

# 100 DAYS

## To fight the recession

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48

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## Boost bookings with a broad-based effort

By Jean Francois Mourier

HWN CONTRIBUTOR

**W**hat hoteliers need right now is a finely tuned orchestration of effective strategies that work in tandem across all aspects of a hotel's operation—sales, marketing and revenue management—right through to the front desk. And don't forget about online, which is greatly overlooked and undervalued. Executives at RevPar Guru—which offers revenue management, real-time pricing and online distribution solutions—have compiled a wish list of what hoteliers need to know right now.

**Revenue management.** The importance of having a robust and effective revenue management strategy (and system) is a business imperative in today's market. Having the right system in place can wring the maximum amount of revenue from any hotel property—automatically.

**Automate or die.** Relying on humans is, unfortunately, a significant contributor to lost revenue. Implementing a system that eliminates the human error element will ensure rates are optimized for the best booking rates with the highest RevPAR available.

**Go forth and integrate.** Rather than having multiple systems or tools that do not communicate with each other, look for a consolidated RMS system with a user-friendly interface to provide maximum pricing optimization flexibility, online rate distribution, competitive webpage positioning and inventory control.

**The death of the comp set—online at least.** Online, consumers aren't thinking in terms of comp set, but rather in terms of price. Ignore your traditional comp set analytics and focus on comparing your pricing to ALL of your competitors within the destination.

**More site visitors does not mean more bookings.**

If you're not seeing an increased number of bookings, evaluate your site to determine whether it is encouraging people to book or just to look, paying special attention to key metrics such as the bounce and conversion rates.

**Get your mobile on.** The mobile phone, just like the Internet, is revolutionizing the way we access information, the way we research restaurants and stores or even plan and book our travel. It's important for hotels to consider developing an mCommerce website where consumers can quickly find hotel and rate information, and of course, book directly through the mobile site.

**Channel management.** Hotels need to make sure there is room inventory available for purchase on all of the channels—be it online travel agents, a hotel's own website, the telephone and even your mobile site. Keeping rates equal across all of the channels and offering the best possible rate will entice consumers to choose your hotel.

**Time to think outside the OTA box.** Everyone knows about the big OTA players—Expedia, Hotels.com, Orbitz, Travelocity, Bookings.com and Priceline. Your hotel cannot afford NOT to be doing business with them. Online hotel bookings are the most popular travel item purchased on the Web, and with more portals and sites appearing almost every day, don't forget all the niche markets available out there.

**Fixed rates vs. dynamic rates.** Now that pricing is transparent, the rules have changed and the online sell rate is dictating all other rates because anybody can access these at anytime. It makes sense to gradually shift your fixed rates to dynamic rates to avoid all price conflicts with wholesalers, corporate accounts and groups.



*Jean Francois Mourier is CEO & founder of RevPar Guru. The company's yield dynamic price engine, an integrated revenue management and pricing solution, adds power and real-time adaptability to the pricing process.*

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## Implement It » AH&LA Green Guidelines offer cost savings

**T**he American Hotel & Lodging Association has issued a challenge to hotels to follow its 11 green guidelines, which promise reduced operating costs and return on investment for green practices.

AH&LA members received a tracking tool to aid their measurement of occupancy statistics, monetary and energy expenditures and return on investment from specific green practices.

Based on existing environmental certification programs, the 11 minimum green guidelines define ways to give hotel owners and operators opportunities to reduce operating costs and environmental footprints through reduced utility consumption, recycling programs, employee training and supply-chain management. The guidelines also allow

hotels to improve their fiscal performance by tracking ROI against their general statistics. Some examples of estimated savings properties can achieve include:

- \$35,478 (298,961 kilowatt-hours) by installing digital thermostats in guestrooms and throughout a hotel
- \$17,029 (141,912 kwh) by replacing existing incandescent lamps with compact fluorescent lamps (CFLs)
- \$35,478 (1,182,600 gallons of water) as a result of installing 2.5-gallons per minute showerheads in all guestroom baths and any employee shower areas

*\*Estimates based on a 300-room hotel.*

To take the Green Guidelines Challenge or for more information on AH&LA's green initiatives, visit [www.ahla.com/green.aspx](http://www.ahla.com/green.aspx).

## Read It » Ways to cut labor, keep staff

**E**mployment is creating a two-fold problem in hospitality. First, the recession is forcing people into unemployment. Second, these people are likely to get jobs in other industries, so when the economy recovers and new hotels open and jobs pop back up, there may be a severe shortage of workers left in the industry. When cutting back, be careful to do what you can to keep people in hospitality because you will need them someday.

From Renard International Hospitality Search Consultants, here are nine tips for keeping employees in the hospitality industry:

- 1 Allow staff to attend further education opportunities and offer some compensation to help them. All are subject to rehire when crisis ends.
- 2 Allow employees to take early retirement with financial inducements.
- 3 Rotate hours of staff so they may get fewer hours but are still employed. Or job sharing—a work option in which two part-time employees carry out tasks associated with a single job.
- 4 If agreed upon with staff and unions, lower salaries temporarily.

- 5 Allow candidates to take leave of absence and return with the same seniority when business improves.
- 6 For companies who have delayed "openings," try and find employment for staff within or outside of the hospitality industry.
- 7 Allow your employees whom you cannot pay to work for free but give them benefits. In certain countries people must work to eat. They will work for free knowing that their daily food and health benefits are provided.
- 8 In some places, there is a suitable pay from tips to keep families fed. Employees may work with no salary (temporarily), but for only gratuities. Try to (with company's approval) divert some of the service charges normally held by the hotel to employees in lieu of salary.
- 9 Explore government programs. Share wages for apprenticeship for employees going back to school or being retrained. Many countries offer to pay up to 50 percent of wages for employees involved in part time school/apprenticeships.

*Source: Renard International Hospitality Search Consultants*

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