple as separate garbage bins for waste and recycling because these are both highly visible. Along these lines, you might consider detergent dispensers instead of mini-bottles to reduce the amount of plastic consumption. These three all come with the corollary that you must retrain your housekeepers accordingly and account for any additional time needed to clean the rooms.

Thinking aesthetically, there are many other subtle enhancements that might also apply to other operations like meetings and not your rooms and suites. These include using mugs for the coffeemaker instead of paper cups, providing electronics for writing to get away from notepads, wiring in a master switch that turns off all the lights in a room after you remove your key or, if necessary, thick window films to reduce heat transfer.

Throughout cyberspace

Always the showman, all these efforts would be for naught if you don't amplify them across multiple channels. As previously cited, most important is your website where, after you've gotten the ball rolling on a few of these initiatives, a dedicated page or subsection on corporate social responsibility should be drafted with the proper environmental keywords strategically repeated throughout.

Thinking holistically, make sustainability part of your mission statement then link to it through the appropriate channels and websites that already scrape information from yours to furbish their landing pages. You might also recruit environmentally inclined journalists and travel bloggers to report in on what you are doing as part of a public relations campaign. The key term to keep in mind here is 'conspicuous conservation'. You can't just make the change; you have to tell everyone so they too can get in on the action!

About the author

Larry Mogelonsky - <http://www.hotelmogel.com>

One of the world's most-published writers in hospitality, Larry Mogelonsky is the owner of Hotel Mogel Consulting Limited and the founder of LMA Communications Inc., an award-winning marketing agency based in Toronto. His experience encompasses hotel properties around the world, both branded and independent, and ranging from luxury and boutique to select-service. Larry also sits on several boards for companies focused on hotel technology. His work includes four books, "Are You an Ostrich or a Llama?" (2012), "Llamas Rule" (2013), "Hotel Llama" (2015) and "The Llama is Inn" (2017). You can reach Larry at larry@hotelmogel.com to discuss hotel business challenges, to inquire about his consulting services or to book speaking engagements.

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Deal or no deal, EU nationals will remain



The latest leak from Downing Street reassures the sector.

EU migrants living in Britain will be given the right to remain in the country in the event of a no-deal Brexit, according to a new leak from Number 10.

The leaked paper read: “The Home Office plans to make an offer to existing EU residents that they can remain in the UK in a ‘no-deal’ scenario, in effect unilaterally implementing the [immigration element of the] citizens’ rights agreement agreed with the EU in December 2017.

“The proposal is to make the offer irrespective of whether the EU reciprocates. Any package would need resolution for the reciprocal elements of the December 2017 deal.

“Making an offer is not only important to provide certainty publicly, but will enable the UK government to take the moral high ground.

“A number of other plans are also dependent on the government’s position on this issue, relying heavily on the availability of existing labour in a ‘no deal’ scenario.”

The hospitality sector expressed its relief, with UKHospitality Chief Executive Kate Nicholls, commenting:

“The Prime Minister’s statement gives businesses much-needed clarity on the future of its workforce as we leave the EU, with or without a deal. It rightly acknowledges the contribution made by EU nationals to UK businesses. In hospitality, EU workers help to ease acute skills and labour gaps, while the industry works to encourage more British people to choose careers in our sector.

“Allowing existing EU citizens the right to stay goes some way to support the needs of our business and will allow the sector to continue to grow, invest and benefit the UK economy.”



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HOSPSPACE 2018 secures stellar line-up of guest speakers



Hospitality professionals are set to enjoy a stellar line-up of speakers at this year's HOSPSPACE, as Peter Hancock, Harry Murray and Sally Beck confirm their participation.

In a talk billed as 'When Harry met Sally', Harry Murray, HOSPA President and Chairman of Lucknam Park, alongside Sally Beck, GM at the Royal Lancaster Hotel, will be interviewed by Peter Hancock - the Chief Executive of Pride of Britain Hotels.

Between them, the three have a huge wealth of industry knowledge, and are amongst the most respected hospitality professionals in the industry.

With both Harry and Sally being Master Innholders, the talk, which will round off the one day conference, promises to offer absorbing insight into the latest issues and developments currently affecting the industry, as well as offering an understanding of how the pair reached their respective positions.

Jane Pendlebury, chief executive of HOSPA, said: "We're delighted to have such hospitality heavyweights on board. Peter is enormously entertaining so will no doubt prove a thoroughly engaging host, while Harry and Sally's fascinating backgrounds and abundance of experience will make them enthralling interviewees. We're really looking forward to it."

Booking for both delegates and exhibitors is currently open for this year's annual event which is set for Thursday, 1st November at the Royal Lancaster Hotel in London.

Highlights of the event are set to involve: panel discussions focusing on a variety of subjects, including the impact of leaving the EU on the hospitality industry; plus some of hospitality's most successful women will discuss the future for women working in the industry. There will also be a programme of industry specific workshops and technical updates, led by top specialists in their subjects.

Pendlebury, said: "HOSPSPACE is always the most anticipated event in our calendar and this year's conference is expected to be yet another highlight. It's a wonderful opportunity for delegates from within hospitality to come together and further their knowledge, while learning from some of the best-known and most influential names in the industry."

As in past years, HOSPSPACE 2018 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. These will cover all eventualities for any hospitality business, whether they be start-up, established independent, or multi chain-owned, operations.

As well as a learning experience, nominations are also open for the Professional Of The Year Awards, which will be announced and presented at the Gala Dinner.

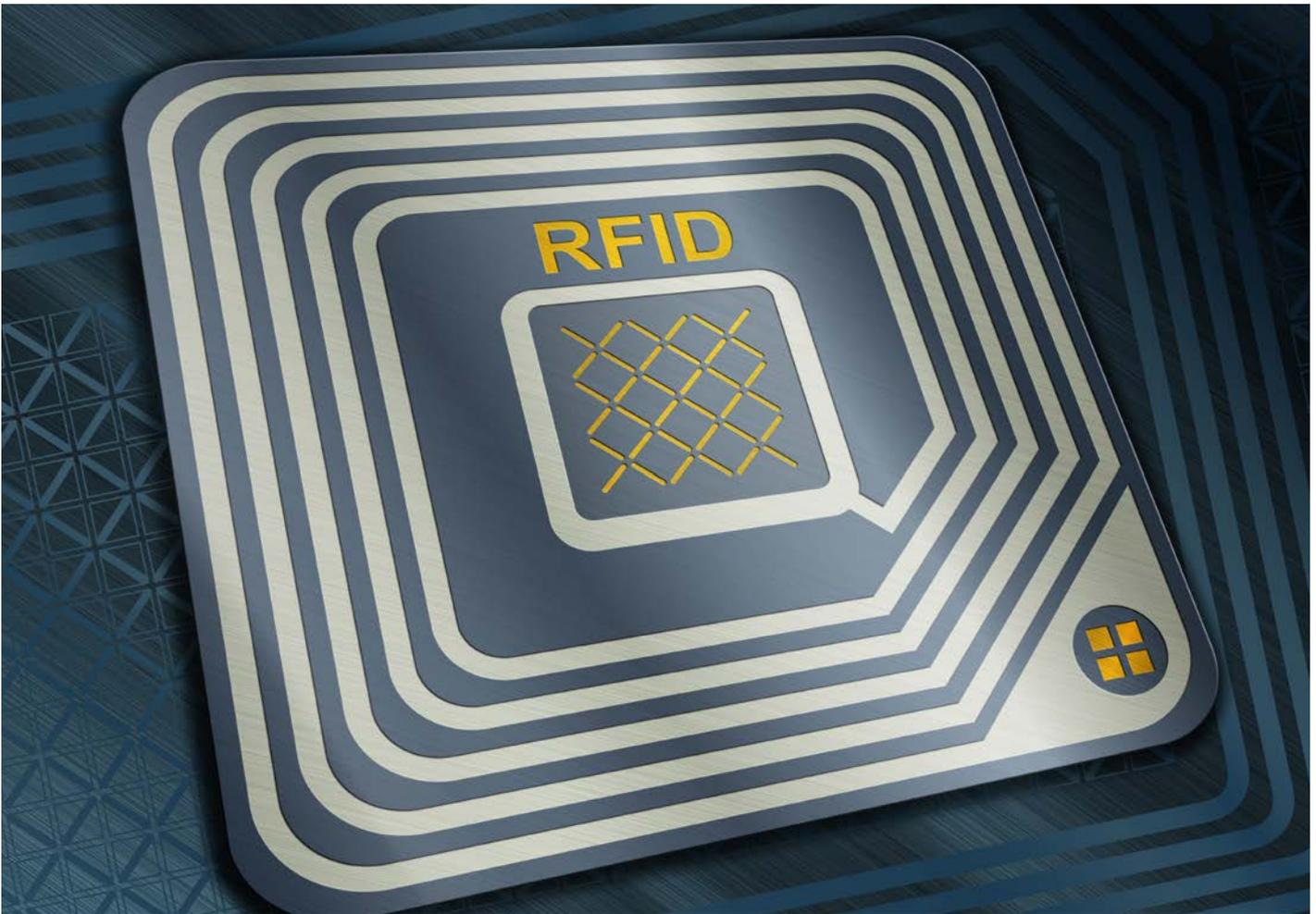
If you know a hospitality professional who is dedicated to the hospitality industry and has made an impact on others in the industry; or an employer who operates in the hospitality industry and has demonstrated an outstanding commitment to promoting and investing in education, you can nominate them for one of the prestigious awards.

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I'm with the band



Meliá Hotels International has become the latest company to look at alternative ways of taking payments, trialling wristbands, reports Katherine Doggrell.

The company, which has a strong resort and beachside estate, said that the technology would improve the guest experience, providing an easy way to pay which meant that guests didn't have to worry about carrying cash or credit cards.

"At Meliá Hotels International we imagined a new type of vacation in which guests could enjoy all of our hotel services without having to worry about carrying around cash or ID, and that is now a reality thanks to an innovative project carried out with Oracle," says Gabriel Escarrer, Vice President and CEO of Meliá Hotels International.

Meliá and Oracle have developed a new bracelet that has a Bluetooth connection to the Meliá App to allow guests to unlock the door to their room just by placing the bracelet next to the lock.

The bracelet also allows access to all of the services offered by the hotel, such as paying for meals in the restaurant or treatments at the spa. The new bracelet also allows payment in shops and restaurants in the mall that forms part of the resort, meaning guests don't have to carry cash around during their holidays when they take a walk around the destination or even when they go to the beach or pool (the bracelet is completely waterproof).

The Meliá bracelet has a chip with Bluetooth technology and short-range communication capabilities to access services and make payments. The use of diverse technologies based on Oracle

Cloud means that many guests can now enjoy a more comfortable and connected holiday experience, just as they do at home.

André P. Gerondeau, Chief Operating Officer of Meliá Hotels International, said: "When we designed the integration of the experience in different hotels with different themes, we began to investigate how we could make it easier for guests to move freely around all the services and spaces offered by the hotels. The answer came through Oracle, who helped us develop the "Meliá bracelet" in record time and meeting all our needs and expectations."

The pilot project for this new technology had been carried out in two company hotels in Magaluf, which over recent years has become a hotspot for new hotel concepts and product repositioning.

Bracelets are linked to the Meliá App, allowing users, for example, to control the use of bracelets by children, set maximum credit limits, receive receipts or cancel services. The project is the result of a team effort by Meliá Hotels International and Oracle over several months to develop the tool, the business model and the technology. According to project managers, "it is a dream come true in terms of the personalisation of the hotel experience, something that is a major priority for us: a room that opens when approached by guests, a dinner booked online, access to the VIP list for the best beach club... all with just a flash of the wrist."

“Co-innovation has been key in helping Meliá make this concept a reality,” explains Neil Sholay, Vice President of Digital, Oracle EMEA. “Meliá started this project with the idea and a passion for improving the customer experience. By combining Meliá’s experience in the hotel industry and the innovation and technological strength of Oracle, this project shows that transformative ideas can be made real. In a matter of just a few weeks, we have co-created an experience beyond expectations.”

The company was not the first to look to free guests up from carting their wallets around with them. Disney launched its Magic Band in 2013, with a \$1bn investment, forming the central part of the MyMagic+ experience, providing a way for the system to connect data to guests. This includes connecting park tickets, hotel room keys, payments, and PhotoPass information to the Magic Bands.

Visitors to the Magic Kingdom can purchase the colourful rubber wristbands online, and each contains a high frequency radio device. Tiny but powerful, the antenna transmits a signal more than 40ft in any direction.

Specialised local sensors or ‘touch points’ around the resort can then pick up these radio signals. At the wave of a hand, holiday makers are granted instant access to hotel rooms, theme parks, rides, and even dinner reservations.

By linking the smart band to a credit card, they are used in lieu of cash or cards for any purchases made within the park, making payments quick, easy and efficient.

In addition to the short-range sensors, long-range readers can detect the smart bands anywhere in the park. These can then deliver personalised experiences and monitor the flow of visitors through Disney World.

The bands are connected to an online experience booking site, where guests can make dinner reservations, and even pre-order their food. Receivers register the long-range signals, alerting waiting staff to a families arrival before they even get to the door. As if by magic, their food is then brought directly to their table, wherever they are sitting.

In a world of wearable tech, innovations like the MagicBand and its radio frequency identification technology pave the way to help the cities of the future to function seamlessly. With similar technologies, people can already enter the underground system, travel on busses and pay for their lunch with the tap of a card or watch.

Within two years the company had sold 10 million of the bands and was busy making them collectible items in their own right.

The bands are not just about reducing friction for guests. In 2016 Disney applied for a patent for a system that would allow them

to recognise guests at a number of locations via their shoes through sensors and camera-toting robots. The goal would be to potentially offer customised guest experiences at those points. This was the next phase of the Next Generation Experience project that aims to create “more immersive, more seamless, and more personal experiences for each and every guest.”

The more data Disney collected, it could improve operational efficiency such as in the scheduling of 24,000 shifts for 80,000 employees each week, the better it is able to target marketing because the preferences and behaviours of past guests are used to create future packages and offers specific to them.

For those companies for whom having guests wearing bands is not close contact enough, other options available. In 2004 the Baja Beach Club in Barcelona offered people signing up for VIP membership a choice between an RFID chip and a normal card. VIP members could jump the entrance queues, reserve a table and use the nightclub’s VIP lounge.

“The RFID chip is not compulsory,” says Conrad Chase, managing director of the club. But he says there are advantages to having it. The obvious one is that you do not have to carry a membership card around with you, but also it means you can leave your wallet at home. This is because the RFID can be used as an in-house debit card.”

When drinks were ordered the RFID is scanned with a handheld device and the cost is added to your bill. The chips, called VeriChips, were produced by US company Applied Digital Solutions.

The offering did not sweep the clubbing world, but since then uptake of microchips has been growing, with the Independent reporting that thousands of people in Sweden have inserted microchips, which can function as contactless credit cards, key cards and even rail cards, into their bodies. Once the chip is underneath your skin, there is no longer any need to worry about misplacing a card or carrying a heavy wallet.

By the beginning of this year it is thought that roughly 3,500 Swedes have had microchips implanted in them.

Convenience is one thing, but microchipping guests may be a step too far for many. The rise of technology such as ApplePay, which has now been widely adopted, plays into that greater truth, which is that people might be looking to lighten the load when enjoying an amusement park, but they are never going to leave their phones behind. Even Disney has added a feature allowing guests to unlock hotel rooms using their smartphones.

With personalisation increasingly key to guest satisfaction and loyalty - and increasingly expected - it needn’t require a microchip. Operators large and small can think of ways to cut friction and increase the welcome.

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The launch of a new community



David Bridge, chairman of HOSPA's new asset management committee, reports on its first meeting.

The aim was to set up a programme for the current year, focus on events and look at ways of sharing information and best practice and creating an asset management education programme.

The drafting of an asset management syllabus was thought to be a good way to start, as this would highlight areas of interest, determine scope and content and discover those areas requiring further research or debate.

A potential syllabus

The course will cover, amongst other subjects:

1. Historical context
2. The skills and knowledge required to become an asset manager
3. Understanding the investor
4. Adding value
5. Measuring outcomes
6. Security

Historical Context

When looking at the history of hotel asset management, it is striking to note the changes that have already taken place. The committee is keen to provide a route for those wishing to become asset managers or gain enough knowledge to successfully work with asset managers.

But is there a clear understanding of the role played by an asset manager? The job title itself gives the wrong impression of the role, especially in the context of a hotel already operated by a management company.

Historically, asset managers have often been sole practitioners, who acted as owners' representatives. Coming from hotel general management or management companies, they were often highly experienced in operations or finance, but not always quite so au fait with the newer developments. And although experience in operations is essential, an ability to develop strategy is equally important.

Currently, asset managers are more likely to be part of larger organisations, given the new investor trends, with greater investor consolidation, and significant developments in hospitality operations - social media, revenue management, digital transformation, creation of sub-brands etc. It is difficult for one person not only to fully grasp the revenue and cost drivers of a business, but also to keep abreast of developments in the industry or even the local market.

And now the talk is of platforms, which exist to facilitate multi-property operation and allow a plug and play approach to newly acquired assets. And these platforms need to make use of all the information available by using more advanced hotel analytical tools or artificial intelligence.

And just to make the role more confusing, some asset managers are blurring the distinction with traditional operators, by offering third-party management services.

Skills and Knowledge required

It has been suggested that the committee talk to existing asset managers to understand their journey (how I hate that word!). In my own case, I am not sure that anyone could or would want to follow that somewhat circuitous route. Although a great idea, perhaps we need to focus on the current needs of investors, determine what is required and see how HOSPA can set up a programme to attract, recruit and train the asset managers of the future.

Foremost, the asset manager needs to understand the owner's requirements and how to work with these, collaborating often with a very experienced management team. A thorough understanding of the business, the ability to interpret and communicate strategy and to appreciate the skills and experience of the actual operators, whilst at the same time being able to challenge, spot the gaps and ask relevant questions are all on the list. It is also very easy to focus on the internal workings of a business and overlook what is happening outside. So, the asset manager must also follow what is happening in the market, for example, in terms of different asset types, operating structures including use of specialist operators - restaurants, spas, golf, fitness etc.

The Bigger the Data, the greater the need to sift, sort and make relevant. Another challenging task for HOSPA.

Understanding the Investor

Because there are different stakeholders involved in any business, each with their own objectives, it is important that the Asset Manager understands what the investor wants to achieve and how to marry those objectives with the objectives of the other stakeholders.

Key elements of the owner's strategy will encompass:

- Past experience
- Volume of investment
- Gearing and funders' requirements
- Length of hold
- Total life financial and resource investment
- Level of control
- Readiness to accept operational risk and exposure
- Required yield - cash or capital appreciation
- Type of hospitality asset
- Desired outcome

It is easy to see why there might be differences in objectives between the various stakeholders. For example, a publicly

quoted company might have different time requirements to an Estate or private equity group.

I am not sure that many hoteliers working with owners are involved in discussing the above with their investors, as the focus for them is driving the year-end profit. But some discussion might be highly beneficial, especially when discussing capital expenditure and the timing and nature of the return.

Adding value

The first task is probably to understand the nature of the value desired by the investor and how that value can be measured and then create a plan to drive a strategy to capture that value.

Value Generation

So how does an asset manager drive value?

Best fit

I think Revenue Management was summarised as being about setting the right price at the right time for the right customer.

In terms of asset, it is probably somewhat longer, but here goes:

The right type of asset in the right location with the appropriate brand and the right facilities managed by the right operator(s) providing the required return and achieving the investor's objectives with the appropriate cost of creation and operation.

As Jane Pendlebury mentioned in her recent Overview article, hospitality assets are becoming increasingly diverse and now cover student accommodation through to senior living (and many stops in between), where hospitality skills are highly valued.

The good news is that the range of opportunities is greatly increased, the bad news is that there is greater fragmentation, so a need for some form of consolidation. (Once an accountant!!!)

Does an asset need kerb appeal? What are the main drivers - parking, closeness to transport hubs, proximity to other facilities? Can the hospitality asset be blended with other businesses?

Best Operating Structure

The location will often dictate who operates and what they operate. However, the first role in deciding an operator is to determine the selection criteria and the ranking of those criteria.

The operator must be able to drive revenue, but the cost of revenue acquisition is also a factor. Should the operator use agencies such as OTAs, or should they be able to drive direct revenue? Should the operator only look after driving accommodation, or also other services? Where is the market and what is the operator's reach? If the operator is new to the area, have they done anything similar in the past? Will a brand drive greater revenue or would an independent operator also be considered?

If several operators are considered, is it a main operator with other operators appointed by the main operator or are they all appointed by the investor, who then exercises greater control, but needs to co-ordinate?

And once the revenue is acquired, how well does the operator convert this to profit, whilst at the same time maintaining and improving the asset and ensuring client satisfaction. Not an easy balance.

Operating is often performed under long-term management agreements, which are not always that clear on the services

to be provided and the charges made. Some operators have been quick to adapt to new developments not covered by the original management agreement, but it would be helpful if there was a more general mechanism which allowed developments to be discussed and implemented. An important role for asset managers.

The above is only some of the top-level issues, but the real value is in the detail. Probably the best way to train the future asset managers is by way of case studies and simulated exercises.

The other HOSPA communities can also make a significant contribution to value creation and help with the asset management education programme. Where would the industry be without revenue management? And IT and Finance also provide part of the foundations of the industry. But the roles are changing with finance departments now seen as being more focussed on business analytics and accurate detailed forecasting, rather than just control.

With its ties with the HMA, HOSPA also covers marketing and is now the association for hotel professionals. A rich source of information for the prospective asset manager.

Measuring the Outcome

But how does the asset manager measure all these factors and what tools do they have at their disposal. The Uniform System of Accounts helps measure profitability by department and some benchmarking is available, but what about competing activities within the same department or comparing the profitability of an activity across a range of properties, even if they are owned by the same investor.

Should asset managers compare profitability by guest type against cost of acquisition or measure the outcome of specific strategies? Quite a challenge.

A whole range of KPIs spring to mind, some used by hospitality professionals and some by property specialists.

It is possible to buy data from companies like STR and HotStats and make comparisons, but these only highlight areas for further review, either positive or negative, but there is probably a wealth of data available in the property's data files, but are these being properly used and converted to actionable data?

Some good areas of research for the budding asset manager, which hopefully will stimulate fresh thinking.

And as mentioned earlier, it is not all about profitability, but also guest and employee satisfaction, reputation and quality, and many other factors. But hopefully, success in these areas will follow via market penetration through TrevPar and then to sustainable financial return.

Security

Getting the right balance between risk and reward is always a challenge. But when discussing a business based on a property that might take 18 months to remodel and that might be locked in by long-term agreements, including financing, the challenge is even more daunting. No wonder the experienced investor always considers their exit before they purchase.

To secure an on-going return and retain value, it is very important to maintain a consistent level of appropriate investment, with regular upgrades and refurbishments. This certainly gives the guest a feeling that the investor cares about the services being provided to them.

And, of course, not only do we have the traditional security requirements, such as fire, life, safety, insurance, physical security etc., but also the increasing cybersecurity threats and the need to keep personal data safe or face substantial penalties. And here, we cannot ignore the cost of loss of reputation.

Then, the greater the number of operators involved, the greater the importance of ensuring that they are all financially strong, complying with all required statutory requirements and providing their services, however inadequately defined.

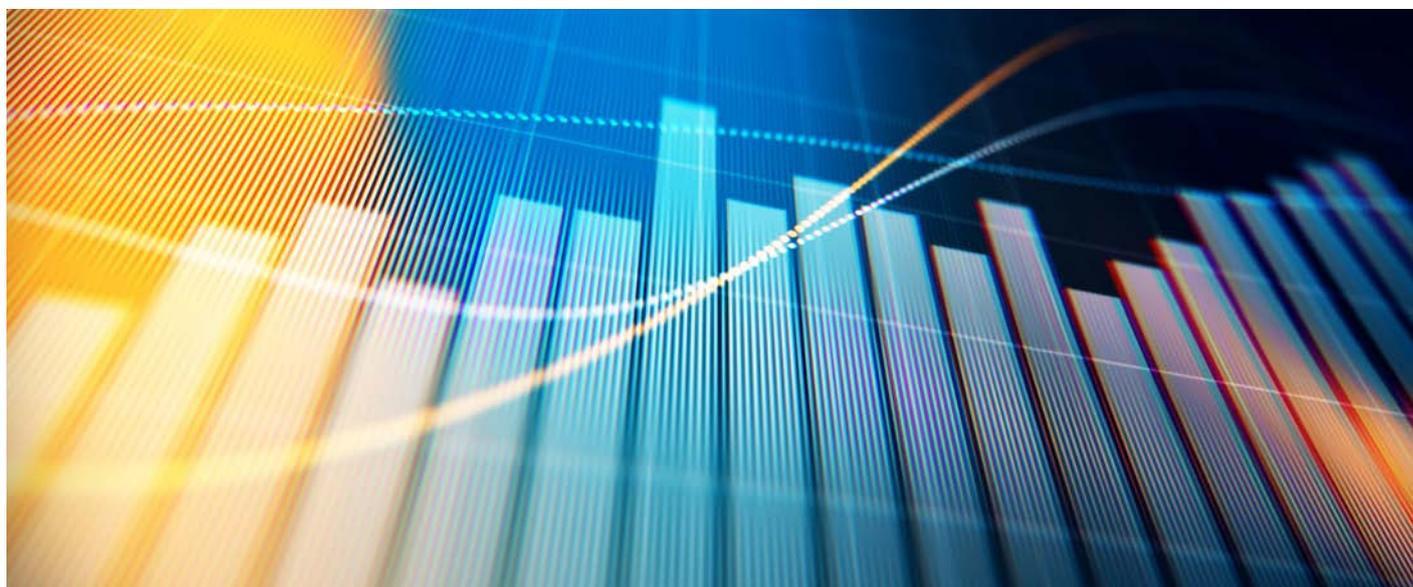
Conclusion

In this article, I have tried to map out some of the areas to be included in a HOSPA asset management education program. The subject is extremely wide and thus the qualities required extensive. But I hope the article demonstrates what a fascinating subject asset management is and why asset management is now a community under the ever-widening HOSPA umbrella.

Further details will be provided on the Asset Management training programme as they become available.

Details of the Asset Management Community event will be given shortly on the website.

The committee look forward to sharing their experience, but also hope to work with companies and individuals who are willing to share ideas, best practice and data and who might also come up with a new title for this interesting role.



Sugar prices plummet to new low as inflation in fruit hits high



Fruit price inflation rose significantly in June following high demand and adverse weather, the latest edition of the CGA Prestige Foodservice Price Index shows - but over-supply of sugar has pushed prices down to a new low.

Fruit prices were up 5.2% month-on-month against May, with dry weather hindering growth in many key areas. The UK continues to suffer from migrant labour troubles, as the intense heat caused fruits to ripen quickly at a time when pickers are in short supply, meaning many crops were left to rot in fields. Much of Europe has suffered from similar issues, preventing imports from providing any price relief. Fires have also hit much of Europe, threatening many fruit farms and damaging yields.

Sugar-related products have meanwhile recorded an 8.4% month-on-month drop in prices. Sugar crops have also been hit by recent adverse growing conditions in Europe, Brazil and Australia, but any impacts have been offset by bumper crops in India. Sugar-producing countries are now being pressured by the Global Sugar Alliance to remove subsidies, particularly from India and Pakistan, the main drivers for the overproduction.

Turbulence in the foodservice sector is being exacerbated by trade wars, which have escalated after the introduction of retaliatory tariffs between the US, China and the EU. Some commodity prices such as US soybeans have collapsed following Chinese tariffs on the crop, and are unlikely to be the only

casualty. It is also unclear whether the situation is worsening or heading towards an acceptable agreement, with Jean-Claude Juncker heading to Washington to try and dissuade the US from continuing with their tariffs while President Trump threatens not only the European auto industry but all Chinese imports.

Shaun Allen, Chief Executive at Prestige Purchasing, said: "While inflation in the foodservice sector has eased back for the first time since February, the recent hot weather, not just in the UK but across Europe, looks set to affect a number of food products, particularly produce and crops, which could potentially lead to a longer-term impact on meats due to feed shortages. The tariff changes in the US add further pressure and uncertainty into what is already a volatile market."

Fiona Speakman, CGA Client Director - Food, said: "Our new Index highlights the intense volatility in foodservice prices at the moment. The summer heatwaves have not been good news for the supply of many key items, and tariff wars and Brexit are starting to cast shadows over future imports. We will need to watch both macro and micro inflationary trends very closely in the months ahead."

Debra's altitude attitude



HOSPA's very own Debra Adams, Head of the Professional Development team, is in training ahead of a fundraising trek in Nepal this October, in aid of Children of the Mountain.

She will be walking for five days covering over 80kms in the rugged and undulating regions surrounding the Himalayas. With 3,000 steep upward steps to reach Ulleri and then on to Poon Hill at 3,210m, Debra admits this will be her greatest challenge to date, having trekked previously in 2014 with hospitality industry charity, Springboard.

This time Debra is joining a trekking group comprised of senior hospitality executives from across the sector to raise funding for the charity Children of the Mountain. The companies supporting the trek include Oakman Inns (the Chairman of Oakman, Mike Smith is also Chairman and Trustee of Children of the Mountain), Northcote Manor Hotel, The Edge Hotel School, contract caterers Holroyd Howe and the Brookwood Partnership.

Children of the Mountain (COTM) was founded in 2009 by Irishman and hospitality finance executive, John Matthews. During a visit to a remote village in the district of Ghorka whilst on a trekking holiday in Nepal, John encountered what he thought was a derelict shed for animals. It was in fact a primary school. The building was unsafe with dismal dark classrooms, devoid of any colour or materials. In the following months John, in partnership with his wife, Sylvia (known to many HOSPA members during her career at Jumeriah International in Dubai), raised funding amongst friends and family to rebuild the school providing bright and colorful classrooms and committed to helping other children facing similar conditions in Nepal. Following a move to the UK to open the Windlestraw Hotel in the Scottish borders, eight years on John and Sylvia continue to devote time and resources to growing the charity.

Today COTM is a UK registered charity regulated by the UK Charity Commission with a fundraising branch in Austria. All projects are delivered by a local team based in Kathmandu. The work of the charity focuses primarily on the region known as Gorkha District, a part of Province No. 4, which is one of the seventy-five districts of Nepal and connected historically with the creation of the modern Nepal and the name of the legendary Gurkha soldiers. The specific region is Tandrang, a Village Development Committee in Gorkha District in the Gandaki Zone of northern-central Nepal. In recent years the reach of the charity has expanded to include rural locations on the outskirts of Kathmandu as well as Bandipur, which is a hilltop settlement and a municipality in Tanahun District of Nepal located midway between Kathmandu and Pokhara.

COTM aim to support the poorest children in rural and urban Nepal, providing them with opportunity through access to education and personal development. COTM actively campaign against gender and caste bias and promote education as a practical alternative to rampant child labour. COTM advocate for investment and directly invest in child centered education as a critical and effective tool in the fight against extreme poverty in rural and inner city communities. Ongoing programs include the building, maintenance and support for Kindergartens, Primary Schools, Computer labs and Teacher Training using creative learning techniques. All this is achieved by working with a local team of Nepalese teachers and volunteers who work directly with the schools to build sustainable relationships and deliver support to the local teaching teams.

With preparations for the trek well underway, Debra explains: "I have been working with COTM for the past three years and earlier this year became a Trustee. I have visited the schools and the regions supported by COTM, and I know that the funds raised are used directly to build and maintain schools, open Kindergartens, provide creative learning resources and train teachers. An example of one of our ongoing projects is the introduction of computer labs for three of our remotest schools using low-power, low-cost, durable equipment, the XO laptop, called E-Paati in Nepali, which is a great learning tool. The laptop is the size of a small textbook and connects to the digital library server. Working in partnership with OLE, www.olenepal.com, we plan to implement a sustainable E-learning programme using local suppliers. The funding we raise will enable:

- The purchase of 45 children's mini XO laptops with access to 500+ curriculum based digital learning modules
- The installation of a digital library server and intranet in each school
- Initial training for all teachers at the schools
- Ongoing technical support, monitoring and in-school training.

To support Debra in her fundraising efforts visit her donation page <https://www.justgiving.com/fundraising/debraadamsboer> or if your company would like to become directly involved with the work of the charity to support future projects including the introduction of durable computer labs for children please email debra.adams@hospa.org

For further information visit: www.childrenofthemountain.org

Restaurants toil in summer heat, while pubs make hay



Managed pub like-for-like sales up 2.7% against last July but restaurant groups see hefty 4.8% drop in trade.

July's heatwave was good news for Britain's pubs - but heaped more pressure on the country's restaurant chains, latest figures from the Coffe Peach Business Tracker show. Managed pub and bar groups saw collective like-for-like sales rise 2.7% against last July, while sales across restaurant groups plummeted, down a substantial 4.8% in like-for-like trading.

Overall, the differing fortunes of pub and restaurant businesses cancelled each other out, with the combined managed pub, bar and restaurant sector seeing like-for-likes flat in July, recording exactly 0% growth.

"Continued sunshine and England's longer than expected participation in the World Cup meant July followed a similar pattern to the previous month of June, when pubs were up 2.8%, except that restaurants were hit even harder. The fall of 1.8% in trading in June just got worse in July," said Peter Martin, vice president of CGA, the business insight consultancy that produces the Tracker, in partnership with Coffe Group and RSM.

"Drink-led pubs and bars performed by far the strongest with like-for-likes up more than restaurants were down. Food-led pubs also suffered in the sun with negative like-for-likes, although not as dramatically as the restaurant operators," said Martin. "It seems people just wanted to go out for a drink. Across managed pubs and bars drink sales were up 6.6% for the month, with food down -3.0%."

Paul Newman, head of leisure and hospitality at RSM said: "These results continue the trend we've seen since the end of April. Weather

and the impact of major social or sporting events remain the biggest factors when it comes to sales in the out-of-home market. It comes as no surprise that restaurant groups continue to struggle, albeit a sales drop of 4.8% year-on-year will be particularly painful on top of ongoing cost pressures. The long hot summer could not have come at a worse time for food-led operators and time will tell whether the more moderate temperatures we've experienced in August will provide some much-needed respite."

Underlying like-for-like growth for the 47 companies in the Tracker cohort, which represents both large and small groups, was running at 0.5% for the 12 months to the end of June, down slightly from the 0.7% at the end of June.

Trevor Watson, executive director at Davis Coffe Lyons said: "London had a particularly strong month with overall like-for-like sales up 2.6%. This was driven predominantly by the capital's pubs market - buoyed by England's unexpected progression at the World Cup - which were trading 6.1% ahead. The rest of the country had a more difficult period with like-for-like sales down 0.9%. Restaurant trading fell a painful 5.6% - compared with 2.8% down in the capital - with pub like-for-likes up just 1.7% despite the football."

Total sales growth across the pub and restaurant cohort, which includes the effect of new openings, was 2.7% in July, reflecting the slow down in brand roll-outs, and running at 3.6% for the 12 months to the end of the month.

Hotels hit first 2018 profit

Hotels in the UK recorded a 3.0% increase in profit per room in June, which was the first monthly year-on-year growth in this measure since the beginning of 2018 and was thanks to an uplift in revenue which outpaced the ongoing increase in costs, according to the latest worldwide poll of full-service hotels from HotStats.

This month was not only the first time that hotels in the UK recorded an increase in GOPPAR, but at £67.82, profit per room in June hit a peak for the year and was well above the year-to-date average in this measure, at £46.83.

The growth in profit this month was fuelled by an increase across all revenue departments, including Rooms (+3.2%), Food & Beverage (+3.2%), Conference & Banqueting (+5.2%) and Leisure (+4.3%) on a per available room basis.

As a result of the movement in revenues, TrevPAR at hotels in the UK increased by 3.1% year-on-year to £158.90. This also represented a high for the year and was 20% above the year-to-date average of £132.23.

Despite the strong revenue performance this month, costs continue to escalate, illustrated by the 0.2-percentage point increase in Payroll for the month, to 25.8% of total revenue.

Profit & Loss Key Performance Indicators - Total UK (in GBP)

June 2018 v June 2017

RevPAR: +3.2% to £105.59 Payroll: +0.2 pts to 25.8%
TrevPAR: +3.1% to £158.90 GOPPAR: +3.0% to £67.82

The growth in Rooms Revenue at hotels in the UK was driven by an increase in room occupancy (+1.5-percentage points), to 84.2%, as well as a 1.4% increase in achieved average room rate, to £125.44.

Whilst the achieved rate in the Leisure sector faltered this month, illustrated by the year-on-year decline in rate in the Individual Leisure (-0.4%) and Group Leisure (-3.2%) segments, growth was driven by the commercial segments, with an increase in the Corporate (+2.2%) and Residential Conference (+2.0%) segments.

The growth in volume and price contributed to a 3.2% year-on-year increase in RevPAR for the month, to £105.59, which was also a peak for 2018 and almost 25% above the year-to-date figure of £85.49.

“June is typically a strong month for hotels in the UK due to a peak in a range of demand segments. The growth this month provides some respite from the profit decline suffered since the beginning of 2018, which will be welcome for owners and operators,” said Pablo Alonso, CEO of HotStats.

Cardiff was one of the top performing markets in June, with GOPPAR increasing by 5.4% year-on-year, to £52.75. This represented a peak in monthly profit performance for Cardiff hotels in recent years.

The profit growth was in spite of a mixed revenue performance as, although hotels in the Welsh capital recorded a 10.0% year-on-year increase in RevPAR, declines were recorded across all other revenue departments, including Food & Beverage (-13.9%) and Conference & Banqueting (-27.9%).

As a result of the movement in revenue, year-on-year TrevPAR growth at hotels in Cardiff was recorded at just +2.8%, to £132.64. Nevertheless, this represented a monthly

peak in performance on recent years, ahead of the most recent high recorded in June 2017 at £129.06.

Whilst hotels in Cardiff recorded a -0.2-percentage point decline in room occupancy this month, which remained punchy at 89.4%, this was more than offset by the 10.2% year-on-year increase in achieved average room rate, to £103.96.

Rate growth at hotels in the Welsh capital this month was driven by increases in the Leisure segments, which included a 24.6% increase in the Individual Leisure segment, to £119.41, which was by far the strongest rate recorded in the city in June.

“Top line performance at hotels in Cardiff was driven by a range of events, including a high-profile stop by the Volvo Ocean Race. The race is hosted every three years, takes place over nine months and covers 27,000 nautical miles, which only stops in 12 key global cities and this is the first time the race has visited the UK in more than a decade.

With the race staying in the city for more than two weeks, the benefit to the local economy was significant, as illustrated by the year-on-year growth in performance at local hotels,” added Pablo.

Profit & Loss Key Performance Indicators - Cardiff (in GBP)

June 2018 v June 2017

RevPAR: +10.0% to £92.99 Payroll: -1.3 pts to 25.1%
TrevPAR: +2.8% to £132.64 GOPPAR: +5.4% to £52.75

In addition to the growth in revenue, hotels in Cardiff successfully recorded a -1.3-percentage point saving in Payroll, which fell to 25.1% of total revenue.

As a result of the strong revenue performance and costs savings, hotels in Cardiff recorded a profit conversion of 39.8% of total revenue, and the growth this month contributed to the 2.2% year-on-year increase in profit per room for year-to-date 2018, to £32.34.

Whilst hotels in the Scottish capital did not fare so well in June, growth in profit per room was recorded at +1.2% this month, to £89.34.

This was only the second time in 2018 that hotels in Edinburgh have recorded a year-on-year increase in profit per room and the challenges faced by hotels in the city this year are reflected in the decline in profit per room for year-to-date 2018, which has fallen by -5.0%, to £45.57.

The +1.9% year-on-year increase in TrevPAR at hotels in Edinburgh this month was primarily due to a +2.6% increase in Rooms Revenue, as Food & Beverage revenue fell by -1.9%.

Profit & Loss Key Performance Indicators - Edinburgh (in GBP)

June 2018 v June 2017

RevPAR: +2.6% to £142.08 Payroll: +0.4 pts to 22.0%
TrevPAR: +1.9% to £186.34 GOPPAR: +1.2% to £89.34

Whilst profit conversion remained punchy at 47.9% of total revenue this month, suggesting that hoteliers are effectively managing costs, top line revenues at hotels in Edinburgh are being challenged by additions to stock, which comprised 645 bedrooms in 2017 and H1 2018.

Members' Events

5th September 2018 - Hotel Marketing Blueprint 2019

Location: InterContinental London Park Lane
Nearest Tube: Hyde Park Corner, or Green Park

Event Details: As we look forward to our plans for 2019, this seminar will focus on the key components of a successful marketing plan. Guest speakers will share insights from successful marketing campaigns, examine the key trends for the year ahead and discuss the most important components of a 'Marketing Blueprint' in 2019. As always there will be plenty of time to network.

18:00: Registration and networking
18:30 - 21:00: Presentations followed by networking

The event will be free for HMA and HOSPA members and £20+Vat for non-members. Drinks & Canapés included.

12th September 2018 - Winning Guest Relationships in a world of the empowered consumer, OTAs and large brands

Location: Hyatt Regency London, The Churchill
Nearest Tube: Marble Arch or Bond Street

Event Details: How do hotels adapt and change for the mobile savvy guest that can have what they want, when and where they want it?

13:30: Registration
14:00: Opening remarks Jane Pendlebury, CEO, HOSPA
14:05: Presentations
15:50: Break (option for delegates to join at this time)
16:05 - 18:00: Presentations
18:05 -20:00: Networking Drinks and Canapés

8 October 2018 - HOSPA Members' Meeting - Fire

Event Details: Smoke and Mirrors
The question of how we can keep guests safe has been brought to the fore by the Cameron House Hotel fire. All hoteliers have a duty of care to their guests. Our expert panel will cover fire safety, electronic lock systems, fire regulations, CE marking, physical security and dealing with emergencies.

Timings
16:30 - Registration
17:00 - Presentations
18:30 - Drinks & Canapés

Location
The Rubens at the Palace,
39 Buckingham Palace Road,
London, SW1W 0PS

Nearest Tube: Victoria

This meeting has been sponsored by Keystep

FREE for all HOSPA Members & only £15 for any non-members, please register in advance.

24th October 2018 - HOSPA Members Meeting - Asset Management

Location: Central London

Event Details: A panel discussion, moderated by Russell Kett.

Topics to be discussed include:

- Franchise, Management or Independent
- Synergy between owner and operator's objectives
- Strategic timing issues and length of operating agreements and the nature of value
- Role of OTAs and Brands and their respective rewards
- Best fit use and best operating models - one management fits all activities?
- Co-ordination and interpretation

Timings: 18:00 - 20:00

FREE for all HOSPA Members & only £10 for any non-members, please register in advance.

6th December 2018 - HOSPA Christmas Lunch 2018

Location: The Ballroom at Bulgari Hotel, 171 Knightsbridge, London, SW7 1DW

Places are limited, so please book now to avoid disappointment.

Please visit www.HOSPA.org for all registration details and all other events.

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You would normally be granted Ordinary status, but if you wish to be considered for a higher grade then please indicate which and ensure you submit a CV to support your application. Corporate membership is available for 5 or more colleagues. Please call +44 (0)203 4188196 to discuss or email hospa@hospa.org.

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Your Signature				Date



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