



**For the Full
Service Property
Including Food
and Beverage/
Conference**

Revenue
Management
for the Management Team

Demonstrating "Thrill of the Fill" Leadership

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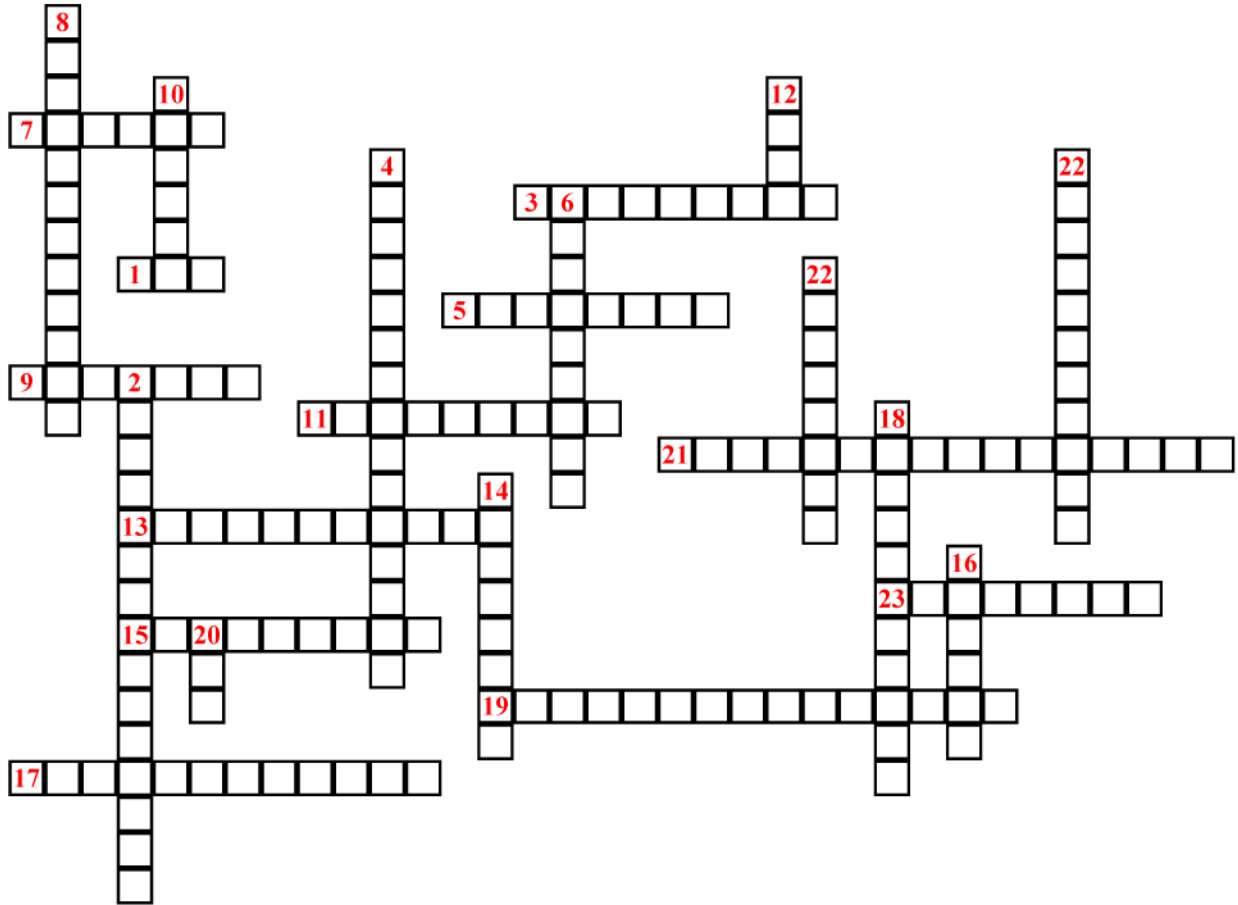
Diamond Edge

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Revenue Management Crossword



Across

- 1 Sabre or Apollo
- 3 Credit card...
- 5 Backbone of revenue management decisions
- 7 Rate with restrictions
- 9 10% off rate of the day
- 11 Guest who is not flexible
- 13 Average rate x rooms sold
- 15 Non-contracted guest
- 17 The most expensive item in the hotel
- 19 Restriction
- 21 Regulate length of stay
- 23 An industry using Yield Management

Down

- 2 Minimum length of stay, close out, etc.
- 4 Rooms on the books
- 6 Front desk opportunity to increase rate
- 8 Best available rate or...
- 10 Part of forecasting
- 12 How quickly a market segment books
- 14 The most important step in the revenue mgt process
- 16 Formula for rate and occupancy
- 18 To know your market, you need to know your...
- 20 The rate paid over a given day
- 22 Will not pay the rate
- 24 Revenue above and beyond what was planned

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|---------------------------------------------------------------------------------|----|
| Index | |
| Crossword..... | 2 |
| Introduction | 7 |
| Objectives..... | 7 |
| How do you Increase Room Revenue? | 7 |
| What is Revenue Management..... | 8 |
| Benefits of Effective Revenue Management..... | 9 |
| What Conditions are Needed to Make Revenue Management Valuable..... | 10 |
| Maximizing Revenue in 3 Ways..... | 10 |
| The Economic Stuff: Supply and Demand Definitions..... | 10 |
| What if I Sell? | 12 |
| What are Four Key Factors for Effective Revenue Management? | 12 |
| Industries Utilizing Revenue Management..... | 12 |
| Revenue Management Components..... | 13 |
| The Small Hotel. Case Study #1..... | 13 |
| The Goal of Revenue Management..... | 16 |
| The Revenue Management Process..... | 16 |
| Summary..... | 17 |
| Revenue Management Trivia..... | 18 |
| Who are your Customers? | 19 |
| Objectives..... | 19 |
| What Determines Price? | 19 |
| Market Segmentation..... | 19 |
| Market Segments Defined: Transient, Contracted Rates, Groups, Linked Groups.... | 19 |
| Which Market Segment and When? | 20 |
| Mixing Revenue Management and Pricing..... | 21 |
| Welcome to the Price Is Right..... | 21 |
| Your Focus is on the Transient..... | 21 |
| Research | 23 |
| Research..... | 23 |
| Objectives..... | 23 |
| The Past..... | 23 |
| The Daily Control Sheet..... | 23 |
| The Transient Trends Analysis Form..... | 24 |
| The Present..... | 27 |
| Fulfilled Demand..... | 27 |
| Booking Pace..... | 27 |
| Pace of Build Exercise #1..... | 28 |
| Pace of Build Exercise #2..... | 29 |
| Booking Pace Meeting and Conferences..... | 33 |
| Unfulfilled Demand..... | 34 |
| Denials and Regrets..... | 34 |
| Variables to Consider When Managing Yield..... | 35 |
| Group Pick Up..... | 36 |
| Competition Analysis..... | 36 |
| The Future..... | 37 |
| Summary | 38 |
| Forecast | 39 |
| Forecast..... | 39 |
| Monthly Forecast Worksheet..... | 40 |

INDEX

| | |
|---------------------------------------------------------------------|----|
| Restrictions | 42 |
| Objectives..... | 42 |
| Rate Restrictions..... | 42 |
| Stay Restrictions..... | 42 |
| Minimum Length of Stay..... | 42 |
| Closed to Arrival..... | 42 |
| Guarantee..... | 43 |
| Inventory..... | 43 |
| Close Outs..... | 43 |
| Sell Through..... | 43 |
| Forecasting Low Demand..... | 43 |
| Forecasting High Demand..... | 44 |
| Forecasting Excess Demand..... | 44 |
| Testing Restrictions..... | 45 |
| Revenue Management Restrictions. Possible Answers. What to Say..... | 50 |
| Thrill of the Fill Checklist..... | 51 |
| The Peaks and Valley's..... | 53 |
| Duration Control. Exercise 1..... | 53 |
| Duration Control. Exercise 2..... | 53 |
| Duration Control. Exercise 3. Situation 1..... | 54 |
| Duration Control. Exercise 3. Situation 2..... | 55 |
| The Thrill of the Fill. Exercise..... | 55 |
| | |
| Analyze & Adjust | |
| Analyze and Adjust..... | 58 |
| The Daily Control Sheet..... | 58 |
| The Transient Trends Analysis Form..... | 59 |
| The Competition Analysis Form..... | 59 |
| Strategies and Tactics..... | 59 |
| Revenue Strategies..... | 60 |
| Go Team Go. Revenue Goals..... | 60 |
| Group Analysis..... | 61 |
| Objectives..... | 61 |
| Group Parameters: Room Nights and Rates..... | 61 |
| Exercise I..... | 61 |
| Profitability of Market Segments..... | 64 |
| Group Acceptance System, "GAS"..... | 64 |
| Exercise II..... | 65 |
| Other Opportunities for GAS!..... | 68 |
| Incremental Revenue..... | 69 |
| Objectives..... | 69 |
| Incremental Revenue?..... | 69 |
| Recognizing and Managing Opportunities..... | 69 |
| Exercise I..... | 69 |
| Exercise II..... | 70 |
| How Do We Measure Up?..... | 71 |
| Objective..... | 71 |
| Backcasting Benchmarks..... | 71 |
| Backcasting Measurement Tools..... | 71 |
| Performance Formulas..... | 72 |
| Revenue Management Formulas..... | 72 |

INDEX

| | |
|-------------------------------------------------------------|-----------|
| Competitive Analysis..... | 72 |
| Market Share..... | 72 |
| Competitive Marketplace, Exercise I..... | 72 |
| Competitive Marketplace, Exercise II..... | 74 |
| Competitive Marketplace, Exercise III..... | 74 |
| Measure the Process..... | 74 |
| More Measurement Tools..... | 75 |
| Equivalent Occupancy %..... | 75 |
| Identical Yield Occupancy..... | 75 |
| A Short Discussion of Marginal (Incremental) Costs..... | 76 |
| Revenue Management Day to Day..... | 77 |
| Your Goal..... | 77 |
| The World of Rates..... | 77 |
| What Rates do we Quote? | 78 |
| Which Rate Type Becomes your Rate of the Day? | 79 |
| Applying the Rate of the Day to your Rate Structure..... | 79 |
| A Common Request—Wedding Block..... | 80 |
| A Common Request—Sport Teams..... | 80 |
| A Common Request—Group Tours..... | 80 |
| Staying Connected with the Competition..... | 81 |
| Promoting Effective Revenue Management..... | 82 |
| Objectives..... | 82 |
| Incentives..... | 82 |
| Sales and Reservations Incentive..... | 82 |
| Making the Sale in Combination with Revenue Management..... | 83 |
| What to Say..... | 83 |
| Sample Incentive Plan..... | 84 |
| The Revenue Management Meeting..... | 86 |
| Objectives..... | 86 |
| Who Makes Up the Team? The Stake-Holders..... | 86 |
| Qualities of a Good Revenue Manager..... | 86 |
| My Meeting..... | 87 |
| Questions To Ask In Your Yield Management Meeting..... | 87 |
| Suggested Agenda For Revenue Management Meeting..... | 88 |
| The Web—How do you Fit In? | 90 |
| Connectivity of All Systems..... | 90 |
| Decision Making Model..... | 91 |
| More Revenue Ideas..... | 91 |
| Marketing and GDS Systems..... | 91 |
| Approaches to Revenue Management – Computer Systems..... | 92 |
| The New World of the Web..... | 92 |
| Social Media 101..... | 92 |
| Review..... | 94 |
| Diamond Says..... | 94 |
| Final Review..... | 94 |

INDEX

| | |
|-----------------------------------------------------------------------|-----|
| Forms | 95 |
| Personal Action Plan..... | 95 |
| Block Space Pick-up Report by Month, Group Tour..... | 96 |
| Block Space Pick-up Report by Year, Group Tour..... | 97 |
| Competition Analysis..... | 98 |
| Competitive Analysis, Room Price Survey..... | 99 |
| Control Sheet, Daily..... | 100 |
| Daily Log, Revenue Management..... | 101 |
| Denial Tracking..... | 102 |
| Denial Report, Guestroom..... | 103 |
| Pace of Build within the Month and Future..... | 105 |
| Pace Report..... | 106 |
| Pace Report, Weekly..... | 107 |
| Pace within the Month and Reach..... | 108 |
| Rate Platform, Revenue Management..... | 109 |
| Room Forecast, 10 Day..... | 110 |
| Room Forecast, 30 Day, Monthly..... | 111 |
| Room Forecast Worksheet, Monthly..... | 112 |
| Room Forecast, Three Month..... | 113 |
| Room Forecast, Three Month Rolling Forecast, Actual vs. Forecast..... | 114 |
| Transient Trends Analysis Report..... | 115 |
| Appendices | 116 |
| Revenue Management Definitions..... | 118 |
| Revenue Management Idea Bank..... | 119 |
| The Incremental Cost of Selling a Guest Room..... | 120 |
| Revenue Management Questionnaire..... | 121 |
| What Do you Know about your Customers..... | 124 |
| When are Prices Established..... | 124 |
| Market Analysis Exercise..... | 125 |

Introduction

Revenue Management is the practice of maximizing profits from the sale of perishable assets by controlling price and inventory and improving service.

Quite a mouthful. However, if we are going to improve service and the profitability of our properties, there is no choice but to commit to learning and applying Revenue Management Best Practices.

The world of revenue management is very visible to you when you book airline tickets or car rentals. And you “hate” it. Why?

You call a car rental company to check price. You say you will call back after checking it out. You call back three hours later and the rate has changed.

You research airline ticket prices for a specific route. When you go on-line the next day the price has changed.

Revenue Management is all about having the right room (product), at the right time, for the right guest, at the right price, for the right length of time.

So why do hotels need to be involved in this type of rate management? Why do we need to create potential stress between the hotel and the customer? What do you need to know to make this seamless and stress free to the guest and allow you to maximize revenue for your property... and maximize your value to the hotel?

That is what this manual is all about.

Revenue Management has a number of basic components: Research, Forecast, Implement Restrictions and Analyze and Adjust. We are going to focus all of these elements during this program.

By the end of this program, you will have a working knowledge of these components so you can effectively apply them day to day to your property.

Objectives

- To define Revenue (Yield) Management and understand its components
- To identify the conditions needed for application of revenue management
- To identify the 4 major ways that revenue management can maximize revenue and to clarify why this is a business practice for certain businesses
- To examine the supply and demand foundation of revenue management
- To discuss the application of revenue management to other industries in order to better understand it in the lodging industry.

How do you increase guestroom revenues?

Traditionally, the hotel industry has tried to increase revenue by either increasing rate or by increasing occupancy.

Let's do an exercise that puts you in the role of Front Office Manager.

You are working for a 150 room property and have been asked to set your rack rate at \$150, \$200 or \$250 dollars.

Which do you choose?

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