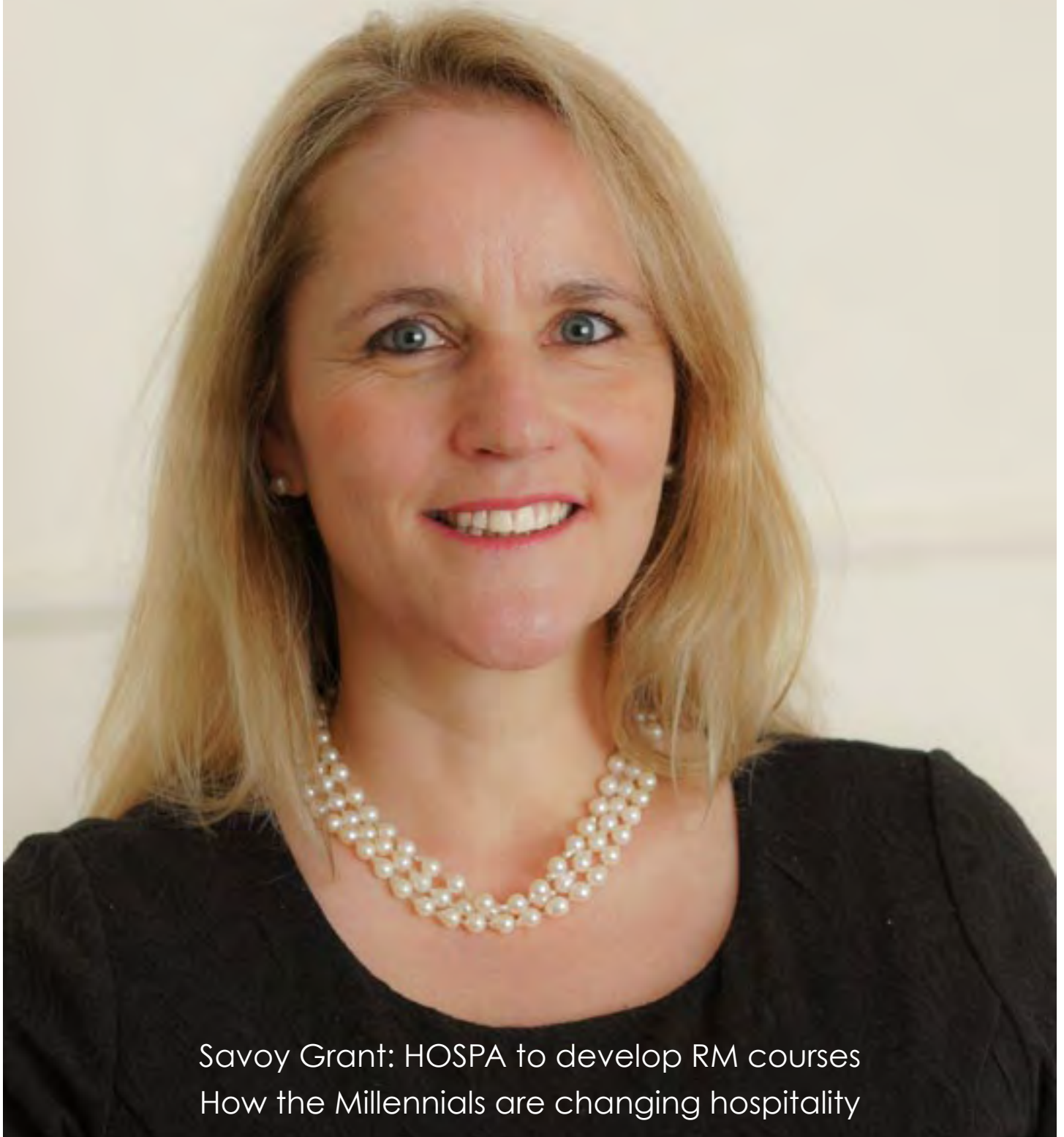


THE OVERVIEW

ISSN 2048-4844 APRIL ISSUE 2016

HOSPA welcomes the new CEO



Savoy Grant: HOSPA to develop RM courses
How the Millennials are changing hospitality

Welcome to THE OVERVIEW

Dear members,

This month we welcome Jane Pendlebury as our new CEO, heralding a new era for HOSPA at a time when the industry is diving head-first into what may well be a seminal period.

HOSPA Chairman Chris Upton spoke for us all when he said: "Jane is a natural successor to Carl Weldon. Not only has she excelled as head of HOSPA's Membership and Events services, she has also proved to be an excellent ambassador for the Association, supporting Carl at key meetings both in the UK and overseas. She is well-known in the hospitality industry and brings with her a wealth of management experience and knowledge."

Jane lays out her plans later in this issue, and we can't wait to see her build on Carl's legacy and draw on our innovative pool of members. As the cliché goes, this is a time of great challenge and also great opportunity, but, as with most good clichés, it's true.

Throughout the history of the hospitality sector, the consumer has been told what they want, been given it, and liked it. The consumer is now demanding and spoiled for choice, a terrible combination for brand-building. Some of this choice is coming from companies such as Airbnb, which are bringing fresh supply into the market, more niche than the most boutique hotel brand can possibly replicate.

But, after a couple of years of bellyaching, retailers across the sectors are realising that the way to deal with these knavish upstarts is through loyalty - not the coffee-card-stamp variety, the loyalty-through-service version. And this is where HOSPA comes in. Creating a professional, seamless, personalised experience is the goal and fully achievable with the proper training, support and mindset. Please join the debate with us on Twitter, LinkedIn and our Facebook page.



Katherine Doggrell

Editor | katherine.doggrell@hospa.org

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The Overview online

You can login to the membership area on the HOSPA website and read this journal online plus archived copies in the members' area are available at: www.hospa.org

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



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HOSPA welcomes the new CEO



Introducing Jane Pendlebury - HOSPA's new CEO

I am delighted to introduce myself as HOSPA's new CEO, taking over from Carl. I've got a long history with HOSPA - I used to be a sponsor, Carl and I launched the IT directors' lunches/dinners together, I then helped out on a voluntary basis with the conference for a few years before joining more formally to run the Membership and Events office in March 2014. Prior to that I have worked in hotels and made a career out of hospitality technology. You can be confident that I know and understand the business!

As a supplier I recognised the massive networking opportunities in HOSPA and the conference was always a big draw. The members' meetings are very informative, interesting, useful for meeting people and always good fun. There is a very good social aspect to members' events, so not only did I enjoy working with HOSPA, it was also very educational.

HOSPA is in very good shape since its development from BAHA back in 2011. It has gone from strength to strength, the conference being a very key part of what we deliver. I want to build on all those strengths. I'm very keen on expanding membership, to attract more hoteliers and also widening it out to the larger hospitality industry. Historically we have been very strong on hotels, but I now want to extend our reach to include contract caterers, restaurants, conference centres and stadiums to give us wider coverage of hospitality.

In the very beginning BAHA was the British Association of Hotel Accountants changing to the British Association of Hospitality Accountants which then became the HOSPA that we have grown to know and love! HOSPA (and BAHA before it) has been very hotel-oriented and continues to be so despite having attracted members and sponsors from the whole world of hospitality. Businesses such as contract catering and stadiums are now a very big part of the industry and we will be embracing of them.

We are going to build on HOSPACE and this year the Gala Dinner on the 10th November 2016 will include the Professional of the Year Awards. Historically we have had a separate event in December for the awards, alongside Debra Adams' Professional Development accolades and prizes for the most successful students of the year. We plan to split that event into two, with the Professional of the Year Awards part of the Gala Dinner and the student awards being celebrated in a separate educationally oriented ceremony. In early 2017, this new, dedicated event will focus entirely on the skills and development of the most successful learners.

The most recent big news for HOSPA is that we have taken over management of the Hotel Marketing Association (HMA), adding a key marketing element to HOSPA which complements our existing three communities of Finance, Revenue Management and Technology extremely well.

We have also had fabulous news from Debra Adams, who has secured a £10,000 grant from the Savoy Educational Trust, to be matched with investment from HOSPA, which is allowing her to rejig the Revenue Management professional development course. This is fantastic news for revenue managers and the course will become more accessible. We are making it into a different format, to suit the revenue managers better.

Looking forward, we are working on the development of an IT qualification/accreditation, and we are now closer than ever to being able to add an IT course to accompany the finance and revenue management courses which we've already run. Any thoughts on that would be most welcome - do please email me: jane.pendlebury@hospa.org, or Tweet us @HOSPAtweets, or join the discussion on our group on LinkedIn.



Ewa Maliczowska
Consultant, Madison Mayfair

Beyond big data: a smarter approach?

Within hospitality, as well as other industries, there has been much talk about “big data” in recent years. The promise of incredible insights from previously disparate and patchy data was exciting to say the least - if not revolutionary. But sadly, for many organisations these insights have not come to pass.

Meanwhile, the conversation around data has moved on from “big data” to what is “smart”. The focus today is on using data and analytics for revenue management in a way which can impact the bottom line. In other industries, businesses (especially digital businesses), are closely defining the data that can translate to business intelligence and lead to better decisions. After all, knowledge is power.

According to a recent survey by KPMG¹, 97% of organisations say they are already using Data & Analytics in some area of the business. 86% say they are making faster decisions, and 80% say they are making more accurate decisions.

If you don't think you are there yet, or want to push your data further we have some food for thought below.

¹ Going Beyond the Data, KPMG www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/Documents/going-beyond-the-data-turning-v1.pdf

Start with your business questions in mind

To start you need to be laser focused - know what you want to achieve and identify the questions you need answered before you start interrogating your data. Focus only on relevant and reliable data which you know is free of bias. Work out what it is that your data might be able to help you uncover or understand.

Only then can you get to work and start looking at specific questions (and how the data might help you find the answers).

Work with a specialist

It's tempting to try and uncover deep insights in your own business data, but there are two problems with this. Firstly, you often won't see the wood for the trees - your own biases will kick in and cloud the “insights” you can glean. Secondly - and this is a key point - you are probably not a data specialist. There

are now so many tools, platforms and techniques available to help you make sense of your data, that you can't possibly hope to keep on top of it as a generalist. Hire a data geek - one with plenty of experience - and watch them help you with deep insight into your business.

Get clever with your pricing

Selling products on a digital platform gives the merchant the ability to make price changes from a central control, at no cost and with immediate effect. With such a hassle free process prices can be updated on a far more frequent basis. Dynamic pricing is increasingly common practice for air travel companies and retail business, including digital retail giant Amazon.

Having the right data set drawn together, which may require purchasing some purpose built software, means that you will have all the intelligence you need to make fully informed pricing decisions in real time.

Think internal and contextual

If your information shows that a localised factor like a transport closure will cause extra demand or cancellations at one of your properties, you can respond to this specific change in a fully measured way. Intelligence that could influence the price you set at any one time could include: length of time left to sell a product, information about the customers who are likely to buy the product, website performance or property specific information.

Equally, there may be external factors which become important - such as: competitors' prices for the same period, local events which affect demand, previous performance in the same circumstances and even the number of "big events" in your city. Some of this intelligence can be gleaned from data within your business; other elements may come from other sources, including information on the web.

Do you really need external data?

With such a scope of data already in your business, put some serious thought into how useful is it to bring in more? Sure, OTA's hold a phenomenal amount of data across brands, locations and market segments, and this gives them a great perspective on how each section of the market is performing. This arguably gives them an advantage over the competition, and puts them well ahead of you.

But with so many potential sources it could be all too easy to achieve nothing more than making your data set even bigger again.

Guy Barnes, Director of Strategic Accounts - EMEA, IDeaS says you need to be smart about what you really need:

"From an IDeaS perspective, we're very clear in terms of making sure there is a direct impact that can be seen by using the data sources. We won't bring other data sources in for the sake of it."

Arthur Waller, Product Owner, BookingSuite suggests that the relevancy of data to your business is linked to the relevancy of that data to your customer:

"Let's say it's May and you want to go for the long weekend. You're definitely going to look at weather. We're able to decompose the different drivers demand for a given night and looking at historical data and historical weather forecast we are able to determine to what extent weather impacts demand for

a given hotel. It's not going to impact every hotel but for some hotels it will and we are going to be able to import, automatically, weather forecast for the next five days and use this to adjust our demand forecast."

Be clear - REALLY clear - about your customers

Business has a better insight into their customers than ever before. KPMG's study found that with Data and Analytics, 81% of respondents have improved their understanding of customers.

At Airbnb, consumer data analysis is considered highly valuable and has significant human resource dedicated to it. Olivier Gremillon, Head of EMEA, Airbnb says:

Do you speak data?

If you don't have a team of data scientists at hand to help you like at Airbnb, you may struggle to interpret what you are looking at. Considering hiring in this skill set, or working with a consultant or data services firm to help you get it right. Only use data when you are sure you understand it. A misinterpretation could lead to weird and not so wonderful results when acted on.

"We look at a lot of data on our users: what they're doing, how often they actually stay with us, what is the level of the rating they get from the other part of the marketplace and then we segment them in many different ways. We look at travel patterns; we look at use cases and the like, so it's definitely something that we're investing quite a bit of effort in. We have a team of data scientists whose only role is actually to look up our internal data and deliver some of the insights of the data; that can help us make a better product. And a better targeting of our customer base as well."

Clever insight, clever campaigns

The next step is to use this insight to increase the effectiveness of sales campaigns. A tactic the hospitality industry is yet to use to full advantage. According to KPMG only 41% have created more tailored offers to prospective customers, and only 31% of respondents say they have used data and analysis to drive individualized marketing. There are two key opportunities here. The opportunity to go back to your previous customers with offers you know they are likely to respond to and secondly, the opportunity, using services such as Google hotel ads, to learn precisely where (on the digital atlas) there is activity from customers that would appreciate your product. Narrowing your focus here could vastly increase conversion rates.

Keep your eye on data, as well as your business

Best practice with data and analytics is going to keep evolving. Innovation in this area could be put to use in any business so industries should seek to learn from each other on how to convert information into revenue. But one thing is for sure: running your hospitality business on "gut instinct" alone will have you at a huge disadvantage.

Ewa Maliczowska is a regular contributor to HOSPA, and a Consultant at Madison Mayfair, a business which focusses on recruiting managerial positions for the hospitality industry. Ewa specialises in Revenue and Sales & Marketing roles in the UK and internationally.



Leading learners: A monthly look at each of our highest achieving learners

Each month we'll be profiling one of the Education & Training Programme Learner Award Winners - learners who achieved the highest combined examination and assignment score for their programme intake and Stage during 2015.

Studying through flexible, distance-learning is a big commitment, and almost all of our learners are working in full-time positions and are often juggling competing priorities with family and work, which is challenging enough, so this makes the results achieved by our outstanding learners, even more remarkable.

This month we meet Pankaj Khanna who achieved the highest grade in Revenue Management - Introductory Stage, which he completed in August 2015.

During this Stage of the course, Pankaj learned about using different research methods and study skills, commercial awareness, e-commerce and gained a broad overview of revenue management in the hospitality industry.

Pankaj has just commenced the Strategic Management Stage this March, having completed Stage Two in February this year. Before starting his RM studies, Pankaj gained more than 10 years' experience working at different roles in revenue departments, from Reservations Agent to Revenue Manager at city centre hotels and airport hotels. He was headhunted for his current role, as Value Centre General Manager at GLH Thistle London Heathrow Terminal 5.

He had been working with Holiday Inn Gatwick Airport hotel as Revenue Manager. Thistle was looking for someone with airport hotel experience plus someone who would want to get into and learn about the operations and project management role within a hotel. So the opportunity was tailor-made for someone like Pankaj, who ultimately wants to pursue a career as General Manager.

Pankaj's career in hospitality began with a Diploma in Hotel & Tourism Management from the Indian Institute of Hotel

Management, India and was followed up with a Masters from the International Business School in Tourism & Hospitality, the Institute Vatel in Nimes, France.

Having not studied Revenue Management before and mainly learning through experience and through working under different Revenue Managers, Pankaj started the HOSPA Revenue Management course in March 2015. He wanted to learn something which he could implement in a role as a General Manager. Pankaj says:

"Now in Stage 2 I've learnt that the best KPI to view your performance is not RevPar it's GOPPAR! Similarly, on how to get the scientific outlook to the issues rather than going on a gut feeling, which is how I have been working lately."

Pankaj aspires to become a General Manager of a full feature hotel and apply his newly-learnt revenue tactics to drive revenue performance of hotels in the future. He says:

"As I learnt, managing doesn't mean increasing revenue, but actually controlling the costs at the same time to increase flow-through rates from incremental revenue and drive GOPPAR."

We are now taking enrolments for the three levels of the Revenue Management and Financial Management programmes starting in September 2016. Each programme is studied in three Stages – Introductory, Operational and Strategic Stages - each costing £780 + VAT. To learn more about which level is right for you or to enrol visit www.hospa.org/en/education or email education@hospa.org

Riverside checks in with hotel software expert Guestline



Firm agrees to invest in software opportunity

The Riverside Company has entered a definitive agreement to invest in Guestline Limited, a leading provider of mission-critical software for the hospitality sector. The transaction is expected to close imminently.

Guestline, based in Shrewsbury, UK, serves a broad customer base of independent hotels, hotel chains, pub companies and serviced apartments; delivering proprietary hospitality software solutions via the cloud. Guestline's services essentially pay for themselves by increasing occupancy, average room rate and yield. Guestline is a trusted partner for properties in 20 countries across four continents.

Guestline's range of products cover all areas of hospitality and hotel management, including property management software, channel distribution, digital marketing, payment card industry compliance and electronic point-of-sale systems.

"Guestline's products are proven to seamlessly and easily generate revenue for customers,"

said Riverside Partner Martin Scott.

"It is an exceptional platform for growth, as the company has strong expansion potential both in its home market and internationally. We are excited to partner with a top class management team to help deliver the next phase of growth."

Upon completion, Riverside plans to help Guestline deepen its penetration of the UK market, use its global team to help

Guestline grow internationally, and invest in new technologies to add new products and ensure Guestline continues to be an industry leader. Riverside will also seek to expand the company through add-on acquisitions.

Guestline CEO Phil Davidson is enthusiastic about working with Riverside.

"We have found the right partner in Riverside to support the next phase of our growth,"

said Davidson.

"Riverside will help Guestline further increase the pace of improvements for customers by delivering new services and retaining our cutting-edge technology advantage, which will also drive growth both in the UK and internationally."

Riverside has extensive experience in its Software Industry Specialisation, having completed more than 60 investments in the sector.

Working with Scott on the deal for Riverside were Vice Presidents Tommy Seddon, Marcin Goszyk and Associate Alicia Wnorowski. Seddon also sourced the deal for Riverside.

Jones Day (legal) and BDO (corporate finance) advised Riverside on the transaction. Altium (corporate finance), Pinsent Masons (legal) and Grant Thornton (commercial and tax) advised Guestline.

Expect the unexpected

Jim Doyle, who advises on how to minimise the cost of the unforeseen, provides non-executive solutions to a portfolio of clients across the Humber Region and North East.

A regular agenda item at my clients' Board Meetings is the Risk Register. Managing Risk should not be thought of as a theoretical or middle management exercise. A strong Board needs to be honest enough to admit to itself that it cannot control every adverse event that could happen in such fluid environments that hotels, bars and function rooms are. Major threats to the continuity of business should be regularly identified and the possibility of those risks happening assessed and assuaged.

Commercial risks such as Reputation, IT Security and New Entrants were discussed in a previous article in The Overview in March 2016. But how should we prioritise action to diminish the impact of these risk factors?

I advise my clients to use a matrix approach to assessing risks. One way of populating a 'League Table of Risks' is to attach values to each possibility based on its likelihood of occurring and its potential impact on how the business performs. The matrix below shows in the top left where the lowest analysed risk would sit [Rare x Negligible], and in the bottom right where the highest most disastrous risk would sit [Almost Certain x Catastrophic].

Using this table as a simple pictorial prompt, any risk in the red boxes requires immediate action. A ranking of the scores of all identified risks should assist in prioritising management action. Routine board reviews of progress in addressing those risks should ensure the importance of diminishing risk is recognised across the organisation.

How one assesses a specific risk will depend upon the circumstances and type of business. Professional Hotel Housekeeping Management regimes will embrace a combination of Renewal and Refreshment Maintenance and Reactive Repairs to ensure its product offering meets the expectations of its clientele. Assessment of which rooms need a 'lick of paint' and which dining area requires removal of 'tired' chairs will, of course, be a judgement call. A tired room may prevent a client from rebooking and on its own the business may not feel much pain - perhaps a one or two Severity assessment. However, if that client is a respected industry journalist with the ability to hurt the hotel's reputation that tired

room could have a much higher classification in the matrix - perhaps a three or a four.

During my time as FD of a globally-branded duck business, a recurring major risk was the uncontrollable arrival of bird flu into our breeding farms. Its parallel within the hotel sector would be an outbreak of Norovirus that caused the closure of part or all of the building for 48 hours. Any farm outbreak immediately curtailed breeding stock exports for a minimum of six months. The threat to future sales is self-evident, as would the impact of a publicised hotel closure on its reputation unless professionally handled through a robust PR response plan.

The action plan in 'duck land' was a relentless focus on quality and hygiene at the breeding farms, and to support a number of income streams from other parts of the business that would continue to generate cash should an outbreak happen. But one could never control diseased birds flying to our shores. I guess this was a '16' in this matrix - likely with a major severity risk. What are you doing to minimise a Norovirus outbreak? Hotels cannot control an infected member of the public taking ill during a stay but policies for establishing a limited quarantine within the building and ensuring staff adhere strictly to hygiene disciplines can diminish the risk of the bug spreading. By acting responsibly, one's reputation may actually be enhanced.

As an Independent Member of Humberside Fire Authority I led a review recently of the Fire Service's approach to commercial business safety across the 'patch'. Humberside Fire & Rescue Service [HFRS] are proactive in carrying its Safety message directly to the region's commercial senior management teams as well as major institutions such as hospitals and care homes. Hotels would be classified by HFRS as 'Risk A - Sleeping risks with little familiarity'. As such the Service would ensure the premises be reviewed every three years. As a fire in a hotel would be Catastrophic - a severity ranking of five - an ongoing strict regime of fire prevention procedures - regular alarm testing, kitchen smoke alarm protocols, non-smoking policies, fire hydrant training - should be obsessively observed to ensure the likelihood of occurrence is scaled as one.

Isn't it about time you reviewed your Risk Register before you are prompted by your Non-Exec?

	LIKELIHOOD				
SEVERITY	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
NEGLIGIBLE 1	Very Low (Green - 1)	Very Low (Green - 2)	Very Low (Green - 3)	Low (Yellow - 4)	Low (Yellow - 5)
MINOR 2	Very Low (Green - 2)	Low (Yellow - 4)	Low (Yellow - 6)	Moderate (Amber - 8)	Moderate (Amber - 10)
MODERATE 3	Very Low (Green - 3)	Low (Yellow - 6)	Moderate (Amber - 9)	Moderate (Amber - 12)	High (Red - 15)
MAJOR 4	Low (Yellow - 4)	Moderate (Amber - 8)	Moderate (Amber - 12)	High (Red - 18)	High (Red - 20)
CATASTROPHIC 5	Low (Yellow - 5)	Moderate (Amber - 10)	High (Red - 15)	High (Red - 20)	High (Red - 25)

HOSPA secures Savoy Educational Trust grant for further development of the Association's hospitality Revenue Management courses

HOSPA is delighted to announce that it has successfully secured a £10,000 grant from the Savoy Educational Trust, to be matched by investment from HOSPA, to further the development of the Association's hospitality focused Revenue Management courses.

The grant will enable HOSPA to update and reposition its current Revenue Management programme - enabling the individual units, within the online programme's three levels, to be studied in a modular format. This, in turn, will make the course more flexible - providing greater accessibility to a wider audience. The grant will also support the updating of the highly acclaimed Revenue Management ebook, which has been used extensively by practitioners and academics following its initial launch in 2012.

Commenting on the Savoy Educational Trust award, HOSPA Head of Professional Development Debra Adams said:

"We are greatly indebted to the Savoy Educational Trust for their generosity in supporting HOSPA's growing provision of Revenue Management courses. As the ever evolving discipline of Revenue Management increasingly becomes an integral part of hospitality management, it is vital that HOSPA meets and exceeds industry demands and expectations. The £10,000 matched funding grant will enable us to provide a range of modules designed specifically to meet industry needs, with greatly increased flexibility in study options for our learners and members."

The repositioning of the HOSPA Revenue Management courses commenced in March and is scheduled to be fully in place by March 2017.

In 2011, HOSPA introduced its hospitality focused Education and Training Programme in Revenue Management. Written by leading educators in Revenue Management in the hospitality sector, in conjunction with leading industry experts, the course is designed to provide Revenue Managers of the future with the skills and knowledge required to manage their divisions, as well as to provide non-revenue personnel with a detailed knowledge of the function within a hospitality property.

For further information about the range of professional development opportunities offered by HOSPA, visit: www.hospa.org/education; or email: education@hospa.org



Debra Adams,
HOSPA Head of Professional Development

HOSPA on Social Media



300+ Likes

/HOSPAUK



15,000 Followers

@HOSPAtweets



5,400+ Connections

HOSPA - Hospitality Professionals Association



→ LEARNER RESULTS

Education & Training Programme results

The following students, enrolled on the September 2015 programme, successfully passed the coursework assignments and examinations:

Financial Management, Stage One

Daniella Apagyí	The Hotel Collection - Walton Hall Hotel
Shilen Bhimji	Jurys Inns/Hilton Garden Inn, Heathrow
Eva Dadikova	Q Hotels - Mottram Hall
Dovile Jurasiute	Sheraton Grand Hotel, Edinburgh
Sylvia Kuhmayer	Hospitality Quality Consulting OG
Kamila Lipnicka*	Radisson Blu, Belfast
Elisa Munerati	Hilton - Grand Hotel Molino Stocky, Venice
Violeta Navickiene	Principal Hayley, Grand Connaught Rooms
Luiza Parol	Hilton - London Hilton on Park Lane
Michael Rosario	Jumeirah Zabeel Saray, Dubai
Alison Sidebotham	Hilton - Newcastle Gateshead
Paolo Stabile	Hilton - Watford
Andrew Swindells	Principal Hayley - Cranage Hall
Jude Thomson	Sheraton Grand Hotel, Edinburgh
Tsjoe Tiah	Hilton, Amsterdam
Sibi Varghese	Jumeirah Zabeel Saray, Dubai
Pieter Verdoorn	Hilton, Amsterdam
Amie Whelan	The Midland Hotel
Paola Zapata Ayala	Hilton - London Hilton on Park Lane

Claire McQueen	Princes Street Suites
Emilia Mielnicka	Number Eleven Cadogan Gardens
Cristina Montes	St Regis, Rome
Suraj Panapitiya	Jumeirah Zabeel Saray, Dubai
Luke Taylor	Hilton - Pickrup Hall
Fiona Thomson	Hilton - The Waldorf Astoria Edinburgh
Miriam Valderrey	Principal Hayley - Russell Hotel
Manoharan Veeraswamy	The Greenwich Hotel
Clemence Vermes	St Regis Saadiyat Island, Abu Dhabi
Mark Vidamour-Millson	The Hotel Collection - Imperial Hotel
Sherwin Yturralde	Principal Hayley - The Palace Hotel

Financial Management, Stage Three

Mathias Lenders	Royal Garden Hotel
Cecil Pickard	Jurys Inns/Hilton Garden Inn London, Heathrow
Sandie Rankine	Jurys Inns, Glasgow
Paulina Smolen	G&V Royal Mile
Aino Valkama	W Doha Hotel & Residences
Sam Willetts*	Jurys Inns, Birmingham
Gemma Williams	The Grove Hotel

Financial Management, Stage Two

Matthew Bennett	Principal Hayley - Derbyshire Hotel
James Bland	The Hotel Collection - Redworth Hall Hotel
Pranav Dave	Hilton - London Hilton on Park Lane
Alan Eaton	Eynsham Hall Ltd
Anita Feher	Principal Hayley - Beaumont Estate
Laura Hyland	Jurys Inns, Cork
Rupinder Kachala	Jurys Inns, Birmingham
Natalia Kegeian	Radisson Rosa Khutor, Russia
Miriam King	Principal Hayley - Grand Connaught Rooms
Freeman Luk	Principal Hayley - Wotton House
Begoña Manzanero*	Hilton - London Hilton on Park Lane

Revenue Management, Stage One

Carolyn Cornet	Fountain Court Apartments
Peter Hewson	De Vere Venues - Wychwood Park
Bruno Le Coze	Studying independently
Diane Little	Principal Hayley - Grand Central Hotel
Abby Palmer	The Cavendish Hotel, London
Bethany Parker*	Principal Hayley - Grand Central Hotel
Florence Tercier	Greystar - Europe Holdings

Revenue Management, Stage Two

Micheal Alex	Studying independently
Andrew Bunting	Principal Hayley - Grand Central Hotel
Phillipa Jordan	Farncombe Estate Holdings Ltd
Pankaj Khanna*	Thistle London, Heathrow Terminal 5
Hugh Murphy	Jumeirah Carlton Tower
Fearghal O'Toole	Principal Hayley - Grand Central Hotel

Bethany Parker	Principal Hayley - Grand Central Hotel
Lewkora Phillips	Cheval Residences Ltd
Anneliis Veinberg	The George in Rye

Revenue Management, Stage Three

Zena Carter*	Farncombe Estate Holdings Ltd
Lance Keirle	Belmond Le Manoir Aux Quat'Saisons
Marisa Palmero	Malmaison & Hotel du Vin, Birmingham

*Highest grade achieved for their Stage of study

Programmes in Revenue Management and Financial Management commence in March and September each year. Studied over three Stages/Levels at a cost of £780 + VAT each, enrolments are being accepted now for the September start date.

→ TIPS AND SERVICE CHARGES

Is this iceberg approaching?

Having previously suggested that the Big Issue for the UK hospitality industry this year could be this subject, Howard Field says that the reality is that the iceberg is nearing our shores, and it's far from clear if anyone is ready to deal with it.

Some restaurant businesses have jumped the gun and are committed to changing their pricing structures to inclusive so that service charges and gratuities are no longer added separately to the customer's bill, and tipping is neither necessary nor encouraged.

How is this justified by them?

- You don't need to worry how much to leave or worry whether the staff get whatever is charged or you leave
- Wages will be paid 'in full'
- Earnings for mortgage or other purposes will make it easier to secure loans and mortgages
- The era of having to work for tips is coming to an end

Most of the media attention about this subject has been limited to questioning whether all tips and service charges should belong to the staff.

As there are no standard practices in the UK in restaurants, bars and hotels, and neither the public, the staff nor the businesses have an appreciation of what happens when the legislation and tax rules have also to be applied, attempts to reach a balanced consensus on this subject are not that simple.

In principle, the all-inclusive approach should help to clear the air and level the playing field. But there is part of the iceberg that is invisible and that has a bearing on whether this is the best solution.

Here is a simplified example to try to show what happens:

The restaurant menu price (inc. VAT)	£50.00
A 12.5% discretionary service charge	£6.25
Bill Total	£56.25

This breaks down as:

For the business to cover its operating costs inc. at least minimum wages	£41.67
VAT (not on the service charge as payment is discretionary)	£8.33
Amount including VAT	£50.00
Service charge (not subject to VAT) 12.5% of the menu price, payable to the staff	£6.25
Bill Total	£56.25

Now let's go inclusive, keeping the same amount for operating costs and payable to staff:

The restaurant menu price inc. a 12.5% discretionary service charge (£41.67+£6.25)	£47.92
VAT payable on this total at 20%	£9.58
Bill Total	£57.50

Note that the Bill Total has to go up by £1.25, and the whole of this goes to HMRC as extra VAT.

It does not end there. If the restaurant currently has an approved tronc sharing system for service charge paid to the staff - and here we are assuming it is all paid out to the staff - then this is what will happen if the equivalent amount becomes part of their pay from the business (based on 2016/17 rates):

Paid to the staff as a cost to the business £6.25

As before this will be subject to income tax at whatever rate applies to each individual's total earnings.

For the employer there will also be:

Extra Employer's National Insurance 13.8% £0.86

Extra Employer's Workplace Pension Cost minimum 1% £0.06

Additional cost to the restaurant £0.92

If the restaurant wants to recover these extra National Insurance and pension costs from the customer, the amount to be added to the bill would be subject to VAT.

The Bill would then become, as above £57.50

Extra employer costs £0.92 + VAT £0.18 £1.10

Bill Total £58.60

For the customer this would result in an increase from the original £56.25 bill total of £2.35 or 4.2%. All of this increase will go to the government in tax and NI charges.

And the consequences for the staff:

Extra cost for Employee's National Insurance 12% £0.75

Cost for Workplace Pension contribution 2% £0.12

Total additional cost to the staff £0.87

In summary, the result of going inclusive?

Winner

- The government - VAT on the former service charge and on any other cost recovery element
- The government - 25.8% of the service charge element will be paid in additional National Insurance contributions

Losers

- The customer - paying another 4.2% for no added value. Can that all be passed on to them?
- The employee - out of pocket by 14% of their 'extra' pay compared to now. This could have been used for savings, living expenses and other discretionary spending
- The employer - paying to the government the cost of additional National Insurance and incurring workplace pension costs, totalling at least 14.8% of the amount formerly distributed. This would have been available to provide additional value to the customers and the employees.

To the above issues need to be added the future effects of the Living Wage and workplace pension contribution increases and the impending 0.5% Training Levy - including the effects of adjustments to related pay differentials and whatever is needed to recover any other operational cost increases.

The UK hospitality industry urgently needs to understand the size of this iceberg and to influence how to bring it under control. All the affected parties need to be involved in reaching a consensus that will create a fair and transparent solution to what will otherwise continue to be a growing problem and a national embarrassment.



Changes hospitality, restaurant and leisure organisations can take to ensure compliance with Modern Slavery Act

If you operate in the UK and your business turns over >£36M, from 2016 your organisation is now legally bound to complete an annual “Slavery and Human Trafficking Statement” and publish on a visible part of the website. Your HQ or parent does not need to be in UK and companies whose year end is on/after 1st of April 2016 this applies to you now!

David Cameron said:

"This measure is one of the first of its kind in the world and it will be a huge step forward, introducing greater accountability on business for the condition of their supply chains."

When we think of slavery we typically think of the offshore retail clothing industry sweat shops or possibly domestic staff (ie Coronation Street?). However, when our procurement staff (or suppliers' procurement staff) successfully negotiate exceptionally low pricing or delivery expectations we are unwittingly exposing ourselves to our supply chain engaging unethical sources to meet our unrealistic targets and margins. Your procurement knowingly negotiating pricing that they suspect supplier would struggle to support using ethical channels may mean you are held responsible and accountable for supporting this practice.

The new Law lays down the requirement of transparency in supply chain so we expect suppliers to be sending a paper chase down their chains resulting in smaller companies below the threshold still needing to provide the evidence to support their customers statements. You can expect your corporate/larger customers to ask you to attest compliance, indeed you should be managing this control against your customers, franchisees as well as your suppliers.

Engaging knowingly companies that use tied/slavery labour is and always has been a criminal offence however with the introduction of the new legislation all companies trading in UK must provide a statement on the steps they take to minimise slavery in their supply base. Failure to provide a statement upon request is now the criminal act.

The challenge in the hospitality & leisure sector is that typically many organisations operate multiple autonomous brands, franchises and locations, frequent acquisitions and young workforce often with a high staff turnover so managing visibility of every stakeholder in every supply chain is tricky.

This is a long anticipated law but, where it falls down partly is that the statement itself does not need to outline actionable steps just what the business strategy is.

The reality is however we all want good PR and are likely to have pressure from shareholders (as well as our customers and suppliers) to produce positive statements around the actionable steps we have taken to drive this behaviour away from our supply chain. The challenge then comes when your customers, regulators and shareholders ask exactly HOW this is being supported in your business. Some of the changes organisations can adopt are therefore:

- Define whom within Senior Management is responsible for adoption of the Act and creating and overseeing the statement and putting in place any new actions.

- Providing performance management reporting and KPIs around supplier efficiency, and the new controls put in place so that you can provide evidence in your financial statements and to your corporate customers who will be asking for your statement.
- Initial on-boarding of suppliers and customers should be updated to record this controls and data against their records.
- Performing ongoing supplier and customer assessments and identifying high risk areas asking suppliers to provide information and attestation from all their supply chain and controls.
- Defining the business processes and ensuring the controls, segregation of duties and measures are in place.
- Ensuring all staff and particularly those in areas such as procurement understand difference between successful pricing negotiation and unreasonable demands on suppliers. Not rewarding staff for negotiating unfair contracts on suppliers.
- Ensuring staff are trained and new policies in place, regularity reviewed/appraised to ensure compliance with the overall company parent ethos and ethics.
- Update Management reporting around customer, employee, franchisee/branch/location and supplier performance to include “ethical compliance” KPIs on each of those four areas.

Optimising processes to achieve greater efficiencies in terms of price and quality continues to be one of the main drivers and business case for reviewing back office/accounting as well as front office/marketing technologies however with the introduction of this Act this adds an additional justification and focus. Better controls, greater efficiencies and using technology to collaborate and automate can assist organisations comply with this legislation, for more information on how Infor Hospitality solutions can assist your business www.infor.com/hospitality.

This applies to c17,000 companies that operate in UK. More information from the UK Government is available here: www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide

Deborah Roberts, ACMA Infor Hospitality EMEA Sales for more information email: hospitalityuk@infor.com



Deborah has worked in the software industry for over 20 years is qualified accountant.

Infor are leading Enterprise software organisation providing end to end solutions for the Hospitality and Leisure marketplace.

Millennials: Shaping the future of hospitality



How Millennials are shaping the future of hospitality: a closer look

The Millennial traveller, defined by age as being born between 1980 and 2000, already makes up over one third of the world's hotel guests, with predictions that they will reach over 50 per cent by 2020. As the travel and hospitality industry gears up for the biggest disruption in decades, key attributes like design, experience, mobile and perceived value are imperative for attracting the millennial traveller. There has never been a demographic that is more connected, digitally savvy and demanding, and wanting contemporary design, high quality amenities, smart technology and locally inspired ambience, all wrapped into a single hotel experience.

With boutique hotels and fast-growth start-ups disrupting all aspects of the industry, innovation is also coming from within some of the largest corporates, who are aware that disruption and reinvention will drive their own relevance and bottom-lines in the future. The world's leading hotel chains have been gearing up for some time with the emphasis on launching and acquiring Millennial-inspired hotels, including Hilton, Starwood, Intercontinental, Marriott and Best Western Hotels. These hotels are being forced to rethink hotel and room design, guest services and experiences, ethical footprints and smart features to cater for the Millennial customer that wants to be able to discuss, organise, book and customise their experiences through their mobile at their own convenience.

Smart technology

User experience has never been more important for the truly connected Millennial traveller, with high expectations in discovery, payments and mobile experience prior to and during their stay.

The W Hotel group lets tech-savvy guests unlock their rooms in some of their hotels with an Apple Watch or smartphone while Scandinavian hotel group HTL Hotels enables both check-in and room access through the smartphone. Taking it a step further, Japan's Henn-na Hotel is staffed with life-like robots that greet guests, carry bags and even clean rooms once a guest leaves. The aim of the hotel is to create an all-round hi-tech experience, including facial recognition software to open doors.

On-demand generation

Smart hotel brands are integrating the right on-demand services, making them seamless for guests to access and use, whether it is quick access to prices, amenities or room service via their own branded-apps or messaging tools like Whatsapp.

For example, the Ritz-Carlton app enables guests to order extra towels or toiletries, luggage pickup or housekeeping services directly from their mobile. While the Conrad Concierge app allows guests to choose their rooms prior to checking in and order room service during their stay. Best Western's new Vib hotel chain even offers automated check-in and a virtual concierge service and Sheraton Frankfurt Airport hotel has even implemented WhatsApp to communicate with guests. WhatsApp enquiries include pricing information, booking enquiries, lost property enquiries, as well as travel questions. The hotel has implemented a successful five minute turnaround time to all Whatsapp enquiries.

The sharing economy

Driven by Airbnb becoming one of the world's largest hotel groups without having to own a single hotel, traditional hotels

are increasingly having to apply Sharing Economy features to the hotel experience. These features include communities, value, trust and social connections.

Created by MIT's Mobile Experience Lab, Marriott Hotels launched Six Degrees, a physical social network encouraging hotel guests to engage in the physical space through an app, digital wall projection and an interactive wooden table in the lobby. The system used guests' LinkedIn accounts to pull information on the guests, including where they work and what their interests might be. Guests could express interest in organised activities from jogging in the park to craft beer tasting, through the app.

Developed in the Netherlands and created to provide value for millennials, Zoku markets itself as the end of the hotel room and the beginning of the infinite room. The hotel rooms include neat design features such as pullout stairs, drawers and sliding doors that help convert the room into a variety of multipurpose spaces, depending on the needs of the guest.

"In our research, we found that what young people like about a hostel, for example, is that they jump out of their bunk beds, go down to have a coffee, and chat for two hours with new people,"

said Hans Meyer, co-founder and managing director at Zoku.

Meaningful experiences

It has never been more important to deliver deeper experiences to travellers by focus on inspiration, personalisation and local experiences.

Marriott's Residence Inns, for example, now hosts weekly theme nights called the Mix to help millennials connect with local culture. This can include dessert samplings, live music in the lobbies, local food trucks and fire pit nights. The Hilton Hotel's Canopy brand provides Millennials with a welcome gift from a local bakery upon arrival and access to local fitness centres and local wine and beer tastings. HTL Hotels offer guests a personalised concierge service to help them discover the city's hidden gems and uncover the local's favourite eat, drink and shopping spots in the city. And even Four Seasons has got in on the action with their branded Food-Truck tours in cities across America.

Hotel design

Hotel design is being transformed to cater for the millennial traveller through the evolution of lobby design, common social spaces and the more efficient use of space in hotel rooms.

London's newest boutique hotel Laslett hotel looks to capture the rich cultural heritage and local contemporary scene of Notting Hill within the design of the hotel, making the ground floor more of a neighbourhood hangout than a traditional hotel lobby. It incorporates a curated British library, walls of art, the Henderson bar and coffee which serves an evolving menu of dishes supplied by celebrated local chef Sally Clarke and her Bakery, and a shop showcasing collaborations with designers and artists.

Larger hotel chains are also in on the act. Best Western has launched a new boutique brand called Vib, short for Vibrant, which includes contemporary and modern design, local design elements from the location of the hotel, large creative spaces, personalised food & beverage options, green-friendly features and vending machines where customers can purchase a variety

of amenities including apple headphones.

"This was a natural evolution for us. We wanted to make sure there was going to be a really amazing product for the guests,"

says Best Western's Managing Director of Design Amy Hulbert.

Even the traditional no-frills hostel market is getting a makeover with brands. For example Freehand Hotel, which offers tourists the opportunity to mix with locals in the lobby, plush couches with coffee and handcrafted tiles lining the walls. European hostel brand Generation Hostels has also created lavish common areas with fantastic bars, cinema rooms and areas for yoga in their 10 'poshtels'.

"We're trying to capture people who are curious and people who want to experience design and want to experience something local,"

said Josh White, Chief Strategic Officer.

Price sensitive

Lets face it, even though millennials require all these additional features from their hotels, they are still price sensitive, wanting more for less. The future of hotels will likely see the unbundling of hotel amenities, as the airline industry has successfully done in the last few decades.

The new Virgin hotel brand addresses this through money-saving initiatives like free happy hours from 6pm - 7pm and minibars that offer affordable items for once. The hotel group also focuses on convenient features such as free early check-ins, late check-outs and even free last minute cancellations. Whilst hotels like Tune Hotels, offer a 'pay as you go' system where guests pay extras for TV, Wifi, towels and even toiletries.

From boutique hotels to large hotel groups, the millennial traveller is most certainly redefining the hospitality industry's definition of a hotel.

About the Author

After graduating with a 2:1 BSc Economics degree in 2003 from the University of Manchester, Rupa Ganatra started on the RBC Capital Markets graduate training programme. At age 29, she became Head of Middle East Sales for Equity Derivatives. She has launched two businesses since leaving the investment banking industry and has gone on to be named one of Management Today and The Sunday Times 35 under 35 Women in the UK in 2014. She is co-founder of award winning Yes-Sir.com, a global online retailer specialising in men's grooming brands including luxury designer brands as well as Yes Sir's own range of male grooming products.

Additionally, in 2013 Rupa co-founded Brand us Social with entrepreneur Viktoria Kozyulko. It is a forward-looking Social Media and Digital intelligence and events company providing news, data and conferences focusing on educational, actionable and inspiring content curated by the industry's top strategists and entrepreneurs. In January 2015, Swiss events company im2 Group has come in as a business partner to help scale and grow the business. The company is now launching a new event series under the name Millennial 20/20.

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→ PEER-TO-PEER PLATFORMS

Share and share alike



The hotel sector is starting to take an, 'if you can't beat 'em, join 'em' approach to the sharing economy, with AccorHotels buying Onefinestay, a high-end hospitality pioneer specialising in luxury serviced home rental in key worldwide gateways, for £117m, making a further commitment of £50m to help the company scale internationally.

Launched in 2010 in London by Greg Marsh (CEO and co-founder), Demetrios Zoppos, Tim Davey and Evan Frank (co-founders), the company today operates a portfolio of 2,600 properties under exclusive management with strategic locations in London, New York, Paris, Los Angeles and Rome (representing an estimated asset value of more than £4bn).

AccorHotels will support a new development phase of Onefinestay, accelerating its expansion across new key urban

markets, providing it with its distribution capacity, customer base, incremental synergies and its know-how as a hotelier. As a result, Onefinestay has an ambitious strategy to expand to 40 new cities around the world over the next five years growing revenues tenfold.

The company will remain an independent business unit within the AccorHotels Group and will continue to be led by Greg Marsh and the key management team.

Sébastien Bazin, Chairman & CEO of AccorHotels said:

“Onefinestay has successfully captured a sweet spot: a combination of needs that neither traditional hotels nor new actors of the sharing economy can meet. With the acquisition of this exceptional brand, unique operating model and outstanding management team, AccorHotels is developing as the worldwide leader of the Serviced Homes market. Today, together with our recent investments, we are accelerating the transformation of our business model to capture the value creation linked to the rise of private rentals and also strengthening our presence in the luxury market with a complementary offer”.

The deal sees AccorHotels buy out Hyatt Hotels Corporation, which had acquired a stake last year. It isn't AccorHotels first buy in the sharing economy - in February it acquired a 49% stake in Squarebreak, which operates a digital platform selling private upscale properties in resort locations, primarily in France, Spain and Morocco and a 30% stake in Oasis Collections, a curated marketplace for private rentals. The company, which was launched in Buenos Aires in 2009, includes 1,500 properties in 18 destinations, in Latin America, the US and Europe. The cost of the transactions was not revealed.

AccorHotels is not alone in fraternising with the sharing economy, Wyndham Worldwide is using HomeAway to distribute its Exchange and Rental business.

Wyndham CEO Steve Holmes said:

“Technology continues to present great opportunities to broaden vacation rental distribution. There are two distinct business models in the rental industry, the rent by owner model, which is self-explanatory, and the professionally managed model where we are the largest player. Supporting both of these models are third-party distribution channels such as HomeAway, Airbnb, and online travel agencies.”

“We signed a global agreement with HomeAway and we are in active dialogue with others. We are leveraging our global scale to benefit our brands and property owners. While we have great proprietary websites across our rental brands, third-party distribution often provides an effective marketing alternative. To optimise utilisation, we augment our property booking channels by listing certain properties at certain times with third-party providers.”

Holmes said that the benefit was higher consumer awareness and the ability to generate additional bookings, especially beyond the group's primary customer markets and the peak season. He said that the group was “already seeing benefits”.

While the operators are throwing in their lots, the British Hospitality Association has called for greater transparency of data from home sharing websites, accusing them of allowing “illegal hotels” to operate.

The comments were made as Airbnb was accused of delisting properties in New York to manipulate data demanded by the attorney general.

The BHA said that it was calling for greater transparency “of these intermediary websites, regulation and enforcement of health and safety and food standards, as well as compliance with the maximum 90 days a year letting allowed in London, without planning permission. The BHA proposes that platforms restrict hosts from letting beyond 90 days and notify the relevant authorities (HMRC, local government) of hosts letting entire or multiple properties.

It added:

“There is little data available from online platforms. In London it is estimated that last year up to 39.8% of Airbnb hosts were letting more than one property, with some letting as many as a hundred but figures are not available from the home sharing websites themselves.”

The call came as Airbnb was accused of removing more than 1,000 listings from its site in order to manipulate a survey of its New York City hosts, according to a new report compiled by watchdog website Inside Airbnb. The platform has come under pressure from the New York attorney general to reveal information about those listing on its site.

Matt Mittenthal, spokesman for the attorney general, said:

“Airbnb continues to show a blatant disregard for New York laws designed to protect the rights of tenants and prevent the proliferation of illegal hotels. If Airbnb wants to live up to its promise to be a good corporate citizen, it will take responsibility for policing and preventing illegal activity on its site.”

Airbnb responded:

“The vast majority of our hosts are everyday people who have just one listing and share their space a few nights a month to help make ends meet. Airbnb is an open people-to-people platform where listings come on and go off throughout the year.”

The company's recent impact report on London found that the typical Airbnb host in the capital earned GBP3,500 a year through the platform.

In London, the sharing platform was welcomed by Boris Johnson, Mayor of London, who said at the report launch:

“Last year I launched my cultural tourism vision for the capital and as Londoners, we have a key role to play, with favourite spots and insider knowledge to pass on. This report shows that many Airbnb hosts are already doing this, inspiring visitors to explore more of the city, be it a specialist local museum, a small theatre, a secret cinema, a traditional pub or a quirky cafe.”

James McClure, general manager for Airbnb UK, said:

“Airbnb hosts are promoting a cultural boom in London, supporting local attractions and hidden gems in lesser known parts of London. Our community is driving a renaissance for many attractions and experiences in London's outer boroughs, spreading the benefits of tourism beyond the city centre to communities regular Londoners call home.”

Airbnb and its ilk are making friends throughout the industry, despite concerns over their operating habits. Join the debate by emailing, tweeting or posting on our LinkedIn page.

Hotel Britain 2016: Regional hotels continue to lead the way



Regional hotels outperformed their London counterparts in all three performance indicators - rooms yield, occupancy and average room rate - last year, according to the latest analysis from business advisory and accountancy firm BDO LLP.

BDO's Hotel Britain 2016, an annual report into UK hotel performance, reports that rooms yield in the regions increased by 5.1% compared to 1.1% by London hotels. Average achieved room rate (AARR) increased by 4% and occupancy by 1.1% in regional UK, compared to just 0.9% and 0.2% respectively in London.

Overall, UK AARR grew by a robust 4.6% to £95.80 against a modest rise in occupancy of 1%.

Budget hotels led the way amongst the individual hotel segments with an increase of 7.5% in rooms yield in London and a whopping 14% in the regions, highlighting how highly price-conscious customers remain in their search for good value deals.

In terms of M&A activity, UK hotel deal volumes hit a nine-year high at £8bn in 2015 demonstrating the UK's attractiveness to investors with London remaining one of the top cities for hotel development globally. BDO predicts that there will continue to be a dominance of big brands over independent operators, with 90% of new developments in the market being operated under a brand name.

Robert Barnard, partner at BDO, said:

"As we write, the world's economy faces turmoil of uncertain proportions. China, the second biggest economy in the world has slowed sharply and the oil price remains volatile and low, albeit showing modest signs of heading upwards. The European Union continues to face sovereign debt issues, the migrant crisis and the risks of a Brexit.

In 2015 the UK's economic growth slowed down. Britain's gross domestic product rose 2.2% compared with the 2.9% growth seen in 2014. However, it was the second fastest growing major economy after the US, which showed a stronger performance with GDP up by 2.4%.

UK hotels saw rooms yield increasing by 5.7%, with regional hotels (+5.1%) outperforming their London counterparts (+1.1%). Figures were not quite as impressive as the ones seen in 2014 but there is still some room for optimism as UK hotel transactions volume surpassed pre-downturn levels for the first time and hit a nine-year high at £8bn in 2015. Both daily rate and occupancy continued to show strong growth for regional hotels. London occupancy was marginally down by 0.4% though still at a high level, and rates have continued to grow throughout. The Capital remains one of the top global cities for hotel development.

Having driven strong growth in 2015, the budget segment has reaffirmed its status as one of the most important components of the industry. Recently new brands and concepts have entered the UK hotel market, and this is expected to continue as customers remain highly price-conscious and seek good value for money deals.

2016 is poised to be another year of growth for the UK economy, with GDP growth expected to be around 2.0% per budget. However, there are some factors that might compromise the pace of growth for the economy and especially for the hotel industry.

The referendum on the UK permanency in the EU in June and the fears of a Brexit are clearly the most obvious factors that could pose uncertainties in the short term. Brexit panic pushed the pound to a seven-year low the day after the referendum was announced and Mayor Johnson publicly backed the campaign to quit the EU. Uncertainty surrounding the outcome of the US presidential election is likely to weigh on transatlantic visitors during this year. Notwithstanding the risks, the outlook still remains positive with tourist arrivals set to achieve another record high despite not having any major sporting events to boost business from overseas."

February delivers flat trading



Managed pub and restaurant groups saw sales growth flatten out in February. Latest figures from the Coffer Peach Business Tracker reveal a 0.0% like-for-like sales rate for the month against the same period last year.

“The numbers will be a disappointment for the sector, coming on the back of a bright start to the year, with January like-for-likes up 1.9%, but they reflect a growing sense in the market that 2016 will be a tougher year than last,”

said Peter Martin, vice president of CGA Peach, the business insight consultancy that produces the Tracker, in partnership with Coffer Group, RSM and UBS.

Total sales for the month among the 31 companies in the Tracker cohort were up 3.2% on 2015, reflecting the continuing impact of new openings and investment in sites, particularly among restaurant groups outside of London.

“However, we are also seeing the rate of restaurant openings slow this year, as the market perhaps becomes a little more cautious,”

added Martin.

Greater London had the best of February’s trading, with like-for-likes ahead 0.9%, against a 0.3% decline in the rest of the country.

“This may be something to do with the school half term holidays. Casual dining chains collectively also did better than the wider pub and bar market, with like-for-likes up 1.6% on February 2016 against a 0.8% fall for managed pubs,”

said Martin.

“Our CGA Peach Business Leaders survey, carried out among 260 senior executives in January, shows confidence about the market still high, with 75% either optimistic or very optimistic. However, that is down on the 93% recorded this time last year,”

observed Martin.

The underlying annual trend shows sector like-for-likes running at 1.7% up for the 12 months to the end of February, with out of London just marginally ahead of the capital.

Trevor Watson, executive director, valuations, at Davis Coffer Lyons, said:

“The market continues to show ‘steady as she goes’ progress in terms of overall sales, with like for like figures being pegged back by the rate of new openings. In spite of insatiable operator demand for sites, the rate of new openings does appear to be slowing slightly, which is a trend we expect to see continue for much of 2016. Although consumer confidence is steady, we expect to see some business investment decisions held back until after the referendum which could lead to increased corporate activity in Q3 and Q4 of 2016.”

Paul Newman, head of leisure and hospitality at RSM, added:

“Although disappointing, it comes as no real surprise that the surge in supply and convergence across eating and drinking-out formats is now starting to slow growth and put downward pressure on like-for-like sales. Competition among operators is set to intensify and the winners will be those who can best balance site expansion with innovative menu development and competitive pricing.”

Jarrod Castle, leisure analyst at UBS Investment Research, observed that the flat LFL trading in February was in contrast to January at +1.9% and December at +1.8%, adding:

“The 12-month moving average LFL growth rate also came in at 1.1% against 1.3% in January and 1.2% in December.”

Pub and restaurant group sales performance for last 12 months

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
LFLs	-0.3%	1.2%	2.1%	1.7%	1.1%	0.6%	1.2%	2.5%	-0.2%	1.3%	1.9%	0.0%
Total	3.7%	5.2%	6.2%	5.8%	4.8%	4.3%	4.6%	6.1%	3.5%	4.7%	5.4%	3.2%

Source: Coffer Peach Business Tracker



Profits plummet after flooding

Profit per room at hotels in York has plunged by 41.5% in the first two months of 2016, with a 16.2% year-on-year drop recorded in the month of February alone, according to the latest data from HotStats.

Whilst hotels were able to successfully record RevPAR (Revenue per Available Room) growth of 1.3% in February, TrevPAR (Total Revenue per Available Room) in the city dropped by 1.1%, as Food & Beverage revenue fell by 3.6% and an 18.7% year-on-year decline in revenue was recorded in Conference & Banqueting. For hotels in York, the drop in TrevPAR was further exacerbated by year-on-year cost increases on a per available room basis in payroll (+6.6%) and Sales & Marketing expenses (+17.1%), as well as Property & Maintenance payroll (+23.8%), as repairs to flood-damaged hotels continued.

York was one of the cities worst hit in the floods of December 2015. However, occupancy levels in the city have been on the decline for the last year, falling by 6.1 percentage points, to 76.6% in the 12 months to February 2016, from 82.7% in the 12 months to February 2015, with the decline accelerating since the December floods. The drop in occupancy has contributed to a slow and steady fall in RevPAR over the last year, alongside unrelenting growth in labour costs, which have increased by 14.0% over the last three years, from £29.97 per available room in the 12 months to March 2013 to £34.17 in the 12 months to February 2016.

On a rolling 12-month basis, GOPPAR (Gross Operating Profit per Available Room) has fallen from a high of £36.41 recorded in February 2015 and is now 16.4% behind this level, at £30.42 for the 12 months to February 2016.

RevPAR Slows But Profit Grows for Hotels in the Eastern Region

For the first time in almost three years, RevPAR at hotels in the Eastern region is showing signs of stabilising, after 30 months of

consecutive growth fuelled a 21.3% increase in rooms revenue, to £55.16 in the 12 months to February 2016 from £45.46 in the 12 months to August 2013.

Whilst, for the month, year-on-year RevPAR remained stable, TrevPAR fell by 3.0% as overall revenue levels were challenged by a 16.7% drop in Conference & Banqueting revenue and an 8.8% decline in Food & Beverage revenue.

Year-on-year profit for the month increased by 1.8% as hotels in the Eastern region managed down payroll (-4.5%) and overheads (-4.5%) on a per available room basis, which contributed to a 6.6% year-on-year profit increase so far in 2016.

Hotels in Birmingham Continue to Achieve Top and Bottom Line Growth into 2016

RevPAR levels for Birmingham hotels reached new heights this month, at £54.67 in the 12 months to February 2016, having achieved consistent growth from £47.84 in the 12 months to August 2014.

Whilst occupancy slipped a little, year-on-year, RevPAR, increased by 4.8% for the month to £61.14 from £58.32 during the same period in 2015, but was fuelled by a 25.8% increase in Rooms Costs of Sales, to 10.8% of rooms revenue.

Growth in Food & Beverage revenue (+2.3%), as well as Conference & Banqueting (+12.0%) contributed at a 2.7% increase in TrevPAR for the month, to £92.77 from £90.31 during the same period in 2015.

Whilst payroll on a per available room basis increased by 2.0% for the month of February, profit growth remains positive for Birmingham hoteliers so far in 2016, with a 1.2% increase for the month and a 0.5% year-to-date increase.

The month of February 2016

	Feb'16	Feb'15	Var b/w		
EASTERN	Occ %	87.3	88.6	-1.3	▼
	ARR	73.61	72.21	1.9%	▲
	RevPAR	49.56	48.55	0.0%	▲
	TrevPAR	88.22	86.98	-3.0%	▼
	Payroll %	36.0	37.3	0.8	▲
	GOP PAR	18.80	18.48	1.8%	▲

	Feb'16	Feb'15	Var b/w		
BIRMINGHAM	Occ %	74.5	75.4	-0.9	▼
	ARR	82.07	77.34	6.1%	▲
	RevPAR	61.14	58.32	4.8%	▲
	TrevPAR	92.77	90.31	2.7%	▲
	Payroll %	25.4	25.5	0.2	▲
	GOP PAR	37.04	36.81	1.2%	▲

	Feb'16	Feb'15	Var b/w		
YORK	Occ %	71.0	72.9	-1.9	▼
	ARR	84.27	81.03	4.0%	▲
	RevPAR	59.85	59.06	1.3%	▲
	TrevPAR	97.83	98.92	-1.1%	▼
	Payroll %	36.5	33.9	-2.7	▼
	GOP PAR	18.09	22.77	-18.2%	▼

The Calendar year to February 2016

	YTD'16	YTD'15	Var b/w		
EASTERN	Occ %	82.5	83.0	-0.5	▼
	ARR	73.25	71.73	2.1%	▲
	RevPAR	45.79	45.17	1.4%	▲
	TrevPAR	81.90	83.13	-1.5%	▼
	Payroll %	38.0	39.0	1.0	▲
	GOP PAR	18.20	15.29	8.8%	▲

	YTD'16	YTD'15	Var b/w		
BIRMINGHAM	Occ %	88.8	89.8	-1.1	▼
	ARR	77.04	72.48	6.3%	▲
	RevPAR	52.97	50.82	4.6%	▲
	TrevPAR	82.65	81.06	2.0%	▲
	Payroll %	27.7	27.7	-0.1	▼
	GOP PAR	29.91	29.77	0.5%	▲

	YTD'16	YTD'15	Var b/w		
YORK	Occ %	62.5	66.2	-3.7	▼
	ARR	80.78	77.32	4.2%	▲
	RevPAR	50.47	52.85	-4.5%	▼
	TrevPAR	83.88	88.65	-5.4%	▼
	Payroll %	41.1	38.8	-2.4	▼
	GOP PAR	10.02	17.14	-41.5%	▼

The twelve months to February 2016

	Rolling'16	Rolling'15	Var b/w		
EASTERN	Occ %	73.2	72.6	0.8	▲
	ARR	75.33	71.80	4.8%	▲
	RevPAR	55.16	52.19	5.7%	▲
	TrevPAR	102.89	98.94	3.8%	▲
	Payroll %	32.5	34.0	2.0	▲
	GOP PAR	31.15	28.38	18.1%	▲

	Rolling'16	Rolling'15	Var b/w		
BIRMINGHAM	Occ %	73.8	72.5	1.7	▲
	ARR	74.09	69.92	6.0%	▲
	RevPAR	54.67	50.41	8.4%	▲
	TrevPAR	85.86	81.89	4.8%	▲
	Payroll %	28.3	27.4	1.2	▲
	GOP PAR	33.28	30.63	7.9%	▲

	Rolling'16	Rolling'15	Var b/w		
YORK	Occ %	78.6	82.7	-4.1	▼
	ARR	87.73	83.58	5.0%	▲
	RevPAR	67.16	69.11	-2.8%	▼
	TrevPAR	106.59	111.80	-4.7%	▼
	Payroll %	32.1	29.5	-2.5	▼
	GOP PAR	30.42	36.41	-18.5%	▼

Average Room Rate (ARR) - Is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

Room Revpar (RevPAR) - Is the total bedroom revenue for the period divided by the total available rooms during the period.

Total Revpar (TRevPAR) - Is the combined total of all revenues divided by the total available rooms during the period.

Payroll % - Is the payroll for all hotels in the sample as a percentage of total revenue.

GOPPAR - Is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

For more information please:

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 email enquiries@hotstats.com
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Members' Events

11 May

Two-day course in Hotel Revenue Management

Time	Location
8am	University Of Surrey

Event Details

Hotel Revenue Management: Pricing, Marketing and Distribution

As a HOSPA Member, you are entitled to a 10% discount.

A SnapShot in revenue management at The University of Surrey, introducing a more collaborative approach to Demand Management.

Summary

The course aims to broaden an understanding of Revenue Management, promising some hard work, fun interactive exercises, along with opportunities to network. Attendees will apply their learning by taking part in a competitive web based simulation, responding to business situations, and using market intelligence to make decisions throughout a year of trading. The course will wrap up with an analysis of 'big data' together with discussions on future trends in Revenue Management.

The course is designed and delivered by University of Surrey in partnership with SnapShot, a Berlin-based startup which provides analytics for hotel data, stored in the cloud, and presented on an intuitive, actionable dashboard. The School's Centre for Research and Enterprise offers open and bespoke executive education programmes to meet the increasing demand for industry-specific learning and development.

The partnership between the University of Surrey and SnapShot ensures the course provides attendees with access to the latest in both academic research and industry real time developments in the area of Revenue Management.

You will find yourself in a friendly and mutually supportive atmosphere of interactive discussions, and practical workshops.

Programme goals

The programme will provide attendees with an in-depth understanding of:

- The pillars of Revenue Management: Pricing, Marketing and Distribution
- The key areas that Revenue Management tackles
- The breadth and types of data available to revenue managers
- The importance of consistent data structure and analysis
- The Key Performance Indicators used in benchmarking and why they are important
- Pricing strategies relative to demand and value and their impact on hotel performance
- The importance of adopting a collaborative approach to managing demand through distribution channels
- Developments in the area of revenue management and current trends

As Revenue Management evolves, it is important for knowledge of the revenue function to be extended across departments. This programme will allow you to contribute more effectively to the revenue decisions being made in your hotel and understand how to answer those difficult queries from your customers around pricing.

Participants

The course has been developed to suit those who have had little exposure to Revenue Management previously, but have an interest in understanding the role of a revenue manager in a hotel. It is meant as a foundation course, perhaps for those who are looking for a move into Revenue Management, or to be able to contribute more to this function in an existing role.

Early-bird discounts available now! For more information, please register to access a downloadable flyer at: www.surrey.ac.uk/school-hospitality-tourism-management/news/two-day-course-in-hotel-revenue-management

Attendees booking in advance of 12th April receive a 10% discount on the course fee, which includes course materials, refreshments and lunch, networking drinks reception, supporting reading material and parking permits where available. 'Early-bird' price £585 Full price £650 Pricing per person (VAT exempt)

12 May

National Hotel Marketing Conference

Location

St George's Park

This year's National Hotel Marketing Conference takes place on Thursday 12th May at St George's Park, the FA's National Football Centre of Excellence and is open to all sizes of hotel and other accommodation operators.

Supported by the Hotel Marketing Association and other industry bodies, this is the 10th National Hotel Marketing Conference, with 25 speakers from the industry presenting on the latest issues relating to marketing hotels in a digital age, and HOSPA members can access a special delegate rate to the conference, saving £50 per delegate.

The full conference programme is at <http://www.hotelmarketing.org.uk> and bookings can be made by 'phoning the conference office on 01904 438100 or online, stating that you are an "association member".

10 June

BDO - London Members Technical Update

Time

8:30am: Breakfast/registration and networking
9:00am: Presentations
10:30am Q&A and further networking
11:00am: Close

Location

55 Baker Street

27 June

The Hospitality & Tourism Summit

Location

The Grange, St Pauls, London

The Summit is the Davos of Hospitality & Tourism; connecting leaders of the UK Plc who are seeking solutions to the big issues affecting our industry. It provides an exclusive platform for inspiration, innovation and debate. It is our ambition to ensure the future success

of our industry and a level playing field for tourism and hospitality businesses that operate in the UK.

The agenda for the Summit in 2016 will focus on issues affecting the whole industry including alleviating the impact of National Living Wage; our industry's stance on the Europe In-Out debate; continued devolution; gaining competitive advantage in the global tourism marketplace; making the digital economy work for our industry; improving profits; and future trends.

The BHA's Summit attracts leaders, CEOs, politicians, investors, and suppliers to discuss the issues that matter most within the industry. We are delighted that Global Hospitality Services (GHS) and its London Hotel Partner, Grange Hotels will host The Summit at their London City flagship, The Grange St. Paul's Hotel.

We look forward to welcoming you to the 5th Hospitality & Tourism Summit.

summit.bha.org.uk

18 October Cost Control for F&B Operations

Location
London

Event Details

Cost Control for F&B Operations is designed for all those involved with the management of food and beverage operations, from head chefs to food and beverage controllers. No prior knowledge of finance and accounting is required.

What is this course about?

This one day course has the purpose of assisting businesses with the effective management and control of food costs, staffing costs and menu pricing; all of which have a direct impact on profitability. Taking a practical approach, the course is highly interactive and uses a series of worked examples, case studies and discussions.

Divided into seven key topic areas, the course covers:

- Best practice in purchasing and stock control
- Menu planning, standard costing and gross profit management
- Impact of sales mix
- Wage and salary scheduling control
- KPI's for food and beverage control
- Break-even analysis for F&B outlets
- Action plans for profit improvement

What does it cost?

This one-day course is priced at £300 + VAT per delegate and includes lunch and course notes, plus 14 days access to the online classroom. The course runs from 9.30am until 4.30pm.

How do I register?

To register your place at this event, please email education@hospa.org or call the Professional Development team on +44 (0)1202 889430.

For more information

Please email education@hospa.org

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Maxxton
Oracle Micros
PAR Springer-Miller
Premier Software Solutions
PricewaterhouseCoopers
QDOS Communications

Rate Tiger
Save Money Cut Carbon
STR Global
XN Hotel Systems

HOSPA Partners

Fresh Montgomery (Hotelympia 2016)
HFTP (Hospitality Finance and Technology Professionals)
Hotel Marketing Association
Hotel Technology Next Generation
Smart Report

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SAVE THE DATE! HOSPACE 2016

Thursday 10th November

Sofitel London Heathrow, Terminal 5

Hospitality Conference & Technology Exhibition

HOSPA is a Community of Professionals - Promoting the highest professional standards in Financial, Revenue and IT management in the hospitality industry.

The Conference is an industry leading set of speakers and topics relevant for today's Hoteliers.

HOSPACE is also home to an Industry Specialist Technology Solutions Exhibition – covering all aspects of your Hospitality business.

Who should attend this event?

- Senior Hospitality Business Directors
- Hospitality IT Professionals
- Financial Controllers and Accountants
- Revenue and Distribution Managers
- General and Commercial Managers
- Young aspiring employees wanting to develop their skills & meet with industry specialists

And all those interested in keeping up to date on innovations and trends in the hospitality sector and mixing with the experts!

 Follow us on Twitter @HOSPAtweets for all the latest news on HOSPACE.

