

THE OVERVIEW

ISSN 2048-4844

JULY ISSUE 2020

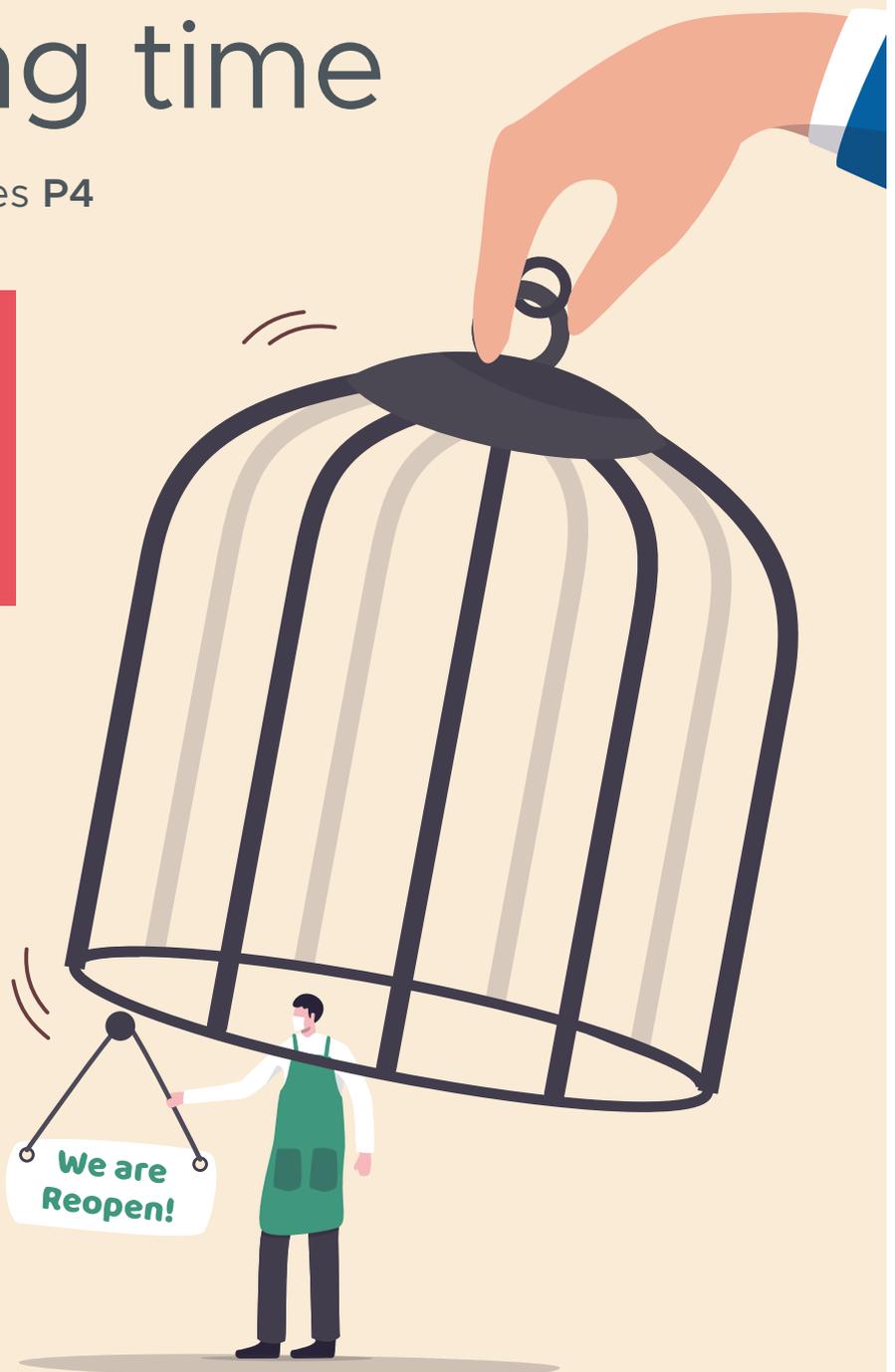
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Welcome to THE OVERVIEW

I delayed and delayed writing this, convinced that the government would have something concrete to say about reopening the hospitality sector ahead of the presses being warmed up. But, as Boris Johnson missed his own deadline on reviewing the 2 metres rule, I thought it best not to miss mine.

But just in the nick of time, after weeks of Johnson saying that he was definitely, probably, almost certainly going to open the sector from 4th July, it has come to pass, while the deadlines for those mundane operational tasks like, oh, ordering beer, have been flying by, while also deciding whether to bring staff back or not - with the furlough deadlines looming. Now onwards, with 'One metre plus'.

But how is the sector to try and plan its future? The glimpse into the mind of the government seems to suggest that it's as easy as just turning the 'closed'

sign to 'open'. To be fair this is what happened, in reverse, at many businesses before the official lockdown as the virus spread and action was taken in Europe but not the UK. The private sector was a step ahead. Does the government want the sector to, just, open?

Encouraging lawlessness aside the signs from Europe, where there is much in the way of cautious reopening, are good, particularly for restaurants where the urge to eat something which hasn't been created by the eater is strong. There had been fears that fear would keep people away and that habits would have changed, but three months is not long enough to shift habit.

What will change habits is if restaurants and bars close altogether and with the public purse stretched - and covers limited - this is likely without proper government support until trading is back to the old normal. And for that, back to Boris.

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



Sponsor of The Overview

Of hope and hybrids

We have a confirmed re-opening date for hospitality! 4th of July in England, while Northern Ireland can re-open from the 3rd of July, and Scotland on the 6th for outside venues and 15th for indoor spaces. Wales, meanwhile, are yet to confirm their decision but we can presume it won't be far behind. This means then that it's all hands on deck for those who are set to take advantage of being able to welcome guests back.

From the conversations we've had in the wake of the announcement, the attitude towards re-opening, generally speaking, is enthusiastic. But of course not all properties are opening straight away. Some have taken the opportunity to refurbish during lockdown, as there's nothing like painting a hotel, restaurant or pub whilst there are no guests to worry about! Others however – especially in central London and other cities – just cannot justify the additional costs associated with opening when the demand is likely to be so low. Staff also aren't entirely confident about going back to work, especially those that have to travel on public transport, or those that are vulnerable or live with a vulnerable person. Many then are looking to the autumn before they are fully functional again, and some even later than that.

On the flip side, most out-of-town restaurants and country house hotels are experiencing a surge in bookings, even though in some cases some of their local communities are not so happy about welcoming 'outsiders' into their village or rural location.

The relaxing of the social distancing requirements though has made it easier for restaurants to open, but still there are concerns about breaking even – let alone making a profit. With reduced capacity impacting already small margins, there are many risks to consider.

There are lots of new technologies that enable guests themselves to find their allotted table, to scan a QR code to view the menu and place their order, and then pay as well. While this will go a great way towards reducing human contact, the tricky bit will be delivering the food and drink and clearing tables. The 1m+ social

distancing will though allow for more tables in the space, and for those with an outside area – they will reap the rewards of a willing and keen clientele. Let's just hope the weather remains warm and dry!

Another potential positive, that's sometimes overlooked, could well be a new attitude towards our industry from the general public. I think, or perhaps hope, that the pandemic has made more people appreciate hospitality businesses and maybe better understand the slim profits available from food and beverage service.

Despite positive movements towards hotel and restaurant reopening, the general feeling is that meetings and events will be the last to recover – especially when many blue-chip companies have imposed travel restrictions on their employees for the rest of the year and beyond.

One key factor that will play a part

in post-COVID recovery is transparency around the measures hotels have put in place. If you do not have the benefit of being part of a corporate with the new 'clean directives' please do take a look at the nationwide programmes from the AA (COVID Confident) and from Visit Britain / Visit England's kite mark "We're good to go". The public will place great stock on COVID precautions – and these initiatives will help to provide visible reassurance.

And finally, plans continue apace for HOSPACE – The Hybrid Edition. I am so excited that we are definitely going ahead with a great solution for all. So, please make sure you have 19th November marked in your diaries!

Jane Pendlebury

HOSPA CEO

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Full steam ahead to reopening

With England now given its reopening date, the United Kingdom is able to work towards a return for the hospitality sector, writes Katherine Doggrell

The announcement was welcomed by Jane Pendlebury, HOSPA Chief Executive, who said: “Having a definite opening date means hospitality can finally see a way forward – with the relaxation of the social distancing rule a huge relief for hoteliers and others in the industry.

“The uninitiated may see a hotel room as sufficiently socially distant (notwithstanding the cleaning logistics), but the situation is far more complicated than this. Without the ancillary services which people expect, such as the restaurant, bar and spa, hotels are going to struggle to attract custom once the novelty of simply getting away post-lockdown wears off.

“Reducing the social distancing measures then will have a huge impact. To outline the difference it makes, revenue management modelling suggests that 2-metre social distancing, which effectively creates a 4-metre diameter, reduces restaurant revenue to as little as 7% – a non-viable return given the factors involved.

“This changes considerably though as the distance is reduced. The proposed 1-metre distancing, equating to a 2-metre diameter of space, allows for around 45% of revenue. While this is still a huge reduction, if hoteliers and other restaurateurs are creative in their approach, they can work to increase those margins by implementing a variety of measures. This, at least gives them a chance to head in the right direction, enabling the opportunity to develop a workable service.

“Of course, safety is paramount and our priority is opening safely, for both guests and staff, but this offers the industry, if not exactly an open door to a return, then certainly a workable margin. No doubt there’ll be muted celebrations in hotels

all around the country as we look to start moving forward again.”

Prime Minister Boris Johnson said that hospitality had a “massive opportunity with all their inventiveness to exploit outdoor space, hitherto unloved space that may become havens and to use their ingenuity to open up in all the ways they can”.

Thomas Dubaere, COO of Accor North Europe, told us: “We wholeheartedly welcome today’s announcement from the government. Our focus throughout this pandemic has been supporting our staff and guests and it is vital that as measures are relaxed, we all continue to play our role in maintaining vigilance.

“To ensure guest safety and provide reassurance, we have introduced an intensified hygiene and prevention programme of measures called AllSafe which is verified in each hotel by external expert auditors. It will clearly take time to return to normal, but each extra step we can take along the way will help the industry rebuild and do what it does best for society and the economy, which is to provide great experiences and help bring people together.”

Carine Bonnejean, Managing Director of Hotels, Christie & Co, added: “It’s great to finally get some certainty around when hotel businesses can resume, this news will have come as a massive relief for the hotel industry, I’m sure.

“This is the best news that could have happened for businesses that rely heavily on trade over the summer period and will have a catalytic effect on everything, as businesses can start to plan properly.

“It will be interesting to see how things reopen, but it will take time for the market to properly recover. The next few months are not going to be easy, it’s going to be a rollercoaster. But now, at least, we are on

the rollercoaster and we’re moving.”

Julian Troup, Head of Hotels Agency at Colliers International, said: “Since the announcement in mid-May that the government had confirmed an “ambition” to open some hospitality businesses, from 4 July, as agents, we experienced a material pick up in the volume of activity that we were seeing, and generally, there has been a good deal more viewing requests and offers made on hotels in recent weeks.

“In addition, our clients’ feedback has been particularly upbeat in relation to hotel bookings coming in and general customer demand across the sector. Although July may prove to be a month of contemplation, already August and September “staycation” bookings appear to be coming through at a healthy rate. The critical impact for the sector will be the reduced capacity while ensuring that guests and employees are kept healthy, safe and secure.”

UKHospitality CEO Kate Nicholls said: “The government has given due recognition to how hard hospitality has been hit by this crisis. Our sector was one of the first to be seriously affected and we are going to be one of the last to reopen. Getting venues open again, even with social distancing measures in place, is the best way to secure businesses and jobs.

“We know that many people will be keen to get out and support their local pubs, restaurants and coffee shops, and to return to leisure and holiday pursuits.

“While many venues will endeavour to reopen on 4th July, capacities will be constrained by social distancing and some may be unable to trade viably at all, so continued government support will remain crucial. Many businesses have been closed for months with no revenue and are now facing substantial rent and PAYE bills. We

need financial help from the government, otherwise some of these businesses are going to go under right at the point at which they are allowed to open once again.”

CGA calculated that this means 145 million additional pints of beer will be sold through the sector, compared with what would have been sold with 2 metre social distancing.

CGA’s original forecast was based on 2 metre social distancing remaining in place until the end of August, meaning outlets could only trade at around 30% capacity, whereas at 1 metre they can trade at 70%, equating to a significant difference in sales as a result of increased capacity alone.

“As well as the difference in sales, more outlets are likely to open in July, as their businesses become viable at 70% capacity. The combination of more outlets opening and a significantly higher capacity across all who do, equates to an additional 145 million pints of beer sold over the remainder of 2020, although this does depend on consumer confidence and how people feel about going out again,” commented Jonny Jones, CGA’s director of client services.

“Our data suggests there is enough pent-up demand to max out sales at this level of supply, but many consumers are still cautious about returning to the trade and want to see precautions put in place to ensure their safety. It’s now down to operators to market their credentials as Covid-19 safe, and ensure that customers feel comfortable to visit their outlets.”

The BBPA welcomed the news saying that 75% of UK pubs should now be able to reopen. The BBPA, suggested that GDPR legislation could get in the way if pubs are asked to collect contact details from customers. CEO Emma McClarkin said: “This is an important step for us but it is just the first step on what will be a very a long road to recovery for our sector.”

A consumer insight report to assess the impact of COVID-19 on consumer habits revealed that diners and drinkers may be slow to return to the hospitality sector as customer confidence takes a hit.

The Safe to Trade consumer insight report, designed to track customer sentiment around returning to food and drink establishments said that half of consumers weren’t confident that the government guidelines would go far enough, with 96% of customers wanting to see venues rated in terms of their COVID compliance.

Nine out of 10 respondents would choose one venue over another if it clearly showed it conformed to, or surpassed, government safety standards; 94% of consumers would like to see industry experts advising on venue safety practices and 89% of guests would like to see outlets going above beyond any government advice, to provide maximum protection.

Mark Flanagan, CEO at Shield Safety Group, which administrated the Safe to Trade Scheme, and who headed up the Scheme’s Governance Board, said: “The hospitality industry has been significantly impacted by the COVID-19 pandemic. Over the next six to 12 months businesses in the sector are going to have to re-think how they engage with and reassure their loyal customers if they are to quickly start to regain lost revenue, as well as reassure both colleagues and customers.

“It’s clear from the Safe to Trade insight report that consumers don’t trust the government to go far enough to ensure their safety. If consumer confidence is to be supercharged and customers are to come back through the doors in serious numbers, then the industry is going to have to grab the bull by the horns and demonstrate that restaurants, pubs, bars and hotels are COVID-safe spaces. Consumers are demanding more and the hospitality businesses that will win, in the ‘new normal’, will be the ones that listen, respond and make the customer feel safe.”

Hotel guidance

Fuller considerations for hotel operators are set out by UKHospitality, but particular consideration should be given to:

- Taking measures to make reception areas safer, with increased cleaning, keeping the activity time as short as possible and considering the addition of screens between guests and staff.
- Considering minimising lift usage from reception, and providing clear signage for new lift rules
- Where offering room service, taking measures such as dropping butler’s trays outside door, and encouraging tips to be added to the bill
- Ensuring that housekeeping staff follow government handwashing guidelines, and making a checklist of all hand contact services to be cleaned when each guests vacates.
- Encouraging guests to wear masks on

communal corridors

- Checking the latest government guidance on opening of additional guest facilities (e.g. swimming pools, saunas).
- Ensuring that any bar or dining area is only opened in a way compliant with UK government guidance on the hospitality sector.

Restaurants, pubs, bars and takeaway guidance

- Calculating the maximum number of customers that can reasonably follow social distancing guidelines (2 metres, or 1 metre with risk mitigation where 2 metres is not viable, is acceptable) at the venue. Taking into account total indoor and outdoor space, specific venue characteristics such as furniture as well as likely pinch points and busy areas.
- Reconfiguring indoor and outdoor seating and tables to maintain social distancing guidelines (2 metres, or 1 metre with risk mitigation where 2 metres is not viable, is acceptable) between customers of different households or support bubbles. For example, increasing the distance between tables.
- Working with your local authority or landlord to take into account the impact of your processes, including queues, on public spaces such as high streets and public car parks.
- Working with neighbouring businesses and local authorities to provide additional parking or facilities such as bike-racks, where possible, to help customers avoid using public transport.
- Reducing the need for customers to queue, but where this is unavoidable, discouraging customers from queuing indoors and using outside spaces for queueing where available and safe. For example, using some car parks and existing outdoor services areas.
- Managing outside queues to ensure they do not cause a risk to individuals, other businesses or additional security risks, for example by introducing queuing systems, having staff direct customers and protecting queues from traffic by routing them behind permanent physical structures such as street furniture, bike racks, bollards or putting up barriers.
- Providing clear guidance on social distancing and hygiene to people on

arrival, for example, signage, visual aids and before arrival, such as by phone, on the website or by email.

- Managing the entry of customers, and the number of customers at a venue, so that all indoor customers are seated with appropriate distancing, and those outdoors have appropriately spaced seating or standing room. This is to ensure that the venue, including areas of congestion does not become overcrowded. Managing entry numbers can be done, for example, through reservation systems, social distancing markings, having customers queue at a safe distance for toilets or bringing payment machines to customers, where possible.
- Making customers aware of, and encouraging compliance with, limits on gatherings. For example, on arrival or at booking. Indoor gatherings are limited to members of any two households (or support bubbles), while outdoor gatherings are limited to members

of any two households (or support bubbles), or a group of at most six people from any number of households.

- Encouraging customers to use hand sanitiser or handwashing facilities as they enter the venue.
- Ensuring any changes to entrances, exits and queue management take into account reasonable adjustments for those who need them, including disabled customers. For example, maintaining pedestrian and parking access for disabled customers.
- Reminding customers who are accompanied by children that they are responsible for supervising them at all times and should follow social distancing guidelines.
- Keeping indoor and soft play areas closed. For guidance on opening outdoor playgrounds safely, see guidance for managing playgrounds published by the Ministry of Housing, Communities and Local Government.
- Looking at how people move through

the venue and how you could adjust this to reduce congestion and contact between customers, for example, queue management or one-way flow, where possible.

- Planning for maintaining social distancing guidelines (2 metres, or 1 metre with risk mitigation where 2 metres is not viable, is acceptable) in the event of adverse weather conditions, being clear that customers cannot seek shelter indoors unless social distancing can be maintained.
- Working with neighbouring businesses and local authorities to consider how to spread the number of people arriving throughout the day for example by staggering opening hours; this will help reduce demand on public transport at key times and avoid overcrowding.
- Determining if schedules for essential services and contractor visits can be revised to reduce interaction and overlap between people, for example, carrying out services at night.



STILL ENROLLING

HOSPA

The Hospitality Professionals Association
Professional Development

Study with us on our flexible online programmes in Hospitality Finance

The HOSPA Financial Management and Accounting programme is the only online course of its kind providing finance managers in hotels, restaurants and leisure with an industry specific in-depth [programme of study](#).

The course is focused on the requirements of the sector combining best practice from the Uniform System of Accounts for the Lodging Industry with statutory accounting. Studying with us:

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Celebrating with our top learners!

This month we feature Martin Jessop, who is a Director within the Commercial Banking business of Coutts, specialising in Hotels, who was presented with an award at the HOSPA Annual Awards Ceremony earlier this year.

Martin achieved the highest overall grade for Level One, of the HOSPA Financial Management course which he completed in August 2019.

Martin provides a full Relationship Management service to hotel clients across the UK. His main role is lending to hotel owners for acquisition, property improvements, refinance and repositioning. He also assists in servicing their day to day banking and working with fellow industry specialists to help Hoteliers to reach their goals.

Martin's client portfolio currently consists of 50 hotels ranging from budget to boutique, limited service to full service, independent to brands. Aside from servicing existing clients, Martin networks extensively and undertakes business development activities to win new business for the Bank.

Coutts has a world-renowned reputation for a personal approach to private banking and wealth management. For over three centuries, Coutts have perfected exceptional service. With an unrivalled appreciation of the intricacies of wealth, Coutts understands both the subtlety and the complexity of the lives our clients lead.

The Bank has a rich and diverse history, dating back over 300 years. From our foundations in 1692 to the present day, Coutts have always worked with exceptional people and maintained values of excellence.

Coutts is proud to have won a number of industry awards including Best Private Bank in the UK – Global Finance – World's Best Private Bank Awards 2019.

Martin says: "Prior to my HOSPA studies, the last time I studied was 31 years



ago at the age of 23 when I achieved my ACIB Qualification (Associated Chartered Institute of Banking).

Around 20 years ago I was working in a Business Development role for a competitor bank with stretching lending targets. I established strong relationships with Financial Intermediaries and Brokers, and many of the deals that were offered at the time related to the Hotel sector. I built up a portfolio of hotel clients and attended industry events to learn about the sector and advanced from there.

I now have 36 years' experience in Banking and have worked my way up the

ladder for four Banks. Immediately prior to joining Coutts five years ago, I headed up a Hotels team at a competitor Bank. It was a challenging time through the recession and I wanted to end my career at a Bank that was looking to grow their lending book. Coutts is a fantastic brand which has opened up lots of doors. We have established a strong team and have built up a strong portfolio of hotel clients in the short time I have been there. Our sweet spot is debt between £5m to £30m but we can go higher and continue to look for new opportunities in London and the Regions.

Coutts encourages and expects

Continued Professional Development from all its employees. It forms part of our annual performance targets and is geared to the individual in terms of approach and content. Lending to the Hotel sector is a specialism and this year I wanted to take a course in Hotel Financial Management as I receive 50 sets of Management Information every month from my hotel clients which I read, interpret and assess. What I thought would be useful is to understand how it was put together in the first place. Understanding the background to hotel accounting including preparing a trial balance, a profit and loss account, a balance sheet and a cash flow forecast together with the intricacies of stock management, depreciation and debt write-offs has increased my knowledge. By undertaking four assignments which were thought provoking and then sitting a three hour exam was a challenge given the long hours I work. However, I am competitive and here was a challenge so I went for it.

My colleague Oliver Powell also undertook the course and we were battling all the way to the end. I think I beat him by 0.2% overall. He should have revised harder!!

Having successfully completed this module I will be taking a break from exams, and next year I intend to spend several days with a selection of my hotel clients and shadow an operations team, a finance team, a revenue management team and a sales team, for on the job experience. It is unusual for a Bank Manager to spend time with clients in this way and show such an interest in their business. The hotel sector is thriving, it is a people business, and by investing time and being visible creates more business opportunities. I would love to remain within the sector when I eventually finish my Banking days, possibly as a consultant, adviser or a non-Executive Director.”

For more information regarding the HOSPA courses in Financial Management, Revenue Management and Asset

Management join us for our online Open Day on the 23rd July at 2.00pm.

Forthcoming webinars from the Professional Development team:

- How to use the HOSPA online resources including databases of journals via EBSCO – Thursday 16th July at 2.00pm
- Online Open Day – learn more about the HOSPA Education courses with members of the course team on hand to answer your questions Thursday 23rd July at 2.00pm
- Online Open Day – learn more about the HOSPA Education courses with members of the course team on hand to answer your questions Thursday 27th August at 2.00pm
- How to use the HOSPA online resources including EBSCO webinar – Thursday 17th September at 2.00pm

Place Checkup

The platform that will let your guests know that you're following all sanitary guidelines to prevent COVID-19

The web platform was developed by Infraspak to promote transparency between businesses and customers. It is available worldwide and it has already issued more than 300 badges in 10 countries.

Hotels, facilities, and business premises are reopening, but not everything will be as it was before COVID-19. The process of choosing a hotel for the next holiday or a restaurant for the next dinner out is now a major concern for everyone. Communicating the cleaning and safety procedures that you have implemented to mitigate COVID-19 to your guests

will definitely increase your chances of being selected.

It was to ensure guests' awareness and trust that the technology company Infraspak developed the PlaceCheckup.com platform. As a Hotel manager, you simply need to register on the platform, claim the ownership of your hotel, and complete a simple questionnaire about your compliance with safety and health guidelines. Then, your "COVID-19 Prevention Badge" will appear on the platform. You can also download it to share it on your online pages or have it on display on your premises.

On the other hand, guests can easily access the platform, search for

a Hotel on the map, and see real-time information about the implemented procedures you have in place, as well as the type of "COVID-19 Prevention Badge" you have.

Raising the bar through different types of certification

There are three different categories for Place Checkup badges: A, B, and C - based on the number of routines or prevention guidelines the Hotel follows as per the platform's criteria, based on the official World Health Organization (WHO) recommendations.

“Helping teams to implement routines has always been part of Infraspak’s “genetic code”. Since the beginning of this health crisis we have been working on ways to facilitate the implementation of new COVID-19

hygiene and prevention routines for the entire community, both for the safety of everyone and for the rapid recovery of the economy”, explains Felipe Ávila da Costa, CEO, and co-founder.

PlaceCheckup.com can be used

anywhere in the world and has already awarded more than 300 badges to establishments from more than 10 countries, including the United Kingdom and Ireland.

Infraspak is an intelligent maintenance and facility management platform, used every day by over 40.000 teams in more than 11 countries. It collects, analyses, and processes maintenance intelligence to improve decision making and make the lives of facility managers and maintenance technicians easier. <http://infraspak.com/>

As a Hotel manager, you simply need to register on the platform, claim the ownership of your hotel, and complete a simple questionnaire about your compliance with safety and health guidelines. Then, your “COVID-19 Prevention Badge” will appear on the platform.

Hospitality restart: driving direct bookings to maximise profit

The last few months have been an incredibly trying time for the hospitality industry, but despite the enormous challenges of the crisis, a huge positive that we’ve seen is an increased sense of camaraderie and cooperation.

Individuals and organisations across the full spectrum of hospitality have come together in shared endeavour to try and overcome the problems facing all of us.

And it’s in this collaborative spirit that Profitroom has formed a new partnership with HOSPA. Looking to maintain and nurture this sense of unity, we’re hoping to share our industry knowledge with HOSPA’s members, helping to shape best practice and advise hoteliers as to what they can do to maximise revenue as we look to rebuild as a sector.

Hospitality, having experienced weeks of

uncertainty, is now poised to restart, with operators having been given the green light to reopen in July. Of course though, reopening is far from straightforward.

The purported ‘new normal’ for hospitality is set to be vastly different from that of before. Budgets and forecasts are completely out of the window. Everything has had to be reassessed and effectively rebooted. Hotels are almost starting afresh – with new measures having to be put in place.

But with new beginnings comes new opportunity. And it’s here that, at

Profitroom, we’re looking to help.

Our services centre on delivering a range of SaaS solutions to hospitality businesses. These include our booking engine, CRM system, channel manager, website creation, marketing support and more, all of which are targeted at one thing – simplifying complex processes and driving more profits to hotels.

The crux of our direct booking services is that we help hoteliers encourage guests to book rooms directly via hotel websites, thereby bypassing OTAs and avoiding unnecessary commission fees.

At a time when revenues are more restricted than ever through social distancing needs, the additional margins afforded through direct bookings are going to play a crucial part in helping hotels to not just survive, but thrive.

And, encouragingly, data suggests that there's a very real prospect of hotels being able to benefit from a change in guest booking preferences in the wake of the crisis.

Using our live dashboard analysis tool, which looks at booking data across our portfolio of 3,500 hotels, we've seen a considerable increase in those looking to book direct. Compared to hotel bookings from the same period last year, there's been a jump of 37.2%. Comparatively, bookings via OTAs have fallen by 16.6%. That's a massive difference.

On top of this, there's also been a huge surge of interest, with traffic to hotel websites rising rapidly – soaring by 634% between 7th May 2020 and 7th June 2020.

With heightened demand out there, there's a real opportunity for hoteliers to capitalise on.

Ordinarily OTAs have long had the monopoly on online visibility. If a prospective guest searches online for accommodation in a certain area, options provided by OTAs inevitably come high in the search results. Many guests simply turn to the OTA result, thinking they're getting access to the best prices and a handy overview of an array of hotels available in the area.

Convincing guests that, in actuality, they're better off booking via the hotel website directly has long been the challenge.

Now though, COVID-19 has forced many prospective guests to rethink their approach. Why do we think this is?

Much of this can be attributed to a captive domestic audience. People are going to be looking more locally for hotel stays with international travel currently restricted. One of the advantages here is that domestic guests are more likely to trust a hotel's direct booking channels and go ahead, when previously they may turn to an OTA for an added layer of reassurance. Domestic brands too are more familiar, with people willing to engage directly, bypassing the OTA.

Furthermore, marketing is often more effective - and easier - when targeting a domestic audience, with promotions such as Google Ads, Facebook Ads and other commercial elements having more



of an impact.

Another contributing factor may rest on the current uncertainty. Guests are more likely to scrutinise a booking to satisfy themselves that a hotel's facilities are accessible, as well as reassuring themselves that sufficient COVID-19 precautions are being taken. This is done best via a hotel's website - thereby increasing the chances of the hotel being able to capture a direct booking.

At Profitroom we specialise in making direct bookings more appealing, by convincing the guest to go ahead. Whether that's through marketing services to drive traffic to the website, aesthetic redesign to wow the guest on website arrival, the booking engine itself to simplify the process and improve the conversion rate, revenue services to help hoteliers attract guests

Ordinarily OTAs have long had the monopoly on online visibility. If a prospective guest searches online for accommodation in a certain area, options provided by OTAs inevitably come high in the search results.

through eye-catching offers, or a CRM system to oversee the guest relationship – through these tools we provide a unified, strategic and cohesive approach.

Referring again to the spirit of collaboration, and to help hotels restart, we've formulated our COVID recovery package, which looks to provide hoteliers with the tools to drive profitability, with no up front investment or hefty monthly fees.

Of course – at present – most hotels are in no position to take on additional costs, unless they're essential. That's why, for three months, we're offering hotels the opportunity to take advantage of our solutions with the premise being that we don't charge you, while you don't earn.

With no set-up fees, no monthly fees, it's also no commitment. So, if after three months you're not seeing the results you expect then there's no obligation to carry on. We're confident that, by then, you'll regard our services as essential – but we leave that decision to you.

Now is the time to make your direct booking channels shine. Not only that, now is the time to make a lasting impression on those who do book direct, convincing them that, going forward with future bookings, this is the route to take.

With hotels needing to do all they can to drive revenue in the right areas, direct bookings and maximised margins will play a huge part in maintaining a viable operation whilst recovery gets underway.

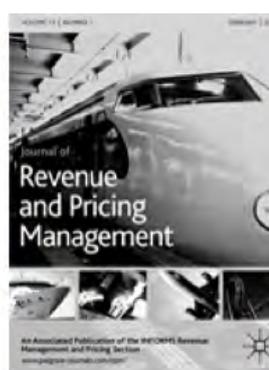
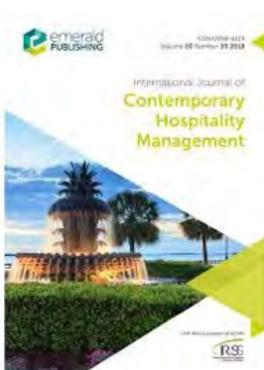
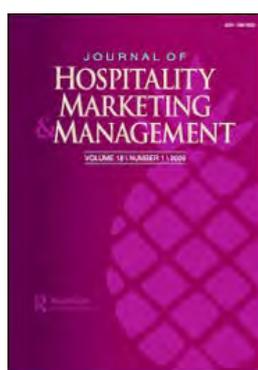


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Adapting to Covid-19: A checklist for hoteliers and operators

There's no denying that the coronavirus pandemic has wreaked a swift and devastating blow on our tourism industry. These are uncharted waters for us all, and uncertainty brings with it feelings of overwhelm and fear.

We know that many of you are feeling concerned – but you're also feeling determined to stay focused on the continued survival and success of the business you've worked so hard for.

So, here are some practical tips you can work through to help you prepare for, and better manage your way through, this unprecedented industry downturn. This checklist is to help guide hoteliers and accommodation businesses, manage operations through times of low occupancy, and adjust to a 'new normal'.

1. Maintain good communication

Your staff, suppliers, and partners are all feeling as uncertain about the future as you are. Good communication brings comfort. Even if the news isn't always positive, being proactive and clear in your communication about the situation and developments as they happen is fair. If you haven't already, establish an easy means of group communication for staff so that you can easily provide collective updates.

2. Clear and relevant customer communication

Communicating with your customers should change immediately to be more understanding, clear and factual. No one would like to be bombarded with irrelevant information during a difficult

time. Be relevant about what you share and when you share it. Let your customers know that you are there for them. You may not be able to change things, but can have compassion and adapt to the circumstances. Using Preno allows an accommodation provider to send automated emails to streamline communication.

3. Review your redundancy plan

Unfortunately, the reality is that you may need to make necessary changes to your staffing requirements in order to keep your doors open. Work through a hierarchy of responsibilities and requirements, and understand your financial obligations should you need to let your employees go.

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The redundancy process is one that needs to be closely followed to comply with policy in your country, so seek legal or external HR support if needed. Belonging to an industry association can be worth it as they offer their members valuable guidelines on how to best deal with redundancy.

4. Consider new staffing models

Explore the option of different staffing models that may allow you to maintain staff, just with reduced or changed hours, and therefore reduced payroll costs. This will allow you to retain good staff, and scale up again once restrictions are lifted and things start to pick up once more.

5. Ensure all staff have access to information

While each country will be different, it's likely your government has issued specific guidelines regarding operations and processes to help stop the spread of Covid-19. This includes cleaning guidelines, as well as precautions that must be followed in order to protect themselves while at work. Create really clear standard operating procedures that must be followed. Insist that any staff who are feeling unwell do not come into work.

6. Review supplier agreements

Take immediate stock of variable costs and cut where you can. Many suppliers are

also facing challenges of their own, and will be somewhat understanding and flexible if you approach them professionally and with transparency. Request credit terms, delayed payments or payment plans where you can. Cancel all non-essential accounts to limit outgoings to only critical fixed costs. Do remember though that paying invoices where you can keep the economy turning and will help you maintain good supplier arrangements long term.

7. Talk to your accountant

Get a clear understanding of what stimulus support is available to your business. Government support is being updated as things develop. Other agencies such as tax and business liabilities are offering some leniency to businesses that require it. If you haven't already, discuss options with your landlord around reduced or deferred rent payments.

8. Do a bit of a spring clean

Using the down period to do those things you don't always have time for. With the outbreak of the COVID-19 pandemic, the health and well-being of guests are of the utmost importance for hoteliers and accommodation providers. Draft a plan of action for a deep-clean around the hotel, fitness centre, meeting rooms, restaurants, guest rooms and other public areas.

Guests will be on high alert when it comes to meeting their cleanliness standards once they are allowed to travel again.

9. Create your come-back plan

We know that life as-we-knew-it before will not completely return once restrictions have been lifted. Plan strategies now for re-opening with realistic budgets and targets. It's likely that there will continue to be social distancing regulations in place for some time. For you, this may mean limited occupancy and a change in how some of your services may be able to operate.

Use this time as an opportunity to also review business processes and operations to make sure your hotel or accommodation operates as lean as possible going forward. Many technology companies are offering concessions on their platforms so that accommodation businesses may continue to make use of data and efficiencies.

Focus on what you can do once restrictions are lifted. For example, can you adapt to offer contactless pick-up or delivery options for food? What kind of customer will be your most likely opportunity once restrictions are lifted? Establish a marketing plan that puts you in a good position to take action once you have more certainty about what's ahead. Look at this in terms of customer segment – consider who will be travelling once restrictions are lifted, and how you may be

able to best reach your target customer through strategic marketing and communications.

10. Stay close to your community

Above all, while we know that it can be difficult to see an opportunity within the industry right now, the worst thing you can do is get complacent. Continue to take proactive action on things that will have your business best prepared for when you're able to open your doors to guests again. Collaborate with your industry colleagues, community and support each other.

Join community groups online or industry webinars to stay connected, this can be a valuable source of information, to find new ways and opportunities to navigate through the tough times. Care and compassion for our communities will be reciprocated and will see support – and occupancy – return in the months to come.

Amri Theron is Preno's head of marketing and enjoys being part of the hospitality ecosystem. She is passionate about helping accommodation businesses to transform their marketing, by exploring their core strengths and sharing their successes.

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Return to Profit Faster with Procure-to-Pay Best Practices

According to the Office for National Statistics, the UK unemployment rate has held steady at 3.9% through the Spring, but this figure is of course supported by the British Government's unprecedented job furlough scheme, which is anticipated to be wound down from August.

While rehiring is expected to pick-up as hotels and restaurants open from 4th July, the net effect is still anticipated to see a dramatic decrease in overall staffing across our industry. Hoteliers do not expect staffing to be fully restored until next year.

Given diminished staffing levels will likely continue, British hospitality operators must become more efficient through technology to make up for lost labour capacity. As McKinsey wrote during the early days of the crisis, "for all the uncertainty about what the future will bring, it's clear already that it will be digital... (and) for many companies, the only option is to accelerate their digital transformation."

To that end, in consultation with our partners in the hotel, catering and restaurant sectors, there are two technology initiatives that will address operational areas ripe for efficiency gains: 1) Sourcing & Procurement, and 2) Accounts Payable & Invoice Processing. Not only do initiatives in these areas unlock a leaner operating model, touchless digital transformation contributes to the health and safety of staff and guests through a dramatic reduction in paper handling and hand-written approvals. Companies that embrace best practices and technology now will be better positioned to return to profitability faster.

Sourcing & Procurement

Whether you are partnered with a GPO or manage buying independently,



eProcurement software is the building block for supply chain automation. With an eProcurement solution, procurement teams have the visibility and controls necessary to ensure buyers are purchasing the right products from approved vendors at the best possible price. Without eProcurement software, the buying process is opaque, time

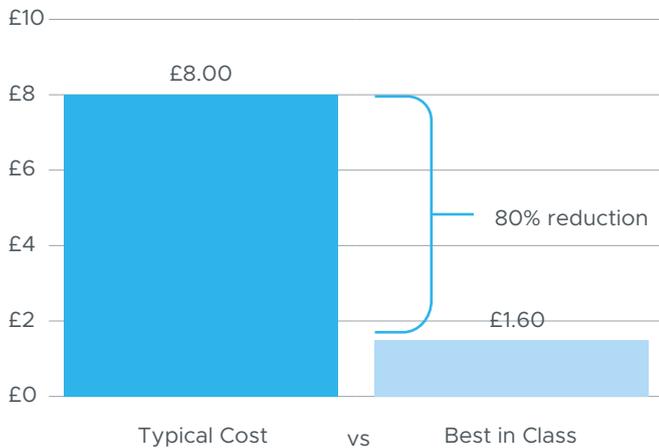
consuming, and prone to 'maverick spend.' Even when buyers are trying to follow corporate purchasing guidelines, the work is highly manual and error prone, and requires juggling spreadsheet after spreadsheet to figure out which vendor is approved and at what rate.

Adopting an eProcurement solution that automates the buying process

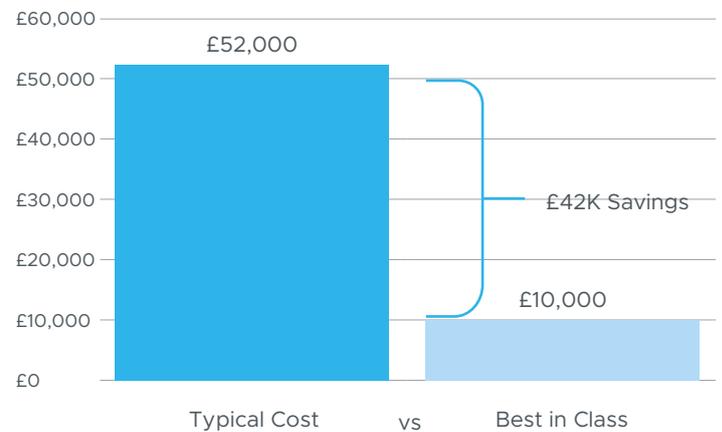
Efficiency and Cost Savings from AP & IMS

Illustrative full service property processing 6,500 invoices annually

Cost per Invoice



Cost per Hotel



solves these issues and more by aligning purchasing teams to best practices and approval workflows, which cuts down on time spent and paper touched. Furthermore, by aggregating spend across multiple locations into a single system, teams unlock strategic enterprise spend analytics and compliance reporting, can correct rogue spend, and leverage data to negotiate effectively with suppliers.

Accounts Payable & Invoice Processing

Industry surveys show that finance and operations leaders know there are significant efficiencies to be gained from digitising accounts payable and invoice

management functions, but as the hospitality industry was booming for the last decade, back office transformation projects were occasionally put off, based on the outmoded thinking that “We’re far too busy to even contemplate digitising processes.” Now, smart hoteliers, restaurateurs and suppliers are recognising the enormous ROI of automating and digitising invoice processing, and are capitalising on the COVID-19 ‘downtime’ to align to best practices.

To illustrate the significant bottom-line cost savings related to invoice processing automation, let’s use as an example a full service 250 room hotel that is managing 6,500 incoming invoices per year. Research firm Sterling Commerce states that the cost of processing a single invoice can be up to £20, but assuming a more conservative average cost of £8 per invoice, the total cost for processing invoices for our example hotel is £52,000 per year. If this property is part of a management company with 20 similar-sized hotels, the resulting costs comes to an eye-watering £1,040,000. By adopting Best-in-Class tools and aligning to invoice processing best practice, that number can be reduced by 80% or more. Using our example above, that means £42,000 in savings per property, and £840,000 across the management company’s portfolio.

How is this possible? By digitising the entire P2P process, many labour and time intensive tasks are automated, and

better visibility and control also eliminates profitability leakage that occurs through overpayment of invoices. Indeed, Best-in-Class P2P software, coupled with strong corporate leadership, can drive straight-through AP and invoice processing rates to 80%+. That means four out of five invoices do not require any manual intervention by a staff member because the purchase order, invoice, and receiving record all matched within pre-set tolerances on the quantity, price, and other header-level details. Time previously spent processing invoices can be cut from days to hours, and invoice processing costs can conservatively be reduced to £1.60/invoice.

Automating the Procure-to-Pay cycle and aligning to industry best practice has a clear and compelling ROI. Between the reduction in direct cost and the ability to redeploy resources to more strategic initiatives, the case for back office automation in hospitality has never been stronger.

Insight: An average 250 room hotel can realise a £42,000 net cost savings by adopting Best-in-Class invoice automation processes and technology

Insight: eProcurement technology is the essential building block of effective supply chain management and provides a highly compelling ROI. Empirically, Best-in-Class procurement functions can deliver 5%+ savings gain on every Pound of enterprise spend.

Turnover rent push by tenants

An increase in the number of CVAs under discussion was less a sign of stress and more an attempt to bring landlords around to turnover rent, Katherine Doggrell reports

The solution has been presented a number of times during the pandemic, with landlords instead favouring deferrals.

Ryan Grant, Partner, Business Restructuring, BDO, told a webinar hosted by HOSPA and BDO: “We’re seeing a lot of sitting and waiting. At the moment all landlords are offering are deferral, but what this sector and the economy needs are turnover rents. The banks will provide covenant waivers, they will provide payment waivers - enforcement is not an option as it crystallises a big loss.

“This isn’t a recession, it’s something affecting supply and demand, it’s to do with liquidity in the market. The government intervention has bought businesses time to respond

“We are seeing that businesses need to be viable and need to demonstrate that, but how do you estimate occupancy and covers? It’s very hard to complete restructurings and refinancings - many of don’t know how long this will take to

get back the new normal. There are a lot more conversations around CVAs, but this is a drive to get landlords to a turnover rent position.

Grant advised businesses to be “proactive and reactive to all the announcements, which are on a daily basis. Speak to your landlords - when businesses have been open on what they can and can’t do, they have been quite open to discussion. Stakeholder management is key, we’re all in this together. The government will keep applying new measures as they can’t let the investment they’ve put into the UK economy go to waste.”

Grant followed Robert Barnard, partner, Hospitality Consulting, who was hopeful about the future of the sector, commenting: “Hotels and the wider hospitality sector have been among the worst hit industries, but there are also opportunities, but also opportunities for investors and operators able to react quickly out of the lockdown world. Hospitality businesses will have to wait for

step three of the lockdown plan, which will be no earlier than the 4th July.

“When hotels do open the sector will have endured one of the longest and damaging lockdowns to hit any part of the UK economy. Hotels have been in survival mode. Some forecasts suggest 40% occupancy when hotels reopen, 50% in 2021 and 2019 levels in 2022, 2023. The biggest casualty will be GOP, which is unlikely to return to 2019 levels until 2024/25.”

Barnard did, however, point to an increase in the deals market, adding: “The industry is going to be in a very fragile position and I’m afraid that there are people out there described as vultures waiting to swoop. There are plenty of funds sitting on piles of cash looking for distressed purchase. I cannot comment on Ebitda multiples because they will plummet during 2020 but because the industry is recognised as able to bounce back, a lot of people will look at 2019 as the 2021/21 as the new normal. Yes there is nervousness, but by 2022, 20223 at the latest we will see a new normal, but by that time I expect there will have been a considerable number of transactions.”

He added: “The measures taken by the government have been crucial in helping hospitality businesses stay afloat during lockdown, however these have not been enough to prop up all hotel businesses and several small and independent businesses have gone into administration, with Covid-19 cited as a contributory factor

“It is possible that there will be a boom in staycations. Hotels in attractive holiday locations such as the Lake District and coastal resorts are likely to benefit. Guests are likely to be attracted to well known brands which are more likely to be trusted t



implement improved hygiene standards. We have seen major hotel brands partnering with hygiene brands. We are likely to see a slower recovery from hotels reliant on international travel or meetings and events.

“Even when hotels do open it will not be business as usual. Social distancing and enhanced cleaning measures must be introduced. Lobbies and restaurants will need to be reconfigured. Face-to-face interaction should be minimised. Customers may be made nervous by table service and hotels may need to offer enhanced offerings for in-room dining. Much of this will require a complete shift in hoteliers’ mindset.

“Historically the hotel industry has bounced back from recessions, but C-19 has created challenges which may last for months or years. Hotels that are able to adapt quickly and find innovative solutions will be in the strongest position to survive.”

Looking more closely at the specifics, Mark Edwards, partner, audit, at BDO pointed out that sustainable issues might

seem last year’s news, but remained relevant and there were additional disclosures on climate change and other environmental disclosures. He said: “This is coming and from 1 April 2019 you have some considerations to consider, particularly if you’re a large company. You have to comply with various disclosures and almost certainly you will have to find experts to prepare this because it is not straightforward. UK energy use with associated greenhouse emissions and information on methodologies. Transport one of the most interesting areas - and individual flying for a business purpose on a commercial flight would not be included, those emissions are covered by the airline.”

Looking at the issues more closely related to the pandemic, Edwards commented: “It is moving incredibly fast, any advice sits with huge levels of caveats. For the most part, a 2019 year-end is going to have covid-19 as a non-adjusted balance sheet event. It wasn’t declared a pandemic until the 11th March.

“Thinking about costs to reopen hotels - can then be included in the June year end? No, they must be included at the time. Should there be a holiday from depreciation charges? No, although there could be some isolated cases. Be cautious around furlough scheme accounting; there is an obligation that those claiming it calculated fairly and HMRC are ramping up their assessments of these.”

Edwards identified a structure to the phases which governments were facing. He said: “It turns out that reopening may be even harder and there’s a ‘resilience’ stage in terms of how you act if you try and get back to a sustained phase of operation. The ‘realise’ stage comes after that - what changes are going to be permanent and structural. The key areas are going to be people and the workforce. There’s going to be a huge level of uncertainty for some time. We hope there’s going to be a recovery that is quicker than hoped, but businesses need to be prepared for something a bit longer.”

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The return of travel: a four-phase theory

As the U.K. begins to eye a summer reopening for the Hospitality industry, there is a growing sense of emotion in the air.

As members of the industry, we are eager to understand what the future of travel will look like, and how it will evolve. As travellers, we are filled with a desire to reconnect with friends and family, in destinations old and new.

Many continue to speculate exactly when the return of travel will occur. At Amadeus we are focusing on how this return might occur. In doing so, it becomes easier to use leading indicators to understand what opportunities and challenges the industry may face, and how to prepare and react accordingly. As part of this, it's time to focus outside of our own market and explore what's going on in the world around us. Though levels of crisis still differ, when we consider what regulations are introduced or removed, and how markets ease lockdowns, clear patterns begin to emerge. In sum, we can sense that travel will return in four phases: **local reopening**, **domestic reopening**, **continental reopening** and, finally, **global reopening**.

Local reopening

In the earliest stages of recovery, and where markets like the U.K. currently sit, restrictions on activity and movement are still present. For the U.K., social distancing remains an integral pillar for virus protection, teleworking is actively encouraged and although regional travel is permitted, holidays are not. Hospitality reopening is still restricted, and the public may still be waiting for their first drink back at the pub.

Considerations for hotels:

- Now is the time to think about your staff, rehiring as many as possible in order to get them trained on new

hygiene standards and practices.

- Updates to common areas and facilities may be required in preparation for opening
- Sales, Marketing and Revenue Management teams should be actively preparing their plans to cover all stages of recovery.

Domestic reopening

Once the Hospitality industry is given the green light to begin opening doors, we expect that COVID-19 is largely under control within that country's borders. Restrictions continue to ease, and numbers for meetings in groups rise, as does venue capacity.

Considerations for hotels:

- Hotels can begin to open, with clear updated procedures in place.
- Leisure travel is expected to return first, so hotels should prepare campaigns that appeal to the domestic market. For example, in Visit Britain's weekly sentiment tracker, Brits indicate a desire for trips to the great outdoors and health/wellness activities. Cleanliness standards will also be top of mind, so it's essential that these are clearly communicated and demonstrated to bookers and guests.

Continental reopening

Already in place in many parts of the world, governments are seeking to rebuild tourism by allowing certain groups of countries to enter, or through 'travel bubbles.' As a result, mandatory quarantines are removed but regular checks will remain in place as people begin crossing borders. Group sizes will increase, and we expect venues to

be able to welcome up to 3/4 of their capacity indoors.

Considerations for hotels:

- Depending on agreements, hotels may have the opportunity to significantly increase occupancy by attracting demand from neighbouring countries.
- Traveller confidence will continue to grow but concerns for hygiene still remain.
- Events will start to return, and hotels with event facilities should make sure packages and spaces are adapted for a post-COVID world.

Global reopening

Welcome to the new normal! It's still difficult to say for sure what this experience will be for travellers, but the expectation is that COVID-19 is now under control worldwide. Border restrictions will continue to lift, and long-haul flights increase in frequency and capacity.

Considerations for hotels:

- Use your data to understand where demand is coming from. It's likely that there are changes compared with pre-COVID as a result of travel restrictions, which may continue for a while.
- Traveller needs may change in the long-term. The most successful hotels will likely be the ones that address those concerns and adapt their key messaging to assuage them.

Learn more about what you can do to prepare, Amadeus has launched a series of eBooks, in collaboration with HOSPA, the Institute of Hospitality and HSMIA. Access them here: www.amadeus-hospitality.com/planning-for-hospitality-recovery/

Sources: Spain phased plan April 29, Europe update April 29, USA reopening plan, New Zealand alert levels summary, Maine US plan to reopen April 29

How the new ‘Contact-free’ hotel experience can still be personal and engaging

Hoteliers are gearing up for the ‘new normal’ with new social distancing and safety measures but there is a concern that a contactless experience will signal an impersonal and distant one - exactly the opposite to being hospitable and guest centric.

However, it doesn't have to be that way. Hoteliers can still deliver an engaging and enjoyable guest experience, by adopting new practices that satisfy both the guest and the hotel's bottom line.

Guestline, the leading hospitality technology provider, demonstrates how ‘contact-free’ solutions can help hoteliers reduce physical contact as much as possible and boost revenue when they re-open and start welcoming guests again:

Digital guest registration & communication

It all starts with a guest making a booking online, where hotels can promote new enticing offers and deals, in addition to their flexible cancellation and amendment policies. From here, hotels can send out pre-stay communications to their guests using simple and automated templates in their PMS to reassure and comfort guests and relay useful information on new operational and safety measures in place – as well as providing potentially upsell incentives. Arrival times can be

pre-arranged and guests can fill in their registration details online ahead of their arrival to create a safe and manageable flow through reception during check-in.

Food and beverage digital ordering

During their stay, online food and drink menus can provide guests with the ability to order food and beverages digitally. Orders can then be delivered to a guest's room or table. Alternatively, orders can be collected, or delivered to non-resident's homes via one of the main online delivery platforms like Just Eat, Deliveroo and UberEATS. Again, another way of maintaining a safe distance and providing a potentially new and efficient revenue stream for hotels.

Payments and check-out

Hotels can keep in contact with their guests during their stay via email, SMS, WhatsApp, LiveChat etc. so they have all the hotel information like floor plans, cleaning guidelines and new leisure/F&B processes at their disposal. And when it comes to checking out, guests could review and pay their final bill online,

again to avoid any build up at reception.

Hamzah Hafesji, Senior Product Manager at Guestline commented, ‘Going forward, the relationship between hotels and their guests will be different, but that doesn't mean the guest experience should be any less enjoyable. Our solutions will enable hoteliers to reopen as quickly and efficiently as possible, adopting the new practices that reflect current safety and social distancing measures.’

Reduced contact points

Hafesji continues ‘Hoteliers need solutions that reduce the physical contact points that guests incur but heighten the engagement through digital means – which will help drive customer confidence as well as protecting vital revenue streams pre, during and post-stay.

‘We're consulting clients on an on-going basis and engaging with them to address the most pertinent challenges and ensure we're delivering the most appropriate and business critical solutions. Demonstrations and training videos for all customers will also be available to ensure they're confident in the new processes from day one.’

Europe at historic low

According to HotStats, April was a month of virtually no business volume for Europe's hotels, as the coronavirus spread across the continent, prompting countries such as Spain, Italy and Russia to impose lockdowns in order to flatten the infection curve.

The result was pain across the operating statement, with GOPPAR recording its historical low at -€17.86, a 132.0% decline compared to April of 2019.

With travel bans and mandatory stay-at-home orders in effect, occupancy fell by 69.7 percentage points YOY to single-digit levels, which, combined with a 44.1% drop in average rate, drove RevPAR down by 95.5%. The closure of F&B venues, as well as health clubs and spas, among others, thwarted the possibility of generating ancillary revenue to compensate for the rooms decline. As such, TRevPAR plunged 93.3% YOY.

Expenses also reflected the volume slump. Total labor costs were down by 70.4% YOY, led by cuts in rooms (down 73.5% YOY) and F&B (down 76.4% YOY).

With travel bans and mandatory stay-at-home orders in effect, occupancy fell by 69.7 percentage points YOY to single-digit levels, which, combined with a 44.1% drop in average rate, drove RevPAR down by 95.5%. The closure of F&B venues, as well as health clubs and spas, among others, thwarted the possibility of generating ancillary revenue to compensate for the rooms decline. As such, TRevPAR plunged 93.3% YOY.

Overhead expenses shrunk as well, by 59.2% YOY, mainly due to a 94.1% nosedive in credit card commissions and a 79.7% decrease in Sales & Marketing expenses. Profit conversion was recorded at -156.3% of total revenue in April, placing 189.3 percentage points below the previous year.

Hoteliers in Europe did a good job at containing the impact of vanishing revenue on profit, achieving a 14.5-percentage-point increase in flex percentage on a month-over-month basis, from 38.7% in March to 53.2% in April. The flex percentage is an indicator that measures how efficient the operation is at saving costs to compensate for revenue declines. The higher the flex percentage, the better, as it shows that profit falls proportionately less than revenue. As a rule of thumb, a flex percentage of 50% is considered a good result in the industry, and achieving a level above that in such a short time is a testament to the quick reaction of hoteliers given the new paradigm.

Moscow

About two thirds of Russia's confirmed cases were concentrated in Moscow. In order to contain this, the government issued a nationwide "non-working month" in April, whereby nonessential businesses were ordered to close, and people were asked to self-isolate at home. The lockdown had a devastating impact on hotel profitability in the city, which recorded a 129.3% YOY drop in GOPPAR to -€20.71. This is the first profit-per-room negative value in Moscow since HotStats started tracking data in the market.

With occupancy down by 73.1 percentage points YOY and average rate falling by 35.2%, RevPAR in Moscow plummeted by 94.1% compared to April 2019. The closure of all other

major revenue-generating outlets meant that there was barely any ancillary revenue, resulting in a 93.6% YOY plunge in TRevPAR.

Expenses were also on a downward trend in April. Total labor costs fell by 51.7% YOY and, with expenses down across all undistributed departments, overheads decreased by 49.9% YOY. As a result, profit conversion was recorded at -215.0% of total revenue, a 261.9-percentage-point drop from April of 2019.

London

The UK also saw a ramp up of confirmed cases in late March and April, spurring the government to enforce a lockdown in order to tamper down the contagion rate. For hoteliers in London, that translated into a virtual shutdown of their operations, and a 115.7% YOY fall in GOPPAR to a record low of -£10.94.

Quarantines and travel bans drove occupancy down by 73.9 percentage points YOY. Average rate also descended, down 52.2% YOY, and the combined effect of these metrics resulted in a 96.6% YOY decline in RevPAR. With all other revenue sources affected in the same manner, TRevPAR in April placed 90.6% below the same month on 2019.

Hoteliers in the city were able to slash expenses in the face of this unprecedented revenue contraction. Total labor costs were cut by 69.2% YOY, with a focus on operated departments such as Rooms (down 74.5% YOY) and F&B (down 75.1% YOY). Fuelled by a 46.5% YOY decline in utilities and an 88.8% YOY fall in Sales & Marketing expenses, overhead costs were cut by 62.5% YOY.

In all, profit conversion was recorded at -63.7% of total revenue in April, 101.8 percentage points lower than the previous year.

Upcoming Events

COVID-19 UPDATE

Due to the Covid-19 HOSPA live events have temporarily been postponed. We may still be able to run Innovations In Technology - Hosted by HOSPA and HMA - on 15th September. HOSPACE on 19th November will run as a live and virtual conference. Stay safe until we meet again and in the meantime, keep up to date on events affecting the sector with our blog.



Innovations In Technology

Central London / On Line Event

6.30 - 8.30pm

HOSPA and the HMA associations are delighted to host a joint members Networking event themed Innovations in Technology. The event will take place in Central London subject to Covid-19 restrictions. Further details to follow.



Annual Hotel Conference

Manchester Central Convention Complex

The Annual Hotel Conference is a conference for hoteliers; individual, boutique, branded and consortium hotel owners, operators and managers segment of the industry. Joining hoteliers at the event are developers, architects, consultants, marketing and social media experts, investors, bankers, advisors and government agencies who all gather to learn, network and do business in a forum which deals with the issues of the day.

HOSPACE

The Hybrid Edition

Live & Virtual Conference

Thursday 19th November 2020

HOSPA want to support the industry as much as we can in these challenging times and feel strongly that HOSPACE should go ahead as planned on 19th November. Therefore we are delighted to announce that HOSPACE 2020 will be a 'Hybrid' live and virtual conference.

This means that we plan to run a reduced 'live' TV Studio type event with a socially distanced studio audience, while a simultaneous virtual event capturing the same content takes place online. We aim to run a similar programme to last years event, including plenary sessions as usual, with presentations and panel discussions.

We will also run workshops with online break-outs for those attending both in-person and virtually. One of the core strengths of HOSPACE is the networking opportunities and we are looking at creative and new ways to facilitate as much interaction and networking as we possibly can, however you attend the event.

Further details will be released soon, but in the meantime please keep 19th November free.

HOSPA COVID-19 WEBINARS

To replay any or all of the recent webinars please go to the HOSPA website <https://www.hospa.org/webinars>. Each one has a summary with key timings so that you can jump to a relevant section if you do not have time to play the full 60 minutes. Feedback from our recent online LinkedIn and Twitter polls suggested that our weekly webinars were

highly valued while we were not able to operate hospitality businesses normally. We are now stopping the regular weekly webinars, however we are not abandoning them altogether! We will continue to offer webinars - but on a more ad-hoc basis. Keep you eye on the events section of the website and the HOSPA group on LinkedIn for regular updates.

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

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Save the date

HOSPSPACE

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Further details to follow

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