

THE OVERVIEW

ISSN 2048-4844 JANUARY ISSUE 2015

WINNERS TAKE ALL - THE ANNUAL HOSPA AWARDS



Health and wealth - the rise of wellness
Driving technology - hospitality's new standards

Welcome to THE OVERVIEW

Dear members,

2014 was an exciting year for disruption (Airbnb, Uber, the rail network), regional UK hoteliers, and fans of Germany's football team (although not their economy). But with 2014 and its foibles (selfie sticks? Surely not) behind us, we must make a number of hopeful and possibly wide-of-the-mark forecasts about the year ahead.

What seems reasonably certain is that the hospitality sector will continue to storm ahead. Helping it along will be events such as the Rugby World Cup, which will be good for hotels as teams train and play across England and Wales and good for food outlets which deal in fuelling the man-beasts which will be descending on these shores. And their followers.

Trend-wise, variety continues to be the spice of life. Last year saw the big global hoteliers continue launch brands at a fervent rate, as the rise of the picky Millennial traveller meant a need for more personalisation and choice. The same was true for bars and restaurants, as craft beers and ever-more-sophisticated burgers drove new brands and a wave of hipster beards to get the overspill caught in.

One of the greatest uncertainties is the possibility of an interest rate increase, on the horizon for so long now that the shadow it is casting seems a permanent fixture. Despite this, although delegates at HOSPACE last month were warned to factor it into their forecasts for this year, there are fears that everyone is still looking on the bright side. They may be lucky. It had looked certain for 2014, then surely for 2015, but the wobbling Eurozone has put a rise in doubt again and with an election in May, it's time for a steady hand on the tiller, not rocking the boat.

2015 should be... interesting.



Katherine Doggrell

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→ In January's issue...

- 2. Introduction
- 3. Technology - the new standards
- 5. The wellness gravy train
- 7. HOSPA annual awards lunch
- 13. Budgeting - caging the elephant
- 17. Head into The Cloud
- 18. Supply gets demanding
- 19. Eating-out a way of life
- 20. Provinces outpace London
- 22. Events

HOSPA

Hospitality Finance, Revenue and IT Professionals

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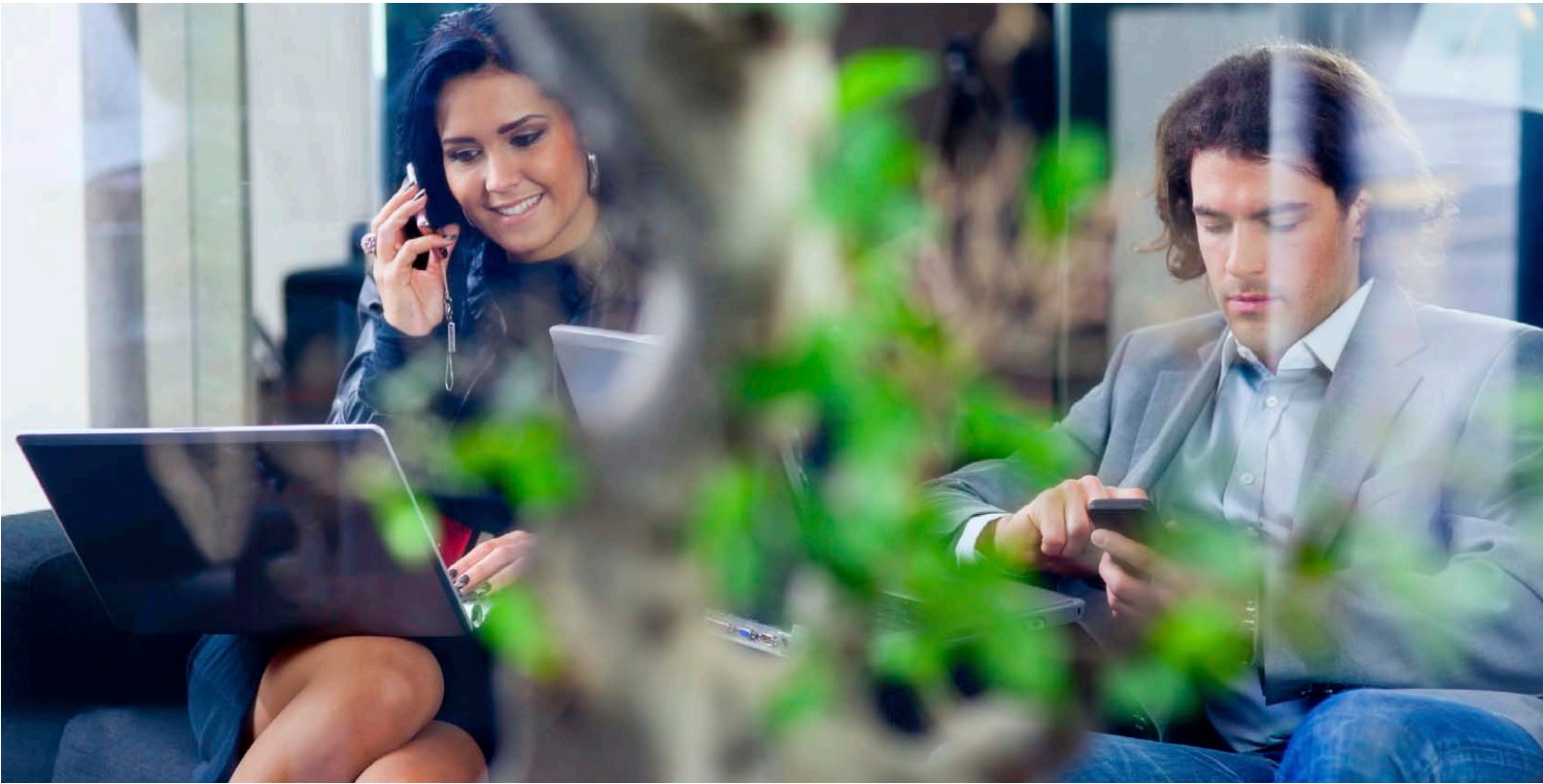
Cloud-based hospitality software for hotels, groups, apartments and pub chains

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Hospitality's technology drive-thru

HOSPA CEO Carl Weldon reports on the next standards in hotel technology.

Are hotels similar to cars in that what starts in the luxury section ends up as the industry standard? Take ABS brakes, which started on very upscale cars (and only as an option at that) and now pretty much everyone can be assured that when they slam their foot down the next time a cat with a death wish runs past the car is going to stay stuck to the road.

Satellite navigation is another luxury product, which moves into the mid-market courtesy of products such as Tom Tom. Indeed, now anyone with a smartphone (and coverage) can claim to have personal sat nav. As this issue was going to press a product was launched at Consumer Electronics Show in Las Vegas (the annual showcase of technological innovation) which combines sat nav and priceline.com to allow customers to book hotels while on the road.

And talking of connecting to the internet, that hotel bugbear: Wi-Fi. Wi-Fi started with its origins in dial-up modems (I remember installing "Patch panels" and extra lines in the switch board in a three star hotel in the 1990's so guests could choose to dial up from their hotel). Remember your first broadband at home? Then your first wireless-free experience... And then finally it arrived in your hotel, albeit charged for. Free Wi-Fi is increasingly a point of differentiation for hotel brands and consumers are starting to appreciate that it is often budget hotels which offer free, decent, Wi-Fi, while the upper end of the market still views it as a revenue stream. (See: "Why do more expensive Hotels charge for Wifi and Cheaper hotels don't?" <http://www.ibtimes.com/why-do-expensive-hotels-charge-wi-fi-when-cheaper-hotels-dont-1705568>).

The Internet of Things is now in the ABS category. Samsung recently announced their commitment to this at CES and said that all of the devices in its product line would be connected within the next five years. This includes mobile computing technology, but also home appliances like laundry machines and air conditioners. (<http://appleinsider.com/articles/15/01/05/samsung-touts-open-internet-of-things-push-says-all-products-to-be-connected-in-5-years>).

Hilton Worldwide has recently announced mobile check-in using smartphones for door-opening in 'most hotels by 2016' and the new Whitbread Premier Hub brand has just started delivering this as part of the standard for the new brand. Starwood Hotels & Resorts, which has also introduced mobile check-in, including check-in using the Apple Watch (when it's launched) has also recently announced an App for Google Glass. The Montcalm Hotel in London is using Google Glass for customer service already.

A recent article focused mainly on upscale hotels in Asia talks a fair amount about lighting and robots. Large brands appear to be investing in these areas to supplement their services. I love the idea of a R2D2 type robot (A.L.O.. The Botlr - robot butler) being available for certain simple hotel services 24/7. Terence Ronson, who is working on some of these projects in Asia Pacific

feels all these advancements are great, as both hotel employees and guests benefit from increased efficiency and better levels of service; he nevertheless felt the hospitality industry should not get too carried away. "We must not lose sight of the fact that the hotel business is a traditional business and delivering service for the most part has to be done with real people," he said. ("The tech is an aide, a tool to achieve this - and not necessarily a replacement." See more on <http://m.todayonline.com/lifestyle/travel/hi-tech-hotels-new-age-hospitality>). Indeed, Starwood Hotels & Resorts angered hospitality unions when it offered robot room service.

The question is not whether you should invest but when and to what degree?

That should depend upon:

- * what you are (and what brand you may be buying into)
- * where you are
- * what your competition or market are doing

and what type of guests you have - and those guests have different personalities and requirements depending upon whether they are business or leisure.

The new Uniform System for Hotel Accounting now demands that all technology and telephony is combined into one department on the P&L identifying this area as an important cost and investment. It will be very interesting to see what the average percentage of sales that the benchmark surveys say the hotel industry is operating on once (nearly) everybody adopts the new standard.

Hotels are traditional. But guests still see connectivity as a high priority at the very least now. Conference attendees (as we well know from HOSPACE!) demand it especially if there is some inter-action or voting expected. Connectivity really should be treated as a utility. Decent flat screen TVs at a minimum. Content of course is debatable depending on the questions above. But the industry really does need to match what guests have at home, at the very least.

Join us at the Hospitality Show for some discussions one these kind of areas on 19-21 January - see http://www.hospitalityshow.co.uk/Content/HOSPACE-Hub-1-2/2_10/

HOSPA Members get some special (free) attendance privileges!

→ FM RECRUITMENT



**Can you hear the whistle of the
Wellness gravy train?**



Chris Denison Smith
Director, FM Recruitment

'Wellness' tourists - travellers seeking activities to maintain or enhance their personal wellbeing - spend 59% more than the average tourist. Is your hotel taking advantage of this burgeoning market?

Economy Monitor' - covers spas, Wellness tourism and thermal/mineral springs. Its simple message is that Wellness tourists increasingly want to enjoy the health benefits of spas and spa treatments. And, what's more, they spend a lot more than the average tourist.

Whether it is a body massage, a facial or body treatment, spa manicure or pedicure, customers are making the most of these services and facilities. Other key findings from the global report include:

- Asia has the most hotel spas
- Europe receives the highest revenues from the spa industry: £19 billion
- The trend towards spa experiences has taken off in Africa and Latin America where growth is rapid
- Japan and China traditional culture has always embraced a lifestyle that includes regular use of traditional thermal and mineral springs. Now its resorts are expanding and modernising.

The attraction of a rising market

The Global Wellness Institute's 2014 report reveals Wellness to be a £2.7 trillion industry. Wellness has seen rapid growth in recent years, its accelerated growth a function of:

- An ageing population
- Relative economic prosperity
- The perceived stresses and strains of modern life.

Many hotels have reacted to travellers' changing needs by incorporating the concept of Wellness into the heart of their proposition. Is yours?

What is Wellness?

Wellness travellers are looking for a diverse range of services including:

- Physical fitness, swimming pools and sports
- Beauty treatments
- Healthy diet and weight management tips and programmes
- Relaxation and stress relief
- Meditation and yoga
- Gardens, walking paths, napping cabins
- And a range of alternative, complementary, herbal, or homeopathic medicine.

Wellness and the hierarchy of needs

Increasingly, travellers are looking for ways to maintain good health, improve themselves physically, and do what they can to avoid diseases. They seek to manage the process of ageing with style and grace. This ageing population is conscious of not just living longer, but living well. Such customers are certainly interested in being pampered, but their expectations now include hotel access to fitness and health services, nutrition and complementary medicine.

For many travellers Maslow's famed Hierarchy of Needs features Wellness somewhere near the top. Ingo Schweder, Managing Director at Horwath HTL Health and Wellness on this phenomenon: "There are root demographic shifts happening... people have more disposable income and they want to spend their free time and money in facilities where they choose life-extending, rejuvenating, detoxing environments."

Premium hotels enjoy the Wellness boom

At the higher end of the market, hotel guests are happy to pay premium fees to stay where their new requirements for Wellness can be met. These guests are looking for far more than a functional accommodation experience. They want a sense of almost spiritual enrichment from their stay. On leaving a top-end hotel, they want to say, 'I'm a better person than I was when I arrived.'

This sort of self-improvement leans towards a more holistic travel experience, one that takes in an understanding of culture and traditions outside of the hotel environment.

Gerald Lawless, President and Chief Executive, explains how the Jumeirah hotel group is reacting to the more nuanced demands of Wellness guests:

The magnetic appeal of the Spa

Between 2007 and 2013 the global spa industry grew from £39 billion to £60 billion. Spas are expanding their offering to embrace the Wellness lifestyle far beyond what guests once expected. Hotel spas can take in fitness, food, sleep, even how to make a good community and make the planet a better place. It's all part of the Wellness experience.

The Global Wellness Institute's study - 'Global Spa & Wellness

"I believe tourism is a force for good, as it brings different cultures together. We have a programme where we take guests to the Jumeirah Mosque. An imam gives a lecture on Islam. But, instead of talking about the differences between Islam, Christianity and Judaism, he talks about the similarities. People are absolutely amazed that there are so many similarities between these three great religions. Guests come away thinking, 'Wow, I've really done something good with my holiday'. Guests want these experiences. They want to understand the culture of the place they are staying ."

As noted in last month's article by Madison Mayfair on the 'sharing economy', Airbnb's appeal for many travellers is that it delivers an 'authentic' and 'real' travel experience. We must recognise that more and more guests are striving to connect with the culture and language of the places they visit. At some level they want to 'live like a local'.

It takes two to tango

Some hotel brands report improved ADRs after bundling very good spas into the product mix. Susan Harmsworth, CEO, ESPA, explains the impact high quality spas have had in hotels in Dubai, Abu Dhabi and Riyadh, "We get double occupancy as opposed to single. Even if people are here on business, they will often bring their partners or spouses, and they'll use the spa two or three hours a day ."

Wellness and healthcare - yet another opportunity

There is an increasing awareness about the role Wellness

plays in the lives of those recovering from surgery or illness. For some patients, such as those struggling with weight gain; poor sleep; anorexia nervosa, bulimia or binge eating; depression and loneliness, industry commentators are noting how doctors are beginning to prescribe accredited health and Wellness packages as an alternative to more invasive or pharma-based treatments. More widely, healthcare authorities already recognise the importance of establishing a holistic approach to care, where possible, where there is a balance between mind, body and soul. Hotels could do well to broker partnerships with state and municipal healthcare providers, to arrange Wellness plans complementing regular recovery treatments.

Home markets highly attractive - facts and figures

- Wellness tourists are generally high-yield tourists
- In 2013, international Wellness tourists spent 59% more per trip than the average international tourist
- Domestic Wellness tourists spend about 159% more than their average domestic counterpart.

The numbers add up and now's the time to act

In summary, ever-increasing numbers of travellers see Wellness as central to their lifestyle. Hotels can exploit these market forces incorporating Wellness into their service offering. The market for people who want to maintain a healthy lifestyle, enjoy food and fitness while travelling - business or pleasure - is increasing every month. If you haven't already grabbed a slice of the pie, now's the time.





Top talent honoured at HOSPA Annual Awards

The HOSPA Professional Development Committee was delighted to recognise, at the Annual Awards Lunch held in December at the Marriott Hotel, Grosvenor Square in London, the successes of the HOSPA Student Award Winners 2014 studying during the past year on the HOSPA Education Programmes in Financial Management (ETPFM) and Revenue Management (ETPRM).

The HOSPA Financial Management and Revenue Management Education Programmes are flexible distance learning courses, aimed at aspiring hospitality professionals who wish to gain the necessary skills and knowledge to be able to manage a hospitality finance or revenue management department. The courses have been developed by leading educators in the appropriate field of expertise in conjunction with hospitality industry experts.

Cash prizes and certificates were presented to the highest achieving HOSPA ETP students, based on their results in

Completing in March 2014, the prize winners are:

Education Programme in Financial Management

Stage 1: Introduction to Financial Accounting	Meriel Johns, Jurys Inns, Brighton
Stage 2: Operational Management Accounting	Thomas Fink, Rocco Forte The Charles Hotel, Munich
Stage 3: Strategic Management Accounting	Chinthaka Periyapperuma, Jumeirah Madinat, Dubai

Education Programme in Revenue Management

Stage 1: Introduction to Revenue Management	David Bell, Whitbread
Stage 2: Operational Revenue Management	Sharon Murphy, The Malton Hotel, Killarney
Stage 3: Strategic Revenue Management	Jayne Nicolson, Portland Hotel Management

Completing in September 2014, the prize winners are:

Education Programme in Financial Management

Stage 1: Introduction to Financial Accounting	David Keri Jervis, Village Urban Resort, Cardiff
Stage 2: Operational Management Accounting	Margita Alsina, Radisson Blu Hotel, Glasgow
Stage 3: Strategic Management Accounting	Mahela Vidanapatirana, The Royal York Hotel, York

Education Programme in Revenue Management

Stage 1: Introduction to Revenue Management	Sally Cory, De Vere Venues, Staverton Park
Stage 2: Operational Revenue Management	Michael Crossan, Institute of Technology, Tralee
Stage 3: Strategic Revenue Management	Tessa Rowbottom, Hilton Worldwide

each of the HOSPA examination categories for the Financial Management and Revenue Management programmes, for the intakes completing in March 2014 and September 2014.

HOSPA Financial Management Student of the Year 2014

This award was won by Margita Alsina, Accounts Assistant at the Radisson Blu Hotel, Glasgow for achieving the highest grades overall across all stages of the programme.

Margita also won a certificate for best performance in the September 2014 HOSPA ETP examinations in Financial Management for Stage 2: Operational Management Accounting.

“As a child during the summer school breaks my Dad would sometimes take me to work with him where I would be allowed to play with the fancy stationery and the photocopier machine in the finance office. It must be where I developed my interest in bookkeeping!”

“Whilst studying in university I started working in various food and beverage departments within a hotel. I could not imagine myself working in any other industry because I was drawn to the changing hospitality environment.”



“My studies were coming to an end so I began looking for graduate internships. My first opportunity was as a temporary part-time assistant role in the Accounts Department which soon changed into a permanent full-time role.”

“In the future I see myself developing my skills and gaining more experience to further my career in finance.”

HOSPA Revenue Management Student of the Year 2014

This award was won by Sharon Murphy, Revenue Manager at The Malton Hotel, Killarney for achieving the highest grades overall across all stages of the programme.



Sharon also won a certificate for best performance in the March 2014 HOSPA ETP examinations in Revenue Management for Stage 2: Operational Revenue Management.

“My accountancy career began as a trainee accountant in an auditing practice, but since receiving my accountancy qualification I have worked as a management accountant in the areas of retail, construction and eventually hospitality.”

“When the revenue manager role in our property was offered to me I knew that this was my opportunity to gain hospitality specific training and for me HOSPA stood out as the association that would meet my training requirements but also equally importantly, would accommodate and support online training while maintaining full time employment.”

“The HOSPA revenue management course has provided me with the foundation, tools and strategies to implement a revenue management culture and while it is a relatively new element in our overall hotel strategy, its importance is now recognised and the resulting revenue growth speaks for itself.”

“Although I have completed my HOSPA revenue management training, I foresee my HOSPA membership playing an important role in my future as a revenue manager if I am to ensure that I keep our hotel up to date with industry developments and trends.”



The March 2014 HOSPA Financial Management Education Programme examination prize winners were:

The winner of Stage 1 – Introduction to Financial Accounting March 2014 award was Meriel Johns, Cluster Purchasing Clerk at Jurys Inns, Brighton.

After 10 years in various hospitality managerial roles, Meriel decided that an office based role would be a long term sustainable career move. Joining Jurys Inn as a Cluster Purchasing Clerk meant she was able to transition using existing skills of stock control and daily finance management but also contend with the challenge of learning and understanding about management accounting.

Commenting on her award, Meriel said: *“The HOSPA Financial Management course has not only enhanced my understanding and knowledge, it has also helped in my involvement in a company project which has sought to streamline the purchase to pay processes.*

After completing the course I want to pursue further qualifications to assist me moving up the financial management ladder.”

The award for highest grade on Stage 2 - Operational Management Accounting March 2014, was won by Thomas Fink, Assistant Financial Controller at Rocco Forte The Charles Hotel, Munich.

At the end of his school education, Thomas decided to start his Bachelor studies in Tourism Management at the University of Applied Sciences Munich in 2006. During his internship semester, Thomas spent one month in the accounting department in The Charles Hotel and finished the other five months as an Executive Trainee at the GMs office. Fascinated by an impressive team spirit throughout the hotel he stayed at The Charles Hotel for his part time job in F&B Service and, after graduation in 2011, became Administrative Management Assistant; responsible for several property related projects. Since the beginning of 2012, Thomas is again back at the accounting department, first as Financial Accountant and then as Assistant Financial Controller.

After receiving his award, Thomas commented: *“At the suggestion of our Finance Manager Operations and my Financial Controller, I was offered to enrol on the HOSPA Financial Management Education Programme in March 2013 and have now completed Stage 3. During the course I gained a deeper insight into the management of numbers and the relationship between all the involved steps with the benefit of having better vision of the overall role of accounting in the hotel business.*

For the future, I plan to use my project experiences together with my established knowledge of accounting procedures in new hotel openings.”

Stage 3 - Strategic Management Accounting was awarded to Chinthaka Periyapperuma, Assistant Finance Manager at Jumeirah Madinat, Dubai.

Chinthaka started his career in the Hospitality industry in 1988 with Le Galadari Meridien Hotel Colombo as a Cost Trainee in the Finance Department. His initial job was to analyse beverage sales and prepare beverage actual vs potential reports. He then learned how to prepare food & beverage cost reports.

In 1990 he moved to the Purchasing Department as Purchasing Executive and in 1992 he moved to the Cost Control section as Cost Control Supervisor. Three years later he took the opportunity to move to Emirates Golf Club, Dubai as a Cost Controller before moving to the Purchasing Department as Purchasing Officer in 1996.

In 1999 he received an offer from Burj Al Arab, part of the Jumeirah Group, as Senior Buyer. In 2004 as part of the Madinat Jumeirah pre-opening team, he joined as Cost Co-ordinator and

was in charge of Cost Controls, Stores & Receiving Section. Promotion followed in 2006 to Assistant Finance Manager and Chinthaka took responsibility for Income Audit and General Cashier sections.

Currently, Chinthaka is heading the Financial Accounting section of the Madinat Jumeirah and is responsible for producing P&L, Balance Sheets and various monthly reports.

The March 2014 HOSPA Revenue Management Education Programme examination prize winners were:

The winner of Stage 1 - Introduction to Revenue Management March 2014 award was David Bell, Revenue Manager at Whitbread.

Upon leaving school, David went to university in Paisley to study International Hospitality Management and, having successfully acquired his degree, travelled to Portugal to work for a year with the much renowned Pousadas de Portugal hotel chain.

Once he returned to the UK, David managed to secure a position with an independent group of four star hotels and progressed through the ranks to General Manager of their flagship hotel & leisure centre.

Having achieved what he wanted to with that position, David successfully became General Manager of a prominent Gretna Green wedding venue with the Glasgow based consortium McKeever Hotels & subsequent to that within his current role.

Commenting on his award, David said: *“After over 10 years in the hospitality industry I feel it is time to move direction career wise and I find the evolving nature of revenue management the avenue I want to pursue.”*

Stage 3 - Strategic Revenue Management March 2014 award was won by Jayne Nicolson, Group Revenue Manager at Portland Hotel Management.

Jayne got into Hospitality Revenue Management whilst working for Holiday Inn Express Glasgow Theatreland, initially starting as Guest Service Manager.

As she had previous reservations experience gained through working at Hilton Glasgow, her role progressed into a Reservation Manager position and when the Reservation Manager at the Holiday Inn situated next door left, she was asked look after that property too.

After being with the company overall for just over 5 years, she decided it was time for a change and accepted an opportunity working for Portland Hotels to assist in the re-opening of the Glasgow Pond Hotel located in the West End. It had been closed since its purchase in April 2006 to undergo full refurbishment. She looked solely after The Pond for the first 3 years of re-opening, it was a challenging role as nobody wanted to work with the hotel, it had gained a terrible reputation for service along with being very tired, dated and run down. Utilising every contact along with a lot of begging and pleading to agents and companies to reconsider using the hotel once again, building its

occupancy from 58% in its first year of opening to 84% in its third.

Jayne was then asked to take on a Group Role looking after five hotels across central Scotland which is what she has remained doing for the past four years.

The September 2014 HOSPA Financial Management Education Programme examination prize winners include:

Stage 1 - Introduction to Financial Accounting September 2014 was won by Keri David Jervis, Assistant Financial Controller, Village Urban Resort Cardiff.

Following the birth of his first son, Keri took an opportunity to work at a privately owned hotel within the Brecon Beacons National Park. Sadly, it was very much the “ultimate” Fawley Towers experience. The Directors had rather a unique style of dealing with customers and most of his time was spent healing the wounds that they created. However, Keri also had a great time and was able to gain a great deal of knowledge and experience in many of the basic aspects of hospitality. When the property was sold to a care provider he made contact with Village Cardiff.

Keri initially took a position as a Head of Department before transferring to the Accounts team as the Assistant Financial Controller.

After receiving his award, Keri said: *“I would very much like to continue working for Village Urban Resorts and these are definitely exciting times for the business. I would hope that my experience and the knowledge and skills gained through study with HOSPA will ultimately lead to consideration for a position as a Financial Controller in the near future.”*

The winner of Stage 3 - Strategic Management Accounting September 2014 was Mahela Vidanapatirana, Assistant Financial Controller at The Royal York Hotel.

During the past 12 years in the Hospitality industry, Mahela has held various Managerial roles from Restaurant Management to Kitchen Management. At the Stephen Joseph Theatre, he became the Catering Manager for Sir Alan Ayckbourn. As well as the above, Mahela was the Operations Manager for a very successful hotel, where he conducted many weddings over a six year period.

To continue moving his hospitality career into the next level, Mahela joined the Royal York Hotel as the Beverage Manager and after 12 months was given the opportunity to join the finance department and was appointed as the Assistant Financial Controller due to his commercial finance involvement.

Commenting on his award, Mahela said: *“I was happy to take the opportunity to study HOSPA and the qualification not only provided me with knowledge, but also gave me courage and confidence to take part in various financial projects such as budget preparation, various control measurements etc. Achieving the highest grade for Stage 3 in HOSPA was a highlight in my academic pathway.”*

The September 2014 HOSPA Revenue Management Education Programme examination prize winners include:

The Stage 1 - Introduction to Revenue Management September 2014 award was presented to Sally Cory, Senior Revenue & Pricing Analyst at De Vere Venues, Staverton Park.

After completing her degree in Sport and Leisure Management, Sally moved to Ireland on an 18 month Trainee Leisure Management Programme at the K Club, a 5* Hotel and Country Club and the host of the Ryder Cup in 2006.

The one department she had the most interest in was the reservations department so, following the end of the program, Sally moved to the Hilton in Dublin as Revenue Co-Ordinator which is where she got her first exposure to the world of Revenue Management.

Sally's interest in Revenue Management grew from here, so when she moved back to England she was keen to move into a job in the same field and got a job as a Revenue and Pricing Analyst for De Vere Venues.

Sally commented: *“De Vere Venues were a great support when I expressed an interest in taking a course in this field to further my development and they have sponsored me to do the Revenue Management Course through HOSPA. I want to continue down this career path and would love to work with an international hotel brand in the future.”*

Stage 2 - Operational Revenue Management September 2014 award was won by Michael Crossan, Lecturer in Hospitality & Tourism at the Institute of Technology, Tralee.

Michael started his career in the Hotel Industry as a commis chef in the Carrig Rua Hotel, Dunfanaghy, Co. Donegal, Ireland in the summer of 1984 at the age of 15. Three years later he started his Diploma in Hotel Management in the Galway-Mayo Institute of Technology.

When Michael graduated in 1992 he worked in three different hotel management positions in a number of properties in Ireland. It was at this point in 1994 Michael decided that he wanted a change of direction in his career and he undertook a MSc in Hotel Management at the University of Ulster at Jordanstown.

Michael completed the year and his masters and realised the lecturing path was one he wanted to follow. He started work as a Lecturer in Hospitality & Tourism in the Northern Ireland Hotel and Catering College in Portrush in September 1995 and remained there until September 1998. In December 1998 Michael moved to his current employer the Institute of Technology Tralee as a Lecturer in Hospitality & Tourism.

After collecting his award, Michael told us: *“The HOSPA Revenue Management course has enhanced my understanding and knowledge of the area and I definitely know so much more than I did this time last year. Going forward I would like to develop my knowledge even further and possibly work with Oonagh Cremins in developing revenue management programmes for the Irish Hospitality Industry.”*

The winner of Stage 3 - Strategic Revenue Management September 2014 award was Tessa Rowbottom, Cluster Revenue Manager at Hilton Worldwide.

Tessa started her career in hospitality at the Hilton Brussels 11 years ago. Her first role was as a receptionist after which she quickly moved to the position of shift leader. By the time her three and a half years there were over Tessa was the Diplomatic Relations Executive; a role in which she was responsible for the stays of high profile delegations.

For a further 18 months, Tessa worked as an Event Manager at the Capital Hilton in Washington DC following which she moved to the London Hilton Metropole where she worked as a C&E Sales Manager. The joy of bringing in large contracts

was infectious and so Tessa continued as Assistant C&E Sales Manager at the London Hilton on Park Lane.

Commenting on her award, Tessa said: *“During my time at Park Lane I got to do a show round for a member of HOSPA as they were considering the hotel as a venue for their annual awards luncheon. It was during this visit that I got to know the different courses HOSPA offered. Almost a year after this site visit the hotel announced the opening of a new position: Yield Manager for both Rooms and C&E, I was immediately interested.*

Once in this role it was my line manager and mentor Kelly Ford that made it possible for me to do this course. I have been able to apply my learning in my current role as a Cluster Revenue Manager at the Hilton Head Office in Watford and who knows what the future holds in store.”

Learners awarded Associate (Certified) membership of HOSPA following successful completion of their studies during 2014:

Anne Alexander

Accounting Manager, Dubai Marriott Harbour Hotel & Suites

Oliver Broicher-Azen

Assistant Financial Controller, Sedgebrook Hall

Sylwia Bukowska

Accounts Assistant, Principal Hayley - The Met, Leeds

Craig Burns

Sales Ledger Clerk, Webb Travel & Moor Hall Hotels

Tatjana Djogo

Accounts Supervisor, Mandarin Oriental Hyde Park

Tyronne Don Paul

Credit Manager, Jumeirah Beach Hotel

Laura Franks

Finance Graduate, Principal Hayley Hotels

Suzanne Howell

Assistant Financial Controller, Grand Central Hotel

Charlotte Howell

Accounts Assistant, The George Hotel

Rishad Hussain

Finance Department, The Els Club

Annika Kischkel

Accounts Assistant, Vibrant Media Ltd

Anna Kobylnik

Income Auditor, Principal Hayley - St Johns Hotel

Zaw Zaw Lwin

Finance Administrator, Maya Hyde Park Ltd

Aileen McKenna

Accounts Assistant, Grand Central Hotel

Andreea Mihalca

Accounts Assistant, Cambridge Belfry Hotel

Chinthaka Periyapperuma

Assistant Finance Manager, Jumeirah Madinat

Jolanta Pieczulis

Finance Graduate: Manager, Jurys Inn Birmingham

Nicola Shaw

Financial Controller, Principal Hayley - Ettington Chase Hotel

Svetlana Simcenoka

Accounts Assistant, Legacy Rose & Crown Hotel

Gavin Utting

Food & Beverage Controller, De Vere Hotels

Warren Foster

Area Revenue Manager - London, Travelodge

Sharon Murphy

Revenue Manager, The Malton Hotel, Killarney

Jayne Nicolson

Group Revenue Manager, Portland Hotel Management

Tessa Rowbottom

Cluster Revenue Manager, Hilton Worldwide

Well done to all our learners!

The success of our learners is dependent on lots of hard work and commitment to studying whilst working full time. Success is also due, in part, to the support offered by the companies sponsoring the learners with their studies.

For this reason, HOSPA is delighted to award each year the Company Commitment to Professional Development Award.

In order to be nominated and selected for this award a company must demonstrate commitment to professional development for their associates. This year the HOSPA winner for this award was:

HOSPA Company Commitment to Professional Development Award 2014 - awarded to Jumeirah Group in recognition of their outstanding commitment in promoting and developing education in the hospitality industry. The award was accepted by David Nicolson, Regional Director of Finance – Europe for Jumeirah Group.

Paul Dukes

The only ever Chairman of both BAHA.. and HOSPA



HOSPA awarded a Lifetime Achievement Award to recent chairman Paul Dukes and we would like to take the chance to celebrate a career well enjoyed

Paul Dukes F.C.A., FIH, FBHA, FTS has had an extensive career of some nearly 45 years in the international hospitality and leisure industry in a broad range of senior positions across the sector, including seven years experience in The City with two leading investment banks.

He graduated in 1969 from Sheffield University with a B.A. Hons. Degree in Economics and sub-sequently qualified as a Chartered Accountant in 1972 with Price Waterhouse & Co. His first experience in the hotel industry was with Trusthouse Forte from 1974 to 1985, and after a one year, Forte-sponsored, development programme at the London Business School, Cornell University and the 'Ecole Hoteliere', Lausanne, moved to a line management position as the directeur of the re-nowned Hotel George V, Paris from 1983 to 1985.

Paul joined Grand Metropolitan in 1985 as finance and corporate planning director of their Re-tailing Division, then managing director of La Manga Club in 1986, having overall responsibility for the Property Sales & Marketing, and Travel functions of this renowned golf, leisure and property resort in Spain, owned by P&O.

From 1992, Paul headed the finance function of Ciga Hotels SpA in Milan, Italy before, after 20 years in the sector, changing career path and joining James Capel (now HSBC Investment Bank from 1995 to 1997 as their director of hotels & leisure. He consolidated his City experience when he was appointed a director of Close Brothers Corporate Finance from 1997 to 2001, as a part-time member of their dedicated hospitality & leisure sector team, specialising in mid-market corporate finance transactions.

He has also been non-executive director of Active Hotels and non-executive chairman of TRI Hospitality Consulting and Golden Tulip (UK), as well as chairman of Kew Green Hotels. He is currently vice-chairman of Exeter Golf & Country Club.

But enough of his prestigious career, what of the man?

Apparently Paul likes nice five star hotels and likes to embrace the lifestyle, even when he goes camping. So when being asked to go camping with son-in-law and grandchild on Polzeath Beach in North Cornwall he immediately acquired the very best five-star camping gear. Unfortunately as it turns out the five-star bed on wheels was too high for the five-star specialist low-lying tent, so he spent a couple of nights on a Lilo that was the only bedding that would fit in the afore-mentioned tent. He has a love of sport. Carl Weldon, HOSPA CEO, tells a tale of how Paul has

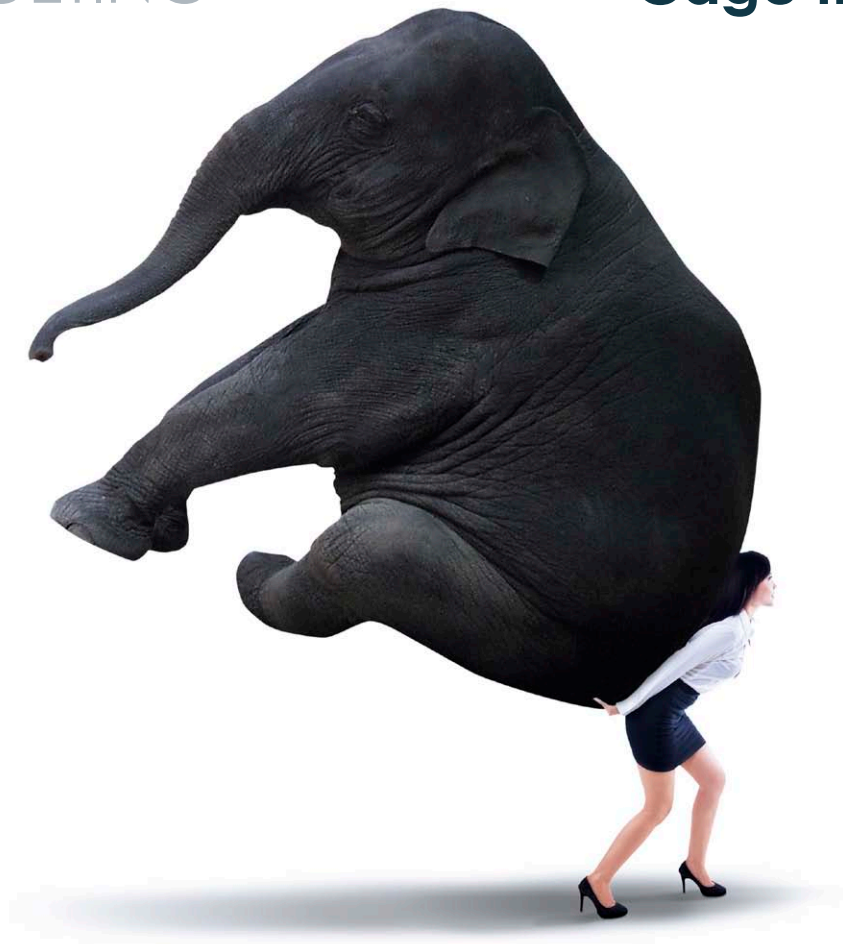
queued for hours from 7am to get a seat in the members' enclosure at Lord's – and waved as Carl casually wan-dered in to his 'normal' seats at about 10.30am.

As a young executive at THF he was invited to a Pro-Am at Wentworth. He immediately applied the five star rule and went and acquired the best clubs he could find and turned up proudly at his tee-time with his shiny new clubs – so new in fact that he was still unwrapping the plastic bags off the clubs at the tee itself. After letting him play a few holes one of his foursome finally had to ask him "Paul – why are you playing with ladies' clubs?"

And finally technology. He always likes latest tech. He was issued with the brand new carphone of the day – which of course was intended to be entirely for business purposes. But apparently he could not wait to get in the car that night and the first people he called on the phone was wife Sue and the kids!

More recently he has been known to drive off leaving a damsel in distress with a broken ankle un-der her car. And let's not mentioned the loss of more than one excellent silk tie to steak juice. During Paul's tenure at HOSPA, after joining as chair in 2008, we have seen our membership grow by over 50% and welcomed a number of corporate members as well as expanding HOSPACE and building and modernising our brands.

Our heartfelt thanks go out to Paul.



FPCCAME - Few People Can Carry A Male Elephant

Back to budgeting basics & male elephants - a review of the budgeting process within the hospitality sector in the aftermath of the financial crisis in the UK.

Martyn Jones, a senior Lecturer in accounting at Winchester University, reports back on the project HOSPA members contributed to last year.

The budgeting process has traditionally been of central importance and has occupied a central position in the design and operation of most management accounting systems...Nevertheless, despite of its widespread acceptance, the budgeting process remains one of the most intriguing and perplexing of management accounting procedures. (Hopwood, 1974, p. 39).

The opening quote from the classic 1970s Hopwood textbook serves as a useful introduction in identifying just how significant

budgeting was perceived to be some forty years ago, and indeed just how significant budgeting continues to be over a period of much change in the business world and with the changing role of management accountants. As well as identifying the complexities of the budgeting process, Hopwood also contended that budgeting cannot and should not be viewed in technical isolation.

A research project was recently undertaken to find out more about budgeting and how the budgeting process was affected by the financial crisis within the UK hospitality sector. The findings suggest that in the period following the financial crisis, budgeting has proved to be very helpful and is a crucial part of the management control process. Within the hospitality sector the clear conclusion is that we are not yet 'beyond budgeting'.

This project was in part inspired by a relatively recent North-American academic paper (Libby & Murray Lindsay, 2010) which carried out an extensive survey of North American accounting practitioners, with a target sample of more than 16,000 senior finance managers employed by 'for-profit' organisations in the United States or Canada.

The survey considered the forceful case made against traditional budgets by the American management consultants Hope and Fraser (2003), which can be summarised as follows:

1. Budgeting consumes a lot of management time making it a costly process
2. Budgets inhibit firms from adapting to changes in a timely manner
3. The budgeting process is disconnected from strategy
4. The use of the budget as a fixed performance contract leads to unreliable performance evaluation and promoted budget gaming

Libby and Murray Lindsay concluded from their survey that budgets were still being widely used for control purposes, and were widely perceived by the survey respondents to be value-added. The authors did, however, identify the need for further research into companies operating in unpredictable environments. It is important to bear in mind that this North American survey was carried out before the full impact of the financial crisis affected operations (i.e. from late September 2008 onwards). There seems to have been little or no research carried out about budgeting in times of crisis, hence this project has attempted to ascertain a more contemporary view about the budgeting process.

Objectives of the research project

This research project involved carrying out face-to-face interviews in order to find out more about the budgeting process and to review the extent to which Financial Directors (FD's)

Table One - The main functions of budgeting	
Forecasting	An attempt to predict the future, requiring managers to think about and plan for the future rather than simply concentrating on day-today operational issues
Planning	An attempt to create the future, requiring that plans are made for future operations, encouraging the anticipation of problems before they arise
Communicating	The budget should help to bring together different parts of an organisation, compelling managers to consider the relationship between their own operations and those of other functions
Coordination	Budgets should serve as a vehicle through which the activities of the different parts of an organisation can be brought together and reconciled into a common plan
Authorisation	The budgeting process should normally provide a means of allocating and authorising resources to the parts of the organisation where they can be used most effectively
Motivation	The budget should be a useful mechanism for influencing managerial behaviour and motivating managers to perform in line with organisational objectives
Evaluation	The budget should provide a useful means of communicating to managers how well they are performing in meeting targets which they have previously helped to set

and Financial Controllers (FC's) made use of an annual budgeting cycle, and the extent to which the budgetary control process was seen as useful and adding value within their organisation, assisting the overall management control process. Additional questions were also asked about forecasting, and also the extent to which comparative information and benchmarking was used to compare the performance of their hotels against competitors.

The budgeting process

Fundamentally, budgeting has been for many years a key aspect of the management accounting process and consequently forms an integral part of management accounting teaching. An approach used by the author in delivering classes on budgeting is to introduce a checklist identifying the main functions of budgets are, as is shown in the table below.

A mnemonic can be identified to help link and memorise these points – **FPPCAME** - **F**ew **P**eople **C**an **C**arry **A** **M**ale **E**lephant.

The origins of this mnemonic are as is often the case with teaching approaches unclear. Looking more closely at this checklist, however, the difference between forecasting and planning is not always immediately obvious. A forecast can be defined as *what is likely to happen* whereas a plan is *what one wants to happen*. So for example on a regular basis one of the most popular internet searches is for a weather forecast, giving an indication of what is likely to happen, or what is predicted to happen, based upon available data and past experience of current prevailing conditions. A plan however, by way of contrast includes an element of controllability since an input is required to the planning process. Hence for budgeting purposes, a forecast is required for planning, and this project reviewed how the forecasting and planning processes have changed, if at all, and the extent to which budgeting continues to be relied upon by practitioners who were working within an unpredictable environment, i.e. the period following the financial crisis.

Focus upon the recession

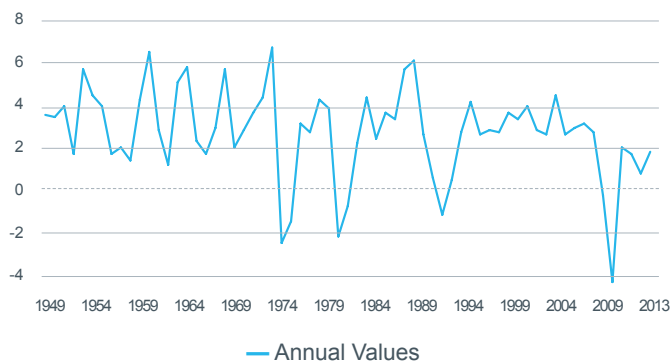
Whilst one of the underlying objectives of this study is to find out more about budgeting and the management control process, the context within which the study has taken place is of considerable significance. The graph below shows UK Gross Domestic Product (GDP) Growth from 1949 up until 2014¹.

The graph gives a very clear picture of four clear troughs in 1974, just after 1980, the early 1990s and finally the crash of 2008. The latter is the most severe of the four over the sixty-five year period, and the chart shows quite dramatically the sudden and very intense impact of the financial crisis upon the economy and business activity in the UK.

Interview process

The interviews took place on a face-to-face basis in 2013 & 2014 with the Financial Directors and the Financial Controllers for several UK-based hotels and groups which together had a combined total turnover approaching £200 million. The identities of the individuals and the groups will not be revealed, but the organisations were quite different in background, geographical location and also in terms of the markets within which they operate.

Annual U.K. G.D.P. Growth, 1949 to 2013



¹Source: Office for National Statistics – Gross Domestic Product – Year on Year growth, updated 26 November 2014

The research approach

The complexity of the issues addressed by this project should not be underestimated, and in focusing upon the budgeting process it has not been the intention to look at the budgeting process in technical isolation or to erroneously try to find a ‘technical solution’ to the many challenges and problems faced by the hospitality industry in the post-financial crisis years in the UK. The business environment has been characterised by much uncertainty, and the economic crisis put enormous pressure on the functioning of management accounting systems.

The main focus for this study became apparent quite soon as being survivability, or ensuring a future. The preconceptions about evaluating budgeting practice soon became less of a focus in the interviews rather than considerations of what course of action was required in order to survive. It quickly became clear from the interviews that budgets the annual budgeting process itself continues to be an essential framework within which survivability was facilitated. What needs to be taken into consideration is that the interviews were conducted with practitioners who had survived the financial crisis and who were willing to talk about their experiences, which therefore impacts significantly upon the representativeness of the findings of this project.

What emerges nevertheless is a very interesting picture of adaptability and diversification in the context of a very challenging business environment. Several examples of best practice can be identified, suggesting that that the annual budgeting process would appear to be very much alive and well within the hospitality sector. Perhaps more than anything else, however, this project presents findings about survivability rather than a more detailed critique of budgeting practices. A recurring theme throughout all of the interviews was that of ‘we did what we had to do’, and it would appear to be the case that the annual budgeting process proved to be a very useful framework within which survivability was facilitated.

Summary of best practices

A number of best practice indicators emerged from the interviews, including a very participative ‘bottom-up’ style approach to the budget setting process, where divisional managers were extensively involved in the budget-setting process, hence allowing for motivation towards target-setting in a very challenging environment.

An in-depth study was carried out with a UK hotel chain where the individual hotels were in effect ‘self-accounting’, although overall central financial control was exercised by the centrally-based Financial Director. An annual budgeting process linked to a calendar year commenced in detail from early September of the preceding year onwards, with extensive participation and team work at the hotel level. The centre retained overall control of this highly participative ‘bottom-up’ style process, which involved very detailed communications between the centre and the hotels, centering on an annual budget review meeting taking place in November. Interestingly the process remained very similar on a year-to-year basis following the financial crisis, suggesting in male elephant terms, that the planning process has become significantly more important than forecasting, with more emphasis on the control process less emphasis on forecasting. Extensive use of increasingly sophisticated spreadsheets was also of key importance for control purposes, and the usage of increasingly sophisticated revenue management systems also appear to have significantly helped the control process.

There has been much academic focus upon aspects of the budgeting process in recent years including goal congruence, the controllability principle and different types of controls, autonomous business units, focus upon the target-setting process, the effect of the level of budget difficulty on motivation and performance, participation, contingency theory and the potential side-effects arising from using accounting information for performance evaluation. The interviews with practitioners suggested, however, that the focus upon survivability seemed to act as a key driver with the changing external environment, serving to create a highly challenging and a very different environment within which very difficult decisions were being taken. Previous academic studies on budgetary slack and variations in the role of budgetary control systems and the roles of financial controllers suddenly seem to be rather less relevant against the changing backdrop of recession.

Conclusions

The main findings arising from this project is that the budgeting process is very much alive and well within the hospitality sector, and that budgeting has proved to be a very useful and highly significant part of the control process during a highly challenging period following the financial crisis. Hence in Hope & Fraser’s terms, we do not yet appear to be ‘beyond budgeting’, and it is interesting that the significant change in the external environment seems to have facilitated almost a re-invention of the budgeting process. The continuing use in increasingly sophisticated spreadsheets and other financial systems seems to be a complimentary on-going development, with good budgeting basics seemingly being at the centre of the control process in the context of an environment where survivability was the main objective.

As per the opening quotation, budgeting remains to be a complex and perplexing process, but the underlying message from this project within the hospitality sector is that the annual budgeting process has proved to be highly useful in facilitating management control, providing a reporting channel for owners, and also for motivating and ultimately helping to ensure the continued existence of the businesses and continued employment for staff.



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Mark Johnson, Sales Director at Premier, commented: "Premier Software has designed solutions to address the specialist requirements of health clubs and spa's. We have a full suite of operational applications that help our clients manage their business from activity bookings to membership administration."

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Cloudier, bigger and better?

The evolution of hospitality technology in the UK throughout 2015

Calum McIndoe, Infor Hospitality

2015 is set to be a healthy year for hospitality and hotels. Investments in technology have begun to yield returns in terms of growing revenue while simultaneously managing rising costs but there is still a lot of hunger in the industry for greater returns. The next wave of developments will see the likes of cloud, analytics and big data, and human capital management take hold in a quest to further minimise costs and increase efficiency.

So let's take a closer look at both the potential, and challenges associated with each of these technologies.

Cloudier skies

According to a recent study, 33 percent of hotel and gaming companies are already using cloud-based applications for property and revenue management. 1 Another 35 percent intend to migrate their property management system in the next eighteen months, half of which intend to move to the cloud. Most cite cost savings, enhanced guest services, increased revenue, and improved operational efficiency as the key reasons.

The benefits of cloud have been clearly established, and many hoteliers are now asking how do we move to the cloud, rather than why.

Integration will be the next cloud battleground. Cloud-based applications cannot maximise their potential if data silos are created in the wake of their implementation. Benefits will not be fully realised unless systems are connected for automated, real-time information exchange, which also enables a holistic view of the company and allows for easy upgrades. Visibility across multiple properties is critical for better decision-making and optimisation of revenue management.

Bigger data

The ability to not just create and consolidate data, but analyse it in a way that produces meaningful, actionable intelligence should be a primary focus for hoteliers in 2015. This is not just about customer preferences and better CRM - hotels need to capture data from a multitude of instances, including property management and financials. Again, integration is key to create a

unified reporting structure, enabling managers to analyse data from a holistic viewpoint to facilitate better business decisions regarding pricing and resource optimisation.

With regards to CRM itself and analytics, hospitality companies will continue to refine how they target the right individual with the right offer, increasing the likelihood of response. Improved response rates and the holy grail of an accurate depiction of guest behaviour and preferences, still elude many hotels.

It is worth remembering that these data sets will continue to grow at an exponential rate: and that integration of CRM and other systems will only compound that. This will soon price a lot of analytics out of the reach of many hospitality organisations, so analytics as a service will offer a lot of competitive advantage. There are already examples of revenue management delivered in this way throughout the industry.

Better Human Resources

Human resources (HR) is beginning to dominate more of the discussion as organisations evaluate how to attract the right employees. This has begun with an examination of who suffers the most from a bad hire. Is it the HR department? No, it is the business unit that the employee is a part of. This department is responsible for compensating for the individual's sub-par work

Advanced talent science technology is now available to help hotels and hospitality organisations better select and retain talent. By identifying behavioural traits that are often considered intangibles, rather than just skills or experience, hoteliers are more likely to select the right person for the job.

For example, front-desk workers must be outgoing and personable, but not so much so that they are inefficient. A regional manager candidate would likely benefit from strong ambition, but someone with high ambition would not be happy in many line-level positions for an extensive period of time. Talent science technology allows companies to isolate the characteristics that are most critical for success in a particular position, and then assess potential applicants to find the best fit.

This can help to reduce turnover and create a higher performing workforce. With employees who are well-suited for their roles, increased retention also helps to save resources, as managers are not spending valuable time and money continuously selecting and training new employees.



Supply gets demanding

80% of business owners face issues when working directly with suppliers, says Beacon research

Beacon, which helps businesses in the hospitality, leisure and healthcare sectors improve their profitability, has found that issues such as trying to find the right supplier and having a lack of time to review their suppliers are affecting more than 80% of businesses' purchasing strategies, and bottom lines.

According to the new research, conducted by Beacon, 28% of business owners find that they have a lack of time for supplier reviews and price re-negotiations, leaving them unhappy with the cost of products and services, but with no easy way to improve the situation. 16% of those asked are frustrated by the poor quality of suppliers and 15% think they use too many suppliers, which has a knock on effect on the amount of time spent on administration and paperwork. The research also revealed that 21% of business owners find that searching for and eventually finding the right supplier is a real issue within their business, an initial hurdle which is hard to overcome, taking up valuable time and resource.



Paul Connelly, Director of Operations at Beacon, commented: "We conducted this research to find out more about how businesses outside of our customer-base purchase from suppliers, and specifically what issues they face day-to-day. These results show that many businesses are facing issues when working directly with suppliers, and not primarily due to poor service, but mainly down to a lack of time to invest in managing and maintaining a successful procurement strategy. "We work closely with more than 2000 businesses in the hospitality, leisure

and healthcare sector to manage their purchasing strategies, taking the onus away from the business owner, and allowing us to utilise our expertise to ensure working relationships with suppliers are successful. We work with a large number of pre-qualified suppliers, which offers choice to our customers if problems should occur, whilst our rigorous application process ensures that customers are confident in the negotiated commercial terms and service agreements in place – something that business owners find time consuming and difficult."



Eating-out ‘ingrained in the British way-of-life’

Pub and restaurant groups saw collective like-for-like sales grow 3.4% in November, against the same month last year. Latest figures from the Coffer Peach Business Tracker also showed that London remains more buoyant than the rest of the country with like-for-like sales up 6.1%, compared to 2.4% outside the M25.

“Managed pub groups saw 2.8% LFL growth, with casual dining chains up 4.8%,” said Peter Martin, vice president of CGA Peach, the business insight consultancy that produces the Tracker, in partnership with Coffer Group, Baker Tilly and UBS. It was the 20th consecutive month of positive like-for-like growth for the sector.

“Eating-out is now ingrained in the British way-of-life, and for the pub groups in our sample, food sales are still growing faster than drink – up 4.0% in November against a 1.5% increase for drinks,” added Martin. “Overall, food sales account for an average 45% of revenue in managed pub chains.”

Total sales, which include the impact of new openings, were up 6.8% against last November across the 30 restaurant, bar and pub companies in the Tracker sample. Total sales for restaurant groups were ahead 10%, reflecting the continued roll-out of casual dining brands, especially outside of London.

“Looking at the underlying trend, the year-on-year like-for-like

rate at the end of November was running at 2.9% up on 2013,” added Martin.

Trevor Watson, director at Davis Coffey Lyons, said: “The figures continue to show steady growth in the sector. Consumer spending power will be sustained in 2015 as a result of falling oil prices, which will help to ensure the casual dining and pub sectors continue on their upward trajectory in terms of sales figures. The London market continues to be the principal engine of the sector and we do not see any reason for this to change in the immediate future.”

Paul Newman, head of leisure and hospitality at Baker Tilly, added: “This month we again see another set of cracking results for a jubilant sector. Total sales growth continues to build a head of steam as the evenings have grown longer, posting 6.8% growth, which represents the highest monthly sales increase since April. The strong recent sales growth figures are particularly impressive against a backdrop of stagnant UK wages. The storming success of the recent Chilango and River Cottage fundraisings and the ensuing ownership battles for larger chains such as ASK/Zizzi and TGI Friday’s are testament to the sector’s attractiveness to small and large investors alike.”

Jarrod Castle, leisure analyst at UBS Investment Research, said: “LFL sales growth in November saw an acceleration at 3.4%, against October at 2.2%, September at 2.2%, 1.3% for August and 2.2% in July. This leaves the 12-month moving average growth rate at 2.9%.”



Provinces outpace London

London hotels reported a slight increase in gross operating profit per available room (GOPPAR) in the month of November, but the UK provinces continued to show much more positive year-on-year movements with Eastern hoteliers in the lead recording a 27.7% surge, according to the latest data from HotStats.

Hotels in the East of the country achieved a combined uplift in occupancy of 3.4 percentage points and in average room rate (ARR) of 7.3% that resulted in an impressive increase of 12.5% in revenue per available room (RevPAR) to £51.58. But mixed performances were recorded non-rooms revenues, which softened total revenue per available room (TRevPAR) levels to a growth of 7.7% to £89.52.

This increase in revenue performance was further enhanced by effective payroll management and efficient operating cost control with departmental operating profit per available room (DOPPAR) climbing by 14.4% to £49.65. Although overheads per available room rose by 3.5%, profit conversion went up from 23.5% to 27.9% delivering this impressive GOPPAR growth.

In November, Belfast hotels demonstrated once again that RevPAR alone can be a misleading indicator of hotel health with a decline of 1.1% in this metric, as TRevPAR and GOPPAR levels went up by 1.3% and 0.5% respectively, according to the latest data from HotStats.

A drop in demand of 2.8 percentage points with a 2.3% increase in ARR accounted for the RevPAR decline. However, an increase in non-rooms revenue per available room from C&B room hire (+36.9%), food (+8.4%) and golf (+3.0%) led to a TRevPAR growth of 1.3% to £90.58. While hoteliers also suffered from a 1.9 percentage point increase in payroll, a 3.6% decrease in overheads per available room helped to achieve a slight increase in GOPPAR of 0.5% to £26.70 compared to the same period last year.

Derby hoteliers experienced an increase in revenues with both RevPAR and TRevPAR going up by 7.1% and 11.6% respectively, according to the latest data from HotStats. However, this increase was not sufficient to deliver a profit growth in November, as GOPPAR declined by 33.2%.

The RevPAR performance was achieved through combined rises in occupancy of 2.8 percentage points to 70.5% and in ARR of 7.1% to £62.51. A general decrease in non-rooms revenue per available room from leisure (-6.6%), food (-5.8%) and beverage (-5.6%) softened TRevPAR to £81.39, representing only a 1.4% increase compared to the same period last year. On the other hand, operating costs grew and negated the revenue increases, leading to a 1.4% decrease in DOPPAR, and a significant 41.0% surge in overheads per available room further impacted profitability levels resulting in a GOPPAR decline of 33.2% to £13.88.

The month of November 2014

	Nov'14	Nov'13	Var b/w		
EASTERN	Occ %	73.6	70.2	3.4	▲
	ARR	70.10	65.33	7.3%	▲
	RevPAR	51.58	45.84	12.5%	▲
	TRevPAR	89.52	83.14	7.7%	▲
	Payroll %	32.1	34.1	2.0	▲
	GOP PAR	24.97	19.55	27.7%	▲
BELFAST	Occ %	79.9	82.7	-2.8	▼
	ARR	70.49	68.91	2.3%	▲
	RevPAR	58.35	56.99	-1.1%	▼
	TRevPAR	90.58	89.43	1.3%	▲
	Payroll %	29.5	27.6	-1.9	▼
	GOP PAR	26.70	26.56	0.5%	▲
DERBY	Occ %	70.5	67.7	2.8	▲
	ARR	62.51	58.37	7.1%	▲
	RevPAR	44.09	39.52	11.6%	▲
	TRevPAR	81.39	80.27	1.4%	▲
	Payroll %	33.5	35.5	2.0	▲
	GOP PAR	13.88	20.78	-33.2%	▼

The Calendar year to November 2014

	YTD'14	YTD'13	Var b/w		
EASTERN	Occ %	73.7	69.2	4.4	▲
	ARR	68.30	64.55	5.8%	▲
	RevPAR	50.31	44.69	12.6%	▲
	TRevPAR	87.38	79.90	9.4%	▲
	Payroll %	32.4	33.8	1.5	▲
	GOP PAR	23.63	19.43	21.6%	▲
BELFAST	Occ %	82.8	81.9	0.9	▲
	ARR	67.90	65.18	4.2%	▲
	RevPAR	56.23	53.41	5.3%	▲
	TRevPAR	88.16	85.24	3.4%	▲
	Payroll %	28.8	29.0	0.1	▲
	GOP PAR	25.65	24.32	5.5%	▲
DERBY	Occ %	70.4	69.5	0.9	▲
	ARR	61.79	58.75	5.2%	▲
	RevPAR	43.52	40.85	6.5%	▲
	TRevPAR	84.19	83.12	1.3%	▲
	Payroll %	34.2	34.1	-0.1	▼
	GOP PAR	21.09	21.24	-0.7%	▼

The twelve months to November 2014

	Rolling'14	Rolling'13	Var b/w		
EASTERN	Occ %	72.5	68.2	4.3	▲
	ARR	67.87	64.35	5.5%	▲
	RevPAR	49.20	43.87	12.2%	▲
	TRevPAR	86.96	79.98	8.7%	▲
	Payroll %	32.5	33.9	1.4	▲
	GOP PAR	23.24	19.44	19.5%	▲
BELFAST	Occ %	81.7	80.7	1.0	▲
	ARR	67.48	64.85	4.1%	▲
	RevPAR	55.16	52.36	5.3%	▲
	TRevPAR	87.76	84.93	3.3%	▲
	Payroll %	28.7	29.0	0.2	▲
	GOP PAR	25.37	24.02	5.6%	▲
DERBY	Occ %	69.1	68.4	0.7	▲
	ARR	61.45	58.35	5.3%	▲
	RevPAR	42.49	39.91	6.5%	▲
	TRevPAR	83.26	82.31	1.2%	▲
	Payroll %	34.8	34.6	-0.3	▼
	GOP PAR	20.52	20.79	-1.3%	▼

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:

call +44 (0) 20 7892 2222
 email enquiries@hotstats.com
 visit www.hotstats.com
 or follow us on Twitter and LinkedIn

Members' Events

Forthcoming events



Jan 19 - 21

The Hospitality Show

Venue: NEC, Birmingham

The Hospitality Show is the UK's largest national event for hospitality and foodservice in its calendar year, attracting a unique audience of nearly 12,000 from across the UK.

This show is seen as a major platform for food, drink, catering equipment, interiors, exteriors, tableware and technology companies seeking to develop their business in this industry. Hospitality also incorporates Careers in Hospitality.

The event provides a host of exciting visitor attractions, including informative business seminars, free business advice, and Salon Culinaire – the UK's largest internationally respected culinary competition.

www.hospitalityshow.co.uk

Mar 5

Waste Prevention & Sustainability Measures

Tracking and monitoring a hotel's environmental impact matters! Boardrooms and banks are increasing their interest in savings and CSR marketability, are you?

HOSPA, in conjunction with the Responsible Hospitality Partnership, is talking sustainability to highlight how tracking and monitoring your environmental impact is changing.

The latest edition of the Uniform System of Accounts has included environmental impact tracking and monitoring for the first time and it looks set to be a permanent change in accounting. In this edition calculating carbon footprint has not been included, but this could be a taste of things to come. (<http://www.hftp.org/Content/Forms/AC/AC2013/USALI.pdf> page 54).

To learn more join us in central London, whether you're an accountant or a food & beverage operator, and we'll be on hand to teach you how to make savings through easy tangible

techniques, make a positive impact on your bottom line and reverse negative environmental impacts. We'll also show you how to track and monitor your results.

In the morning the four hour session is open for finance managers to:

Learn to use metrics to good effect to drive savings

Utilise payback, return on investment and other methodologies to assess the value of resource efficiency programmes

Understand the role of responsible business reporting in broader financial and corporate reports

The afternoon session lasting, 3.5 hours is primarily open to kitchen brigades and food and beverage teams to ensure they understand where and why food waste arises in your business, how much it is costing you and critically, how to prevent it!

Please call 0845 591 3635 or email info@rhpltd.net to find out more or book your place.

Mar 17

The Hotel & Catering Show 2015

Venue: Bournemouth - BIC

Committed to Hospitality & Food service in the South. At the Hotel & Catering Show we believe in bringing people together to create greater opportunity, collaboration and shared learning.

It is your hospitality event for solutions sourcing, skills sharing and business networking in this large, vibrant and developing region.

<http://hotel-expo.co.uk/>

HOSPSPA

Hospitality Finance, Revenue and IT Professionals
Professional Development

We are currently enrolling for the March 2015 intake on the Financial Management and Revenue Management programmes.

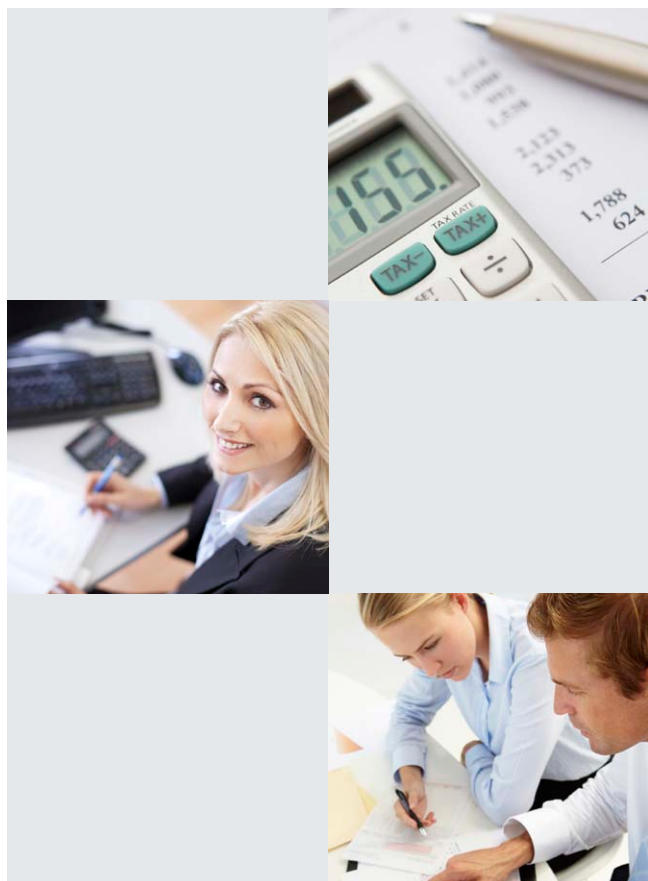
Make contact with HOSPSPA today to find out how you can kick-start your career in hospitality.

We recognise that nurturing talent and building expertise is key for the future success and growth of your organisation.

Our courses are developed with credible content, rigorous assessment and recognised accreditation, meaning your investment in developing your career in finance or revenue management is in capable hands.

education@hospa.org / +44 (0)1202 889430

www.hospa.org



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DAM Good Pensions
Digital Alchemy
ETC Hospitality
First Data
4Sight Communications
FM Recruitment
Fretwell-Downing Hospitality
Guestline
HFTP
Hospitality Quality Consulting OG
HotStats
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Rate Tiger
Rieo Communications
RMG Enterprise Solutions
STR Global
The NAV People
The Ritz Hotel, London
Verteda
Xn Hotel Systems

HOSPSPA Partners

Fresh Montgomery (Hospitality Show 2015)
HFTP (Hospitality Finance and Technology Professionals)
Hotel Marketing Association
Hotel Technology Next Generation
Smart Report

HOSPSPA Education Partners

CIMA
Open University
Oxford Brookes University
Cornell University
HFTP

HOSPSPA thanks the following companies for being Founding Sponsors of our relaunch as HOSPSPA as an Association for Finance, Revenue Management and IT Professionals. These companies have enabled the development of the HOSPSPA brand, new members' website and other facilities.

Beacon, Global Blue, BT Wi-Fi, Daisy, Amex, Fourth, Watson, Worldline, Farley & Williams.



Watson, Farley & Williams

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HOSPA Hospitality Professionals Award Winners 2014



Hospitality Finance
Professional 2014, sponsored
by BDO, was awarded to Darran
Cottington, Financial Controller
at Brown's Hotel, London

Hospitality Revenue
Management Professional
2014, sponsored by IDEaS,
was presented to Shauna
Campbell, Director of
Revenue Management at
InterContinental Hotels Group
(IHG) for UK and Ireland



Hospitality IT Professional
2014, sponsored by
FourteenIP/HP, was won by
Emmanuel Clave, Group IT
Director at Rocco Forte Hotels