

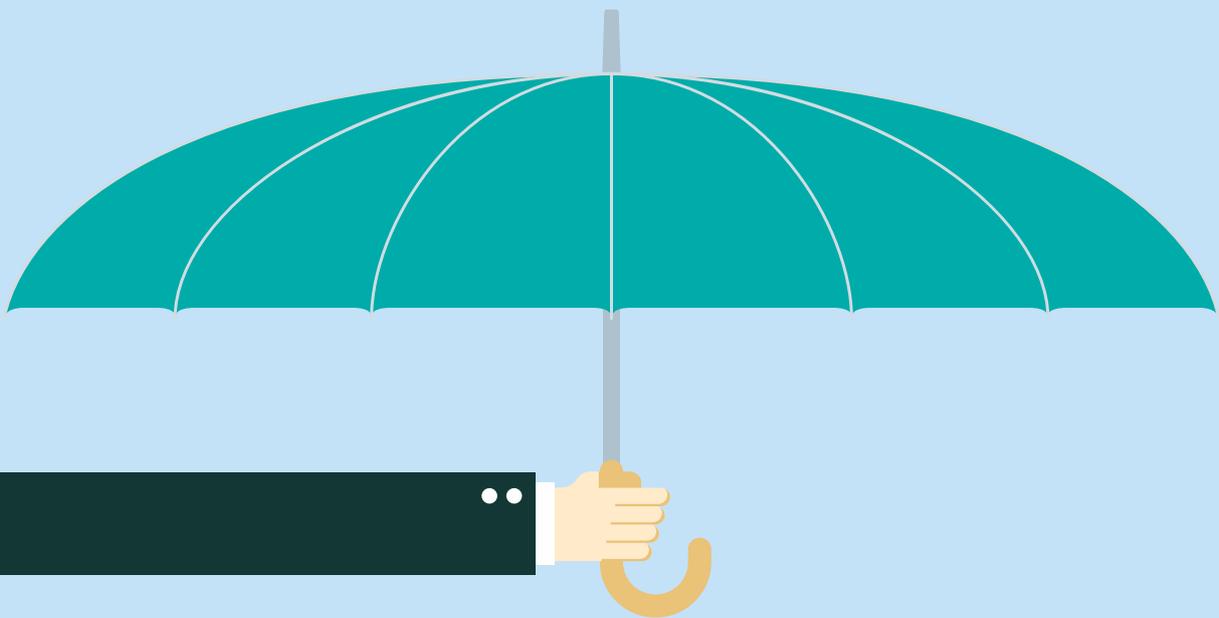
THE OVERVIEW

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OCTOBER ISSUE 2020

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Welcome to THE OVERVIEW

This winter is looking, as one medical acquaintance of this hack said: “not too flash”. And there’s no point in pretending otherwise. Even if a vaccine is discovered tomorrow then we won’t be getting it by the weekend and, for companies struggling to make it to the end of each day, it seems like the stuff of futuristic fantasy.

But, for those of you still reading, this doesn’t have to be as hideously depressing as it sounds. We have learned so much in recent months and it is being put into practice. In the hotel sector, all that empty space is being used to host workers looking for somewhere without Lego underfoot, or somewhere a team can meet at a safe distance than a small office. There has even been talk of ballrooms used for schools and, with promises all over that schools will be the last area of life to close, there is hope of revenue there.

For restaurants and bars, many became converts to takeaway and delivery food and, as we heard from Criton’s Julie Grieve in a HOSPA webinar in August, being able to order through an app rather than catch someone’s eye at a crowded bar is an innovation everyone enjoys.

It is hoped that there will never be the need for another national lockdown, but should it come to that, the sector has been shouting to get its voice heard in government, with our own Jane Pendlebury amongst the voices on national news outlets, banging the drum. The message is getting through: there has been cross-party support for a long-term reduction in tourism VAT a debate in the House of Commons.

The furlough scheme is to be replaced with a version of the German kurzarbeit programme (with less contribution from the government than the original model) which is unlikely to save sector jobs. More noise is needed.

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



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The IT lifeline

HOSPA CEO Jane Pendlebury talks about embracing hospitality technology as a result of the COVID crisis.

The furlough was a life saver for most hospitality businesses across the UK. Without the funding from the Government, the face of hospitality in this country would be entirely different. There is still a long road to recovery ahead, but at least now we are out of full lockdown and our venues can operate, if only to a limited level. No-one wants to see another closure of all hospitality businesses, however temporary, again.

There were some roles that were less likely to be furloughed than others and – assuming ‘lucky’ describes continuing to work whilst others didn’t – often those in technology based roles were the lucky ones. Initially the tech team might have believed this was the perfect opportunity to complete unfinished projects and to write the how-to guides department by department, but no.

It quickly became a demanding time for those non-furloughed workers. Often they operated with a reduced team and an increased workload. Strategy papers were screwed up and thrown away. It was time for a clean sheet. Systems still had to run, websites were still live, building management systems were crucial and day-to-day operational software solutions had to be managed. In many establishments there were no kitchen staff to monitor temperatures of freezers, there were no room attendants to check in-room technology, there were no office staff to run daily routines. All avoidable expenses, not least support contracts, were under the spotlight and became the focus of new negotiations. Utilities including heating and lighting had to be closely controlled.

On top of all of that, there were staff galore working remotely for the first time with no technology in place to access servers remotely. Laptops were purchased, configured and dispatched. Old laptops were reconfigured and others limped on with ancient technology. Employees working from home were often using their own devices. Security was paramount with the cyber security risk increased, so logins were changed, VPNs were built and

broadband issues addressed. The security responsibility of the tech team didn’t stop there, the focus on physical security became different in so many ways. The hotel or venue may have been boarded up, but that didn’t negate the risk.

Plus, of course, the operations team were still using software solutions daily to manage communications, to issue refunds, and in many instances to support ongoing trade from key workers and new enterprises. Systems to manage pop-up coffee shops, takeaways, home delivery tools – all potentially required new technology or adaptation of existing solutions. The sale of gift vouchers, incentives and other initiatives generating much needed income to help with cash flow were introduced – again IT were called upon to manage vital new activities. Property management systems and points of sale had to be adapted to match the new demand. Finance departments continued to run payroll, pay invoices and negotiate with suppliers. IT were called on to support these functions.

Other systems that were totally switched off had to be fired up into action for re-opening in July and beyond. Bringing systems back online having been shut down for months is rarely straight forward. Even when it all appears to be back up and running, testing is a critical part of the exercise.

In addition to all of that, IT Directors had to consider all the new guest expectations. Would it still be acceptable to have a TV remote control and a guest directory in the bedroom? What about telephone handsets, coffee machines and other gadgets? How would room attendants let the front desk know a room was ready without using the freshly sanitised phone? How would keys be distributed to guests? Could the food menus be used? How would diners place their orders and pay their bills? What tools could be used to monitor the temperature of guests and staff? How could businesses maintain guest engagement with such reduced contact?

The hospitality industry was delighted with the Government support, not just of

the furlough scheme, without which there would have been significant redundancies and earlier, permanent closures. The introduction of the #EatOutToHelpOut scheme and the VAT reduction – were warmly welcomed by the industry. But yes, you’ve guessed it another demand for our tirelessly working technology experts. And, the industry continues to hope for more recognition to help with the devastating impact of social distancing, controls on group sizes, next to no demand for meetings and events, handfults rather than plane loads of business travellers. Each lifeline is grasped by hospitality, welcomed by everyone, whilst the IT team diligently deliver the tech to support new business models.

And that is just skimming the surface. I can hear people shouting at me already! What about ever changing goal posts, local influences versus national directives? What about delivering all of this with reduced budgets? The list is a never ending one, and the ever-present demands on the IT teams to document processes, highlight potential savings and develop new solutions didn’t disappear.

We must also not forget that many in IT were not lucky enough to keep their jobs, adding to the workload of those left holding the fort. Still the pressure is on. Reduce costs! Increase margins! Re-imagine the offering! Be creative! Don’t spend any money! Technology is essential and will need to be resourced appropriately.

Hospitality’s heads of technology (IT Managers, IT Directors, CTOs) have seen their roles change in recent years, mostly for the better. Recognition of their contribution to the smooth running of operations and commercial advantage is not new. However, now – more than ever – may be the time to take a moment to value their positive influence on the overall success of our businesses.

Jane Pendlebury

HOSPA CEO

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A tale of two cities

Chris Cowls MBE, Chief Executive of Eproductive and HOSPA board member and Katherine Doggrell, editor of The Overview, look at the best of times and the worst of times.

London - Chris

42 was the number of cars yesterday in the station car park of the town where I live, Dorking, Surrey. With a capacity of 328 that car park (which used to be always full) is my personal barometer about the state of London, because if the good burghers of Dorking are here, they aren't there.

I have been enthralled by central London for the 35 years I have worked in and around there - with the place itself in all its finery and frippery, but above all with the people and their sheer diversity. And the beating heart of London that has helped keep it together for centuries? Hospitality, again in all its diversity. From the coffee houses of the 17th and 18th centuries where the insurance and banking systems first emerged to the grand hotels of the 19th century, the swinging clubs and pubs of the 20th century and the world-leading dining scene of this century, hospitality is a key reason why people have always come to London. Or did until March 2020.

Will Dorking station (and the rest of the mass transport system) ever be full again after Covid-19 is a nightmare behind us? Will London and its hospitality heart ever get back to its former self? My sense is

that, whilst the vast numbers of commuters will go down, the other myriad reasons for locals and tourists 'heading up to Town' will be undiminished - the national spectacles, shows, exhibitions, sports, culture, shopping, meeting each other - being at the centre of things. And hospitality will bounce back as an integral part of the experience for those returning. The

businesses that largely existed to service the office working population will shrink as others grow. Ours is a hugely innovative sector, and I know several entrepreneurs who are already working through what London will look like next and how they will make the most of it. The hospitality heart of London will beat differently - but still with the vigour of centuries.



Will London and its hospitality heart ever get back to its former self? My sense is that, whilst the vast numbers of commuters will go down, the other myriad reasons for locals and tourists 'heading up to Town' will be undiminished.



London photos by Roy Harris

Paris - Katherine

I moved to Paris last year, eager to embrace the cross-border opportunities afforded by speedy rail links, Schengen and a generally outward-looking way of life. And that sounded like a pretty good theory until the barriers shot back up as the pandemic swept in.

The French adopted a full lockdown faster than in England and, to prevent the rioting in the streets for which the people have a gift, the government was quick to outline an €18bn package to support the tourism and hospitality sector.

Then-prime minister Edouard Philippe said: "Tourism is facing what is probably its worst challenge in modern history. Because this is one of the crown jewels of the French economy, rescuing it is a national priority.

"This very French pleasure, which is at the heart of our identity, to meet up, eat well and have a chat, has been compromised by the lockdown first, and then the conditions of lifting that lockdown."

Such wise words weren't enough for Philippe to keep his job, but wise they were. France has a grand tradition of supporting the joys chatting and eating well - over four million people are given luncheon vouchers by their employers to get out every lunchtime and support their local bistro. So it was always going to use its enthusiasm for public debt to protect it. When you've got yourself a decent way

of life going, you want to protect it.

What makes these simple pleasures so valuable is how universal they are. Some nations embrace leaping into cold ponds and hitting themselves with birch twigs, which clearly isn't for all, but most of us can see the delight in sitting in the sun with a drink and maybe some baked goods, watching the world stroll by. There is égalité - seats often face outwards so the lone diner feels no stigma.

The day the lockdown was lifted - allowing outside eating first - the streets

of Paris were crowded with 'ephemeral terraces', constructions of wood and plant pots hastily licensed, giving all restaurants a chance to reopen. And the pent-up luncheon voucher demand delivered, as newly-pedestrianised streets filled with chat and the sound of people eating food they hadn't prepared themselves.

As we head into winter, fears of another lockdown are inescapable. But while the daily routine is at risk, that which gives France its identity is not, and there is comfort to be taken in that.

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Celebrating with our top learners!

This month we catch up with one of our star learners from the HOSPA Revenue Management courses.

Sarah studied with HOSPA in 2018 / 19 on the HOSPA Certificated courses in Revenue Management and she achieved the highest grade overall for the Level 3 course in Strategic Revenue Management which she completed in August 2019.

Sarah Artis, who is currently a Group HR and Revenue Manager at Best Western Ship Hotel (Desborough Hotel Group) was presented with her award by HOSPA Chairman, Harry Murray, MBE at the HOSPA Annual Awards Ceremony in January.

The Best Western Ship Hotel is located in the heart of Weybridge and is ideally situated for visits to Hampton Court, Windsor, Kew Gardens, RHS Wisley, Twickenham Rugby Ground, Thorpe Park, Legoland, Chessington World of Adventures, Brooklands, Mercedes-Benz World and Wimbledon Tennis Grounds. There are also numerous race courses and golf clubs within a short distance to make the hotel a superb place for a leisure break.

Prior to studying with HOSPA, Sarah completed a Post Graduate Diploma resulting in Chartered MCIPD (Chartered Institute of Professional Development). Sarah first joined the hospitality industry working part-time as a HR Officer following her maternity leave with her second child.

Sarah goes on to explain:

"I have worked in the same business for almost 17 years developing my knowledge and skills across the whole business. I was working as HR Manager and was asked if I wanted to take over responsibility for the revenue team. It was quite a different role from my current but I enjoy a challenge and learning new things so accepted the opportunity offered. That was 5 years



ago and since then have got involved in meeting and events as well as reservations and revenue.

Although I had a common sense approach to revenue the course has given me a greater understanding of revenue principles including a broader and longer-term approach to reservations.

I hope to continue developing my knowledge of revenue management and improve the practices in my current role."

The next enrolment date for the HOSPA courses in Revenue Management is March 2021 – for more information contact education@hospa.org.

For immediate access to resources to help you in your career in Revenue Management check out the HOSPA RM ebook as well as the huge range of current and past articles and reports in the Journal of Revenue and Pricing Management – FREE to all HOSPA members.

My Welsh odyssey, in the footsteps of Gerald of Wales

Gerald of Wales travelled around Wales in 1188 with the then Archbishop of Canterbury trying to persuade Welshmen to sign up for the Third Crusade. Facing a much bigger challenge of trying to get all the stuff - and the dog - in the car, my family and I all headed off to Wales for a week.

The weather was lovely, being served by welders in pubs and restaurants was a bit strange at first, but something we quickly got used to. Speaking to the landlord at one of the lovely traditional pubs (through his full-face welding mask) he vented his frustration that the politicians, councillors, mayors, the media etc. had true-to-form started making decisions based on party lines or just to get one over on the other side.

An example of this is the requirements for mask wearing across the United Kingdom. "You would think that in the current crisis," he said "they could all put aside the party politics get on a conference call and say can we all just agree masks must be worn in shops in all parts of the UK?" or "let's just agree a list of countries that are safe to travel to?". No, that would be far too easy! For those of you who don't know masks don't need to be worn in shops in Wales.

Politics is too serious a business to be left to politicians, as Charles de Gaulle famously said. Perhaps it is time for the people to remind them of the faith we put in them. People want to go on with their lives. They are not paid to be part of the political imbroglio.

You can excuse the initial failures, everyone was surprised by COVID-19 and no one was prepared, but the genie is now out of the bottle. Remember the

talk of the V, W, J, L etc. shaped curve? I really didn't want to write about COVID-19 every month, but with the recent press conference it is becoming apparent that COVID-19 isn't going to be the short-term blip that everyone hoped it would be. With the Furlough scheme starting to wind down and Christmas looking like its cancelled, hospitality can be forgiven for thinking the light at the end of the tunnel is a fast approaching train. UK hospitality is going to need some targeted financial help from the government for the foreseeable future.

With the Furlough scheme starting to wind down and Christmas looking like its cancelled, hospitality can be forgiven for thinking the light at the end of the tunnel is a fast approaching train. UK hospitality is going to need some targeted financial help from the government for the foreseeable future.

Could the COVID-19 second wave in the UK be an elaborate conspiracy to move the focus off Brexit? The promise of the blue and gold design for our new passports became a rallying point for Brexiteers, however some Britons are disappointed with the darkness of the blue on their new passports. I'm not making this up. If you have had a new passport let me know has it made you blue? Oh, how I yearn for the good old days when Brexit was the biggest issue for UK business!

Thanks to Mark Jelley for sending me an email so I know at least one person read my last article. I would love to hear from you and include your comments and suggestions for future columns so feel free to drop me an email. andrew.evans@keystep.co.uk

About the Author



Andrew Evans, Chief Executive Officer, Keystep Solutions Limited

High Court backs business interruption insurance

SMEs around the UK can now look to payouts, reports Katherine Doggrell

The High Court has ruled in policyholders' favour in the business interruption case bought by the FCA.

It is thought that claims worth around £1.2bn could be affected by the ruling, which was likely to be appealed.

The High Court looked at 17 policy wordings from eight different insurers - Arch, Argenta, Ecclesiastical, MS Amlin, Hiscox, QBE, RSA and Zurich - to decide whether Covid-19 triggered a business interruption insurance pay out.

Based on other policies that the FCA had studied, the court's rulings were expected to apply to nearly 50 insurers, who sold insurance to 370,000 customers - mostly small businesses.

Hiscox said that fewer than one third of its 34,000 UK business interruption policies were affected with additional claims like to be less than £100m net of reinsurance. This encompassed claims from all divisions including Hiscox Re and was a reduction of £150m from the upper end of the group's previously published risk scenario. The group's share price was up by 13% at the time of writing.

Christopher Woolard, interim CEO, FCA, said: "Coronavirus is causing substantial loss and distress to businesses and many are under immense financial strain to stay afloat. Our aim throughout this court action has been to get clarity for as wide a range of parties as possible, as quickly as possible and today's judgment removes a large number of those roadblocks to successful claims, as well as clarifying those that may not be successful.

"Insurers should reflect on the clarity provided here and, irrespective of any

possible appeals, consider the steps they can take now to progress claims of the type that the judgment says should be paid. They should also communicate directly and quickly with policyholders who have made claims affected by the judgment to explain next steps.

"If any parties do appeal the judgment, we would expect that to be done in as rapid a manner as possible in line with the agreement that we made with insurers at the start of this process. As we have recognised from the start of this case, thousands of small firms and potentially hundreds of thousands of jobs are relying on this."

The FCA said that the ruling was subject to the limits of the policy but that the compensation should return companies to the position they would have been in had the pandemic never happened.

Sonia Campbell, head of insurance disputes at Mishcon de Reya, said: "I am delighted with today's judgment and what this means for many thousands of policyholders. We identified at the very outset that many of these policies covered Covid-related losses, and the judgment is a vindication of our position. For many hospitality businesses in particular, having their insurers pay out on their Business Interruption insurance policies is a matter of survival.

"Without this judgment, even more businesses will have been forced to the wall. The judgment means that many policyholders are a step closer to recovering losses from insurers. We do anticipate that insurers will apply for permission to appeal but we hope they will do the right thing and now start paying claims."

Paul Lewis, partner at Herbert Smith

Freehills, the FCA's law firm, said: "The decision should bring welcome news to a significant number of policyholders who will need to read the judgment carefully and see how the principles laid down by the court apply to their policy wording."

Rafi Saville, forensic partner at accountancy firm HW Fisher added: "This a landmark case and one of the most controversial legal issues resulting from the coronavirus crisis. Today's decision will affect over 400,000 small and medium businesses particularly in the leisure, property and hospitality industry who were forced to close their doors back in March. The ruling is likely to be considered as a partial victory and it could have a ripple effect for the entire marketplace, with its conclusions likely to be applied to other affected claims. However, the decision today could possibly add to the confusion experienced by many business owners.

"It is now crucial for these businesses to pay attention. Although the ruling may well be subject to an appeal, it becomes even more necessary for businesses to consult their insurance documentation with a view to understanding whether their Covid-related losses will be covered. At this early stage, we understand that policies covering 'notifiable diseases' will be covered under the ruling."

We identified at the very outset that many of these policies covered Covid-related losses, and the judgment is a vindication of our position.

A look at revenue management from a CCO's perspective

I had the pleasure of speaking with Kym Kapadia, chief commercial officer and head of hotels for Aprirose Real Estate Investment. With nearly 30 years of hotel experience, she is one of the most accomplished revenue management, sales, marketing, and distribution specialists in the European hotel sector.

Kym's impressive track record within several major hotel companies and independent organisations includes serving as revenue director for IHG, Marriott, and Hilton. More recently, as Michels & Taylor's commercial VP, Kym was instrumental in building industry-recognised and successful commercial disciplines for a variety of investors, banks, and finance houses.

Question 1: When we look at the discipline of revenue management and the role of revenue managers before COVID-19, why were they struggling in securing a leading spot in the commercial area?

Kym Kapadia (KK): Revenue management and the role of the revenue manager has changed dramatically over the past 10 to 20 years, and pre-COVID, it supported an array of strategic decision-making within hotels, management companies and ownership groups. It's well known the role itself has been continually evolving since its inception in the 1980s, now supported with more automated and structured technology than ever before. Data-driven automation has allowed hoteliers to leverage sophisticated algorithms to develop forecasting and pricing strategies.

Previously, reporting lines and "final say" went to the sales and marketing function, not the revenue manager, and it's true the industry will never know the extent to which revenue opportunities were diminished simply because revenue

management recommendations were ignored or not actioned as advised. Having been one of those first-generation revenue/yield managers, my view is still that—pre-pandemic—the general understanding of what a revenue manager should be accountable for, and should do, was far from clear, and varied across many brands and operators across the globe.

This lack of clarity led to a sizeable challenge when trying to progress the role into a strategic leadership position within a hotel or organization. Some companies made huge progress, where revenue management appetite came from the top of the tree, and others were less open to relying on a role that simply carried too many unknowns.

Here are some key reasons for the revenue manager's continued struggle:

- Falling into the role without adequate training and development (e.g., a front-office manager)
- Perceived as systems or numbers people who perhaps lack the ability to translate complex data into simplified reasoning
- Had a reputation for hiding behind the screen
- Huge range of RM skills depending on the company
- No definitive guidelines or generic understanding of what the role should do

- They became data-gatherers, rather than interrogating the data and responding to insights
- In many cases, less confident and therefore less assertive than their sales or marketing counterparts
- Fell into a comfort zone without any necessity or inclination to continually adapt to constant change
- Titles denoted less senior roles than other commercial counterparts
- Lack of senior support and trust (such as the hotel GM)
- Information overload, without the necessary "thinking time" to make good use of it

Question 2: Will the pandemic threaten the existence of revenue managers and the revenue management discipline as such, or will it offer a unique opportunity to gain the position they've sought for so long?

KK: As we all come to grips with reopening during this global pandemic, all roles within the hotel structure have been readjusted. COVID-19 seems to have specifically reoriented the revenue manager role as they now must try to "de-automate" and "re-humanise" their methodology with technology's support. In an instant, all our paradigms shifted; flexibility and adaptability have become the most valuable attributes for any job, and the position of revenue manager is one of the most affected during this time. Automation will of course always be key, especially

during times of limited resources, but what we're seeing is an increased need to add that human touch on top of the usual revenue management systems.

There is indeed a unique opportunity for revenue managers to now be more engaged with the recommendations created by their systems and be prepared to tweak and shift strategies based on additional factors. With almost no historical data of relevance, technology systems that focus on rigid rules have struggled to adapt without human intervention. So far, we've seen that revenue managers who can adapt, interpret data, and make quick decisions are the most likely to succeed.

Collaborating with their peers, and other departments, to shift expectations to leverage additional revenue streams, might—just might—put revenue managers in their rightful place (the place they've sought for so long) at the forefront of commercial decision-making. The trouble is when I hear examples like I did just today of a relatively experienced revenue manager say to a sales manager: "...but I just don't like wholesale rates." It reminds me that the success of this transition is, like many things, dependent on its weakest link.

No shift change is possible without data available at our fingertips. While current demand is focused on leisure, business travel will slowly return. In the meantime, it's time for the revenue management role to ensure hotels keep their finger on the pulse, embracing all data points to paint as clear and accurate a picture as possible. Rebuilding or reconfiguring systems from the ground up will be essential, and revenue techniques should become the playbook that helps hoteliers achieve the highest profits possible. All of this headed up by a more flexible, adaptable and innovative revenue manager...who else?

Question 3: Will the commercial structure in the hospitality industry change after COVID-19 and if so, how?

KK: The commercial structure was already under scrutiny, and now we have a perfect opportunity to refine it. The pandemic will unquestionably change how hotels are run and, in particular, how all commercial operations are planned and implemented. In an era of convergence, many traditional roles like sales, marketing, distribution,



and revenue management are under review, with the lines being blurred between commercial disciplines and the desire (and necessity) to move the needle from "revenue" to "profit," to TRRevPAR and guest-journey optimisation.

With general demand being down over the coming months, it's likely the commercial team will be smaller than it used to be, with some specialisms of the commercial function being either less extensive or replaced with technology. Roles and jobs to be done will look different, just as demand from various sectors and segments will look different. The silos between sales, marketing and revenue management will disappear in the more effective structures, and the new normal is set to focus more on "revenue generation," which will in turn lead to a one-fluid-unit, a streamlined team working more toward creating profitable revenue streams for the hotel.

The one pivotal role will be that of the person leading the commercial remit—someone highly data-driven with extensive motivational leadership skills and who turns from strategic to hands-on whenever required...somewhat bionic, although very possible. With those skills and qualities, I wonder if having a typical revenue management grounding (pre-COVID style) will be the magic required to create the very best future for the

commercial function going forward. I'm excited to see how this will progress.

About the Author

Damiano Zennaro – Head of Advisory Services, EMEA, IDEaS Revenue Solutions

As IDEaS' head of Advisory Services in the EMEA region, Damiano Zennaro is a firm advocate for the power of positive, meaningful and strategic transformations. He's made it his mission to push the boundaries of revenue science into new verticals while supporting the ongoing success of IDEaS' existing clients. Always looking ahead, he believes in the importance of proactively embracing change with trusted partners by your side.

Before joining IDEaS in 2019, Zennaro spent 16 years with InterContinental Hotels, most recently as director of revenue leading a large team of revenue managers across Europe where he oversaw initiatives that achieved significant RevPAR uplift. Born in Venice, he has lived in several European countries such as The Netherlands and Spain and is fluent in five languages. He is currently based out of IDEaS' Italian office in Milan and serves as a driving force across the entire EMEA region. Ever the adventurer, Damiano is an avid reader, swimmer, hiker and mushroom forager.

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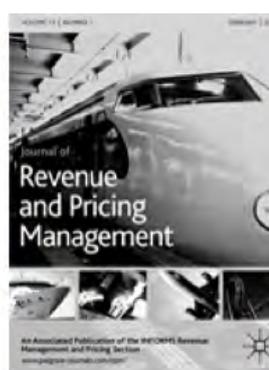
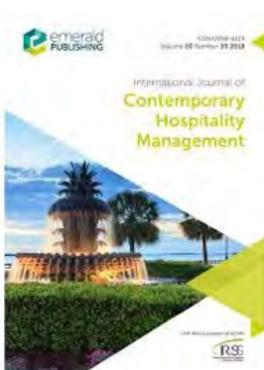
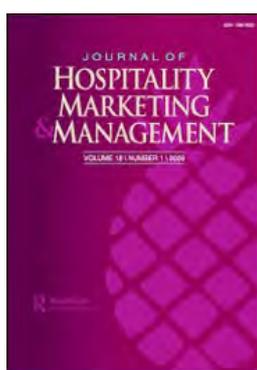


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Consumers reassured by apps

The use of apps to check in and order room service was preferred by cleanliness-seeking guests, a recent HOSPA webinar heard.

A study undertaken by Criton reported that 62% of guests would prefer to check-in/out through the hotel app and 47% would be happy to order room service if they could do so via the app.

Julie Grieve, founder & CEO, Criton said: “The use of technology is growing and it was there before Covid - before Covid hit, 73% of guests were happy to use an app and that’s gone up to 80%. The big question we have to go to ask ourselves as hoteliers is if that’s what they want, what can I use it for? You can use it to help them get the information they need, but also to help them buy more. Making sure that if you have someone in

your hotel, you’re helping them spend their hard-earned cash.”

Richard Harrison, managing director, Coombe Abbey Park, who has been working with Criton, said: “The holdup for us with an app was that we are a very traditional hotel and we were struggling to work out how an app would fit in with that. Then Covid happened and everything happened very quickly. The decision was very much ‘how do we give our guests the option to do something different and not talk to a member of staff?’. We didn’t want to take away the ability to do what they’ve always done at Coombe to talk to staff to check in manually.

“We said we’d like the app, the guest

directory, the in-room ordering, the messaging service and we’d also like to upgrade and have the ability for guests to open their doors with their mobile ‘phone. It was about easing that guest journey and we had a high client uptake. They are using it to open their room, to have a seamless journey through the stay. They are very much engaging with it. We’re starting to see people who didn’t know what we do engaging with us.

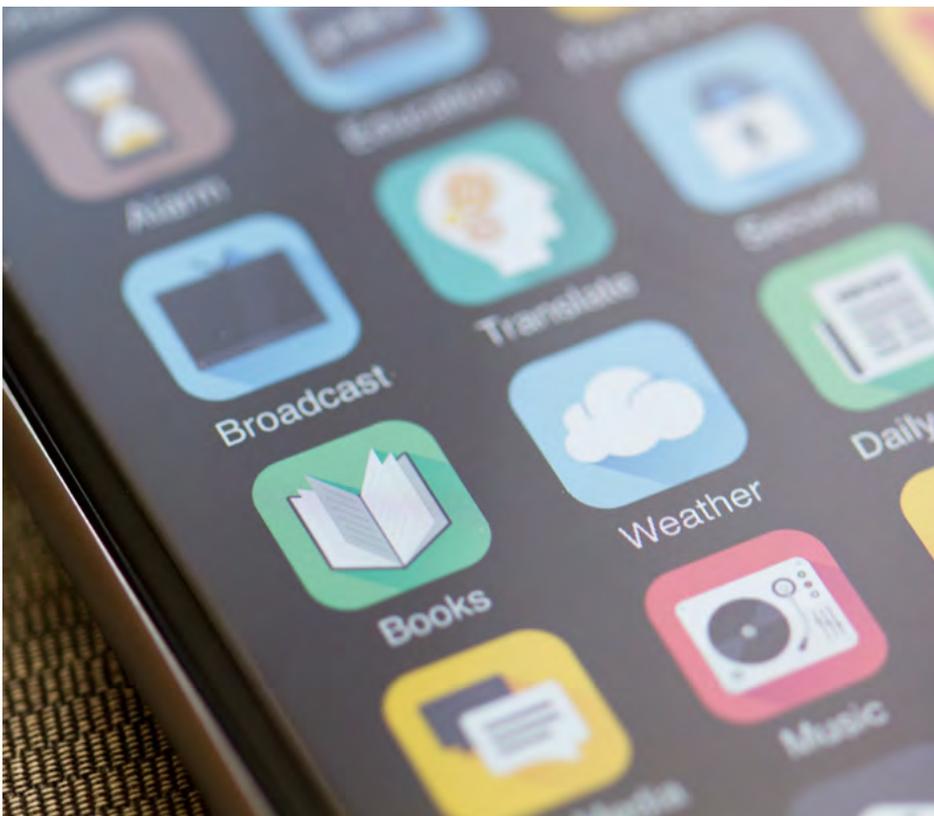
“The main driver of this was the removal of printed materials from bedrooms. The only thing you will see in the room now is a card asking people to download the app. The other great thing is that because, as with other hotels now, we are not cleaning rooms for stopovers unless request it, is that ability for someone to request a room clean or more towels and we’re seeing a real spike in people using that.

“There is a fairly even split with who is using it demographically. The older guest is far more tech savvy than we give them credit for and it’s easy to use - if you can use Google you can check in.”

Grieve added: “The older generation is more tech savvy, they’ve all been using their ‘phones and their devices to speak to their family - they’re also more likely to be higher risk or shielding. We had a lady come to stay who had been shielding and she had come to the hotel to spend time with her family - it felt lovely to be able to reduce her anxiety levels.”

Harrison: “People are used to downloading apps now. If you tell them there’s one available, they will download it.”

Grieve: “More importantly, people keep the app, so you have this ability to reconnect with them directly in their ‘phone and it’s not stuck within millions of emails.”



As temperatures drop, bookings rise

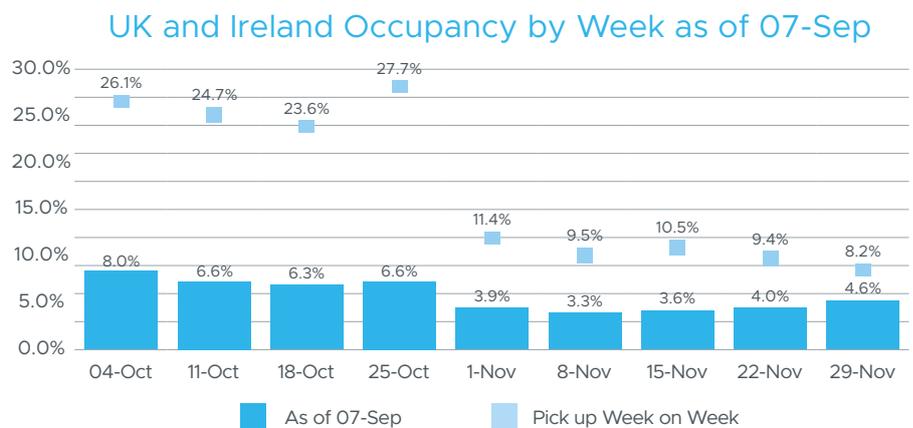
With COVID-19 cases fluctuating globally and continued governmental guideline adjustments, it can be difficult to look on the bright side of life.

Our forward-looking data shows that there are signs of opportunities to be had within the hospitality industry. We explain below what some of the latest trends Amadeus Demand360® data is showing us as we head further into autumn.

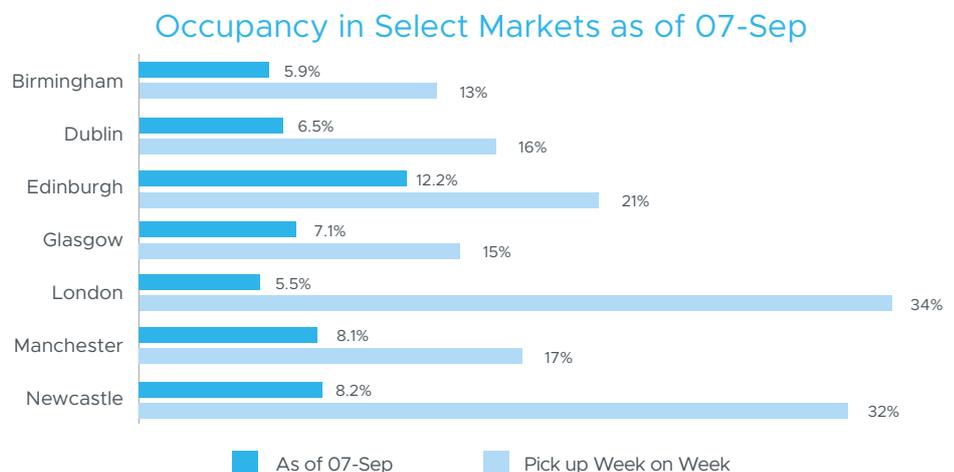
Week-on-week occupancy continues to rise

Numbers are not yet hitting 2019 levels, but we are seeing a continued increase in occupancy. As we look ahead to October and November, despite a slight dip early November, week-on-week occupancy is higher than in previous weeks. An important point to note here is the impact of lead times. For now, lead times remain shorter, with almost half of bookings made in the 0-7 day window. However this trend is slowly shifting towards 2019 patterns, with more bookings made within one and two weeks of travel. As you consider your marketing plans for the next few months, keep in mind promotions that capture both longer-term and last-minute demand.

What about target audience? In terms of source market, unsurprisingly, the majority of bookings continue to come from within the United Kingdom. However, an important change to note here is the choice of destination. Preference for metropolitan areas is on the rise, with occupancy pick up growing double digits week-on-week in the first weeks of September. For those with properties in cities such as London, Newcastle and Edinburgh, this presents an opportunity to ramp up advertising in order to capture potential interest.



Source: Amadeus Demand360® data as of September 7, 2020



Source: Amadeus Demand360® data as of September 7, 2020

OTA bookings continue to outperform 2019

Looking at channel mix, with restrictions still in place for business travel, GDS bookings remain lower than 2019. As leisure travel continues to be the focus for the coming months, hoteliers need to prioritise driving bookings through more profitable channels. The positive news is that Brand.com and direct hold the largest share of bookings, however

hoteliers should keep an eye on the number of bookings from Online Travel Agencies (OTA). Despite a lower share, this channel has the highest growth year-on-year versus any other.

To help hoteliers drive more bookings direct, we've created The Direct Bookings Playbook. In this guide, you can understand helpful steps and strategies to drive more guests to your website, and maximise conversions.

5 Ways you're wasting money with your old finance system

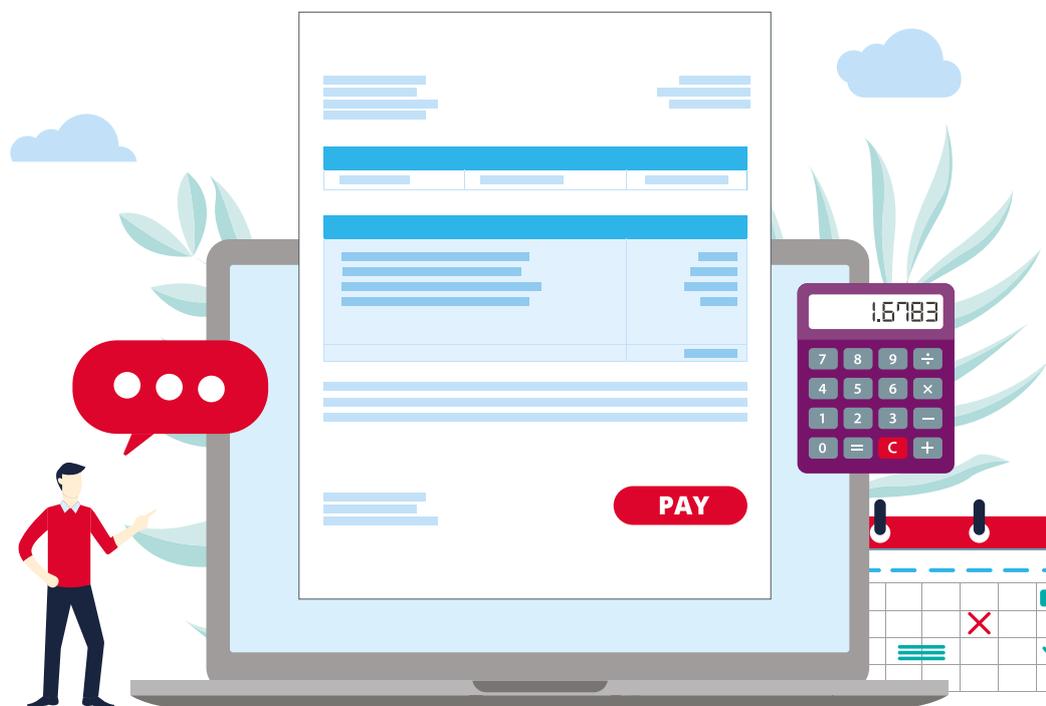
Jo Fuller examines five ways you're wasting money with your old hospitality finance system.

Undoubtedly, 2020 has been one of the hardest years for the hospitality industry, with the global pandemic bringing the sector to a standstill almost overnight. Steps to reopen are still tentative, with the looming threat of local lockdowns ever-present. In light of this, the industry is under increasing pressure to make real cost and efficiency savings in an effort to not only offset the negative impact of 2020 but to build a more agile, sustainable business, ready to weather any future storms that might come its way.

One area which is often overlooked is that of back-office systems, particularly finance systems, which can be a hidden source of cost inefficiencies, with outdated, inefficient systems not delivering anywhere near the levels of value they should. With this in mind, we've identified five ways that many hospitality businesses are actually wasting money with their finance system, looking at how this can be remedied.

1. Numerous Offline Workarounds

Many legacy systems simply can't cope with business growth, unable to scale flexibly to meet the changing needs of a growing business. Inefficient, labour-intensive solutions can actually prevent growth, with costly mistakes the result of human error and the inevitable consequence of trying to manage a growing business with a tangle of systems that aren't fit for purpose.



2. Inefficient Reporting

Disparate, disjointed systems mean that it falls to someone to spend an inordinate amount of time pulling together information from across the business to secure a comprehensive view of the entire organisation. Not only does this result in errors but it's time-consuming meaning that key information is not only inaccurate but often out-of-date by the time it reaches key decision makers.

3. On-premise Problems

Maintaining on-premise solutions is not only costly but resource-heavy too. After

the initial investment, it's an ongoing commitment to maintain the solution itself, not to mention the cost and effort required to keep hardware working effectively, while taking care of data security, disaster recovery and other business-critical issues.

4. Paper Overload

Many incumbent financial systems are very admin-heavy, involving a hefty paper trail which is not only difficult to manage but error-prone and nigh-on impossible to search effectively and in a timely manner.

5. Manual Integration

Older finance systems usually don't have the open architecture required to automatically integrate with other business systems. Again, this leads to inefficient manual intervention, taking time, costing money and paving the way for unhelpful errors.

Flexible Scalability

Thankfully, there are modern, cloud-based financial management platforms available that address these issues head-on, all while delivering further benefits to the wider hospitality business.

They're flexible and scalable, meaning they grow alongside the business, supporting and enabling growth, with an open architecture ensuring the hassle-free integration with other core business systems.

The fact they're in the cloud makes

them much easier to manage, eradicating the need for an in-house resource that's dedicated to managing the systems. Updates and upgrades are handled remotely, minimising downtime, and data can be accessed anywhere, on any device for maximum business flexibility and responsiveness.

When it comes to reporting, information is automatically pulled from right across the business, from different locations, sites and business functions, consolidating multiple entries in minutes, with the system slicing and dicing the information as required by the business to deliver insightful, user-friendly and accurate reports in real time.

There's no longer any need to manually amalgamate data, boosting productivity and minimising errors. Add to this the fact that approvals and authorisations can all be carried out online, with invoices and other key documents stored online too, this further enhances performance for

even more cost and efficiency savings.

With the right financial management system in place, one which spans not only financials but operational data as well, it's possible to streamline key business processes while securing enhanced visibility right across the business. It's only by taking full advantage of systems such as this that hospitality firms can make the cost and efficiency savings needed to optimise operations.

The right solution can be an enabler of growth, establishing an efficient and cost-effective infrastructure to help the business go from strength to strength even in the most challenging of circumstances.

Stem the Cash Tide

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Aruba and ASSA ABLOY Global Solutions have collaborated to enable Aruba APs to interoperate with VingCard in-room locks. The expense of separate Zigbee gateways is no longer required.

As hotels move along the path of digitalization IT networks have an important role to play as the data highway for IoT devices and services. Converging guest Wi-Fi and multimedia content delivery infrastructure with

back-end applications and in-room door locks, duress alarms, comfort controls, and lighting systems is less complex to deploy, easier to maintain, and more robust against attack. Converged networks also do away with the need for dedicated in-room gateways.

Freed from the limitations of gateways, property owners can select best-in-class in-room devices tailored to their needs.

Interoperable & flexible

We've taken the guesswork out of hospitality deployments by ensuring the interoperability of VingCard locks

with Aruba's Wi-Fi access points.

Set-up is a breeze so joint deployments go in faster, and Aruba's network monitoring tools simplify diagnostics so joint systems are easier to maintain. Aruba's secure platform is the ideal way to support VingCard lock-based hospitality applications of any size.



Learn more about this joint solution.

For more information on Aruba wireless, please visit:
<https://www.arubanetworks.com/products/networking/access-points/>

Contact our team to learn more:

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Government restrictions hit consumer confidence

New government limits on social gatherings have quickly damaged the confidence and plans of consumers to eat and drink out, a snap poll from CGA reveals.

The ban in England on meetings of more than six people from 14 September has left nearly a third (31%) feeling less confident about visiting pubs, bars and restaurants. Just 4% said the new measures had lifted their confidence.

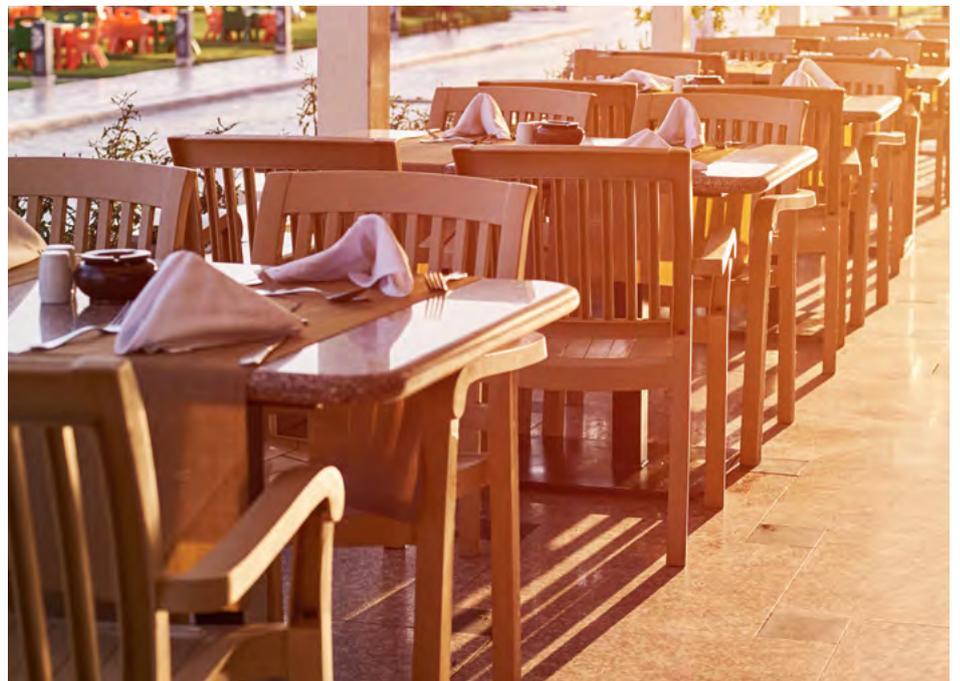
CGA's Consumer Pulse survey also found that well over half (59%) of consumers who were intending to go out had cancelled plans or would not be making new ones in the future. Around one in seven (15%) of all consumers said they would alter their plans to observe the new regulations, while one in 10 (10%) intends to go ahead with their visits regardless.

The survey reveals divided opinions on the new restrictions. Two in five (43%) respondents think they are the right course of action, while a quarter (23%) think they are too drastic. Slightly more (29%) think the government is still not doing enough to control the pandemic.

The poll also indicates a generational split in attitudes. Older consumers are much more likely than average to feel less confident about visiting pubs, bars and restaurants in light of the fresh restrictions, while younger adults are more likely to press on with their plans to go out.

"This research really highlights the fragility of consumer confidence at the moment," said Hannah Payne, consumer research manager at CGA.

"The new restrictions come just as restaurants and pubs were enjoying



strong momentum from the Eat Out to Help Out scheme, and they are a warning if it were needed that the road back to normality in the out-of-home sector is going to be very bumpy.

"Many consumers will now be cancelling or changing their plans, and the restrictions increase the pressure on operators to show guests that they can eat and drink out safely. Understanding their anxieties and demonstrating rigorous precautions without compromising the experience of going out for a meal or drinks will be absolutely crucial over the autumn."

Guests at CGA's 'Redefining the

out-of-home experience' webinar held yesterday [10 September] agreed that the restrictions would impact businesses that depend on group visits, especially in the run-up to Christmas if they are sustained. "It's a reminder that this isn't over," said Alex Reilley, chairman of Loungers. "There's an argument that we were getting a bit too relaxed as a country - clearly we've got to be very careful, and the sector needs to play its part."

The Consumer Pulse data is based on a survey of 500 adults in England, nationally representative of the out-of-home visitor based on age. It was carried out on Thursday (10 September).



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Food-led pub and restaurants get August sales back on track

Britain's managed pub, restaurant and bar groups saw collective like-for-like sales bounce back up to 2019 levels in August thanks to the Government's Eat Out To Help Out campaign, latest figures from the Coffey Peach Business Tracker show.

- Restaurants see biggest boost from Eat Out To Help Out
- London continues to suffer more than rest of Britain
- Delivery's share of sales still up on pre-lockdown

But while food-led businesses forged ahead, drink-led operations still found trading tough. The London market also trailed significantly behind the rest of the country.

With 85% of group-owned sites reopened, total sales across the whole managed pub, bar and restaurant market were still 12.2% below last August's levels, but like-for-like sales in those businesses trading came out flat, so matching the sales volumes seen this time last year.

"To get back to last year's sales levels in those sites that were able to trade is

some achievement just a month after the industry started to reopen, and credit has to go to the Government-backed discount scheme that attracted so many people back out to eat, plus the cut in VAT on food. But of course not all parts of the market benefited, and there will also be concern about what the Government's new legally-enforced restrictions will have on consumer confidence in the weeks ahead," said Karl Chessell, director of CGA, the business insight consultancy that produces the Tracker, in partnership with The Coffey Group and RSM.

Restaurants enjoyed the biggest boost last month, with group-owned sites that were open seeing collective like-for-like sales up 13.5% on August last year. But because only 65% of chain-owned restaurants that were trading back in February were open again, total

sales across that part of the market were still down 10.9% on last year. Managed pub groups, which between them had 95% of their sites trading, had a more mixed experience, with like-for-like sales down 3.6% on last August and total sales down 9.4%.

However, food-led pubs and pub restaurants did prosper on the back of the Eat Out incentive with collective like-for-likes up 5.3% on last August and total sales down just 1.2%. In contrast, drink-led pubs saw like-for-likes down 11.0% and total sales down 16.3%. Across the managed pub market as a whole, food sales were up 12%, with drink sales down 15.3% on last August.

Bar groups, which had 74% of their sites trading, had the worst of the month, with like-for-like sales down 27.6% and total sales down 37.0%.

Regionally, London still struggled over August despite the assistance of the Eat Out To Help Out campaign with many office workers, commuters, tourists and international business travellers still staying away. Like-for-like sales across pubs, bars and restaurants were down 13.4%, with total sales down 28.1%. In contrast, outside the M25 the market saw like-for-like sales up 3.2% and total sales down just 7.9% on last August.

While restaurants in London did overall record positive like-for-likes, up 2.6%, they still lagged considerably behind the rest of the country.

"Restaurants have had a good month,



and although more were open – 65% against only 36% of group-owned sites in July - it is unclear how many of those still shuttered will eventually trade again, certainly under current ownership, and whether they have missed the boat?” said Chessell.

“While in July pubs tended to have the best of the early weeks of reopening, food was undoubtedly the winner last month. We will have to see if that starts to balance out again in September and if the momentum of Eat Out can be maintained with the Government’s new legal restrictions in force,” he said.

Delivery accounted for 8.8% of sales among the casual dining groups in the Tracker cohort in August, down from 13.1% in July, but still up on the pre-lockdown percentage of 5.9% in February. “The growth in delivery has been a marked feature of lockdown, and although the incentives to eat out in August will understandably have brought its share down, it is still up on

the start of the year and likely to remain an important sales component for those food-led businesses that make it through,” Chessell observed.

Paul Newman, head of leisure and hospitality at RSM said: “These results demonstrate what a huge success the Eat Out To Help Out scheme has been in spurring households to visit pubs and restaurants in August, many for the first time since lockdown began. It is no surprise that food-led businesses benefitted most with the proportion of delivery sales seeing a temporary dip from the highs of lockdown. September is another crucial month for the sector with the furlough scheme starting to unwind and the rent moratorium due to end. Operators will be desperate for this sales momentum to continue into the autumn but with further government-backed support looking unlikely, it seems inevitable that more job losses are just around the corner.”

Trevor Watson, executive director,

Davis Coffey Lyons said: “The August figures are very much a one off and cannot be used to indicate any trends. The boost to food-led establishments due to Eat Out to Help Out is short term; the longer-term trend is the redistribution in trade towards residential districts and away from commercial city centres and London in particular.

“The autumn sees the end of furlough and potentially the end of the moratorium on lease forfeiture. These twin threats are the biggest possible challenge to the industry, so although the doors are open to many pubs and restaurants, the market is more unstable than it has ever been. Pictures of people eating out in pub gardens, and healthy looking like-for-likes present a misleading and artificial impression of where the market is right now.”

At the end of August, underlying annual like-for-like sales for the whole market were down 21% on the previous 12 months, with total sales down 31.9%.

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Upcoming Events

COVID-19 UPDATE

Due to the Covid-19 HOSPA live events have temporarily been postponed. 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.



Annual Hotel Conference

The AHC Reimagined will be a high quality virtual production, created in a professional broadcast studio with outstanding audio/visual equipment. Speakers will present from the studio and sponsors will have proper visibility and engagement through video content and lead generation.



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HOSPACE

The Hybrid Edition

Live & Virtual Conference

Thursday 19th November 2020

HOSPA wants to support the industry as much as we can in these challenging times and feels 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 your 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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