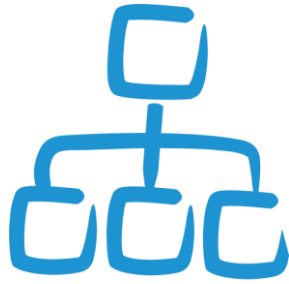


A modern office lounge with a red circular overlay containing text. The lounge features a large, light-colored tufted ottoman, a tall floor lamp with a white shade, and a long, low table. The background shows a multi-level office building with glass railings and a bright, open-plan design.

Function Space Revenue Management

IDEAS[™]
A sas COMPANY

Revenue Management 101



Right Channel



Right Product



Right Customer

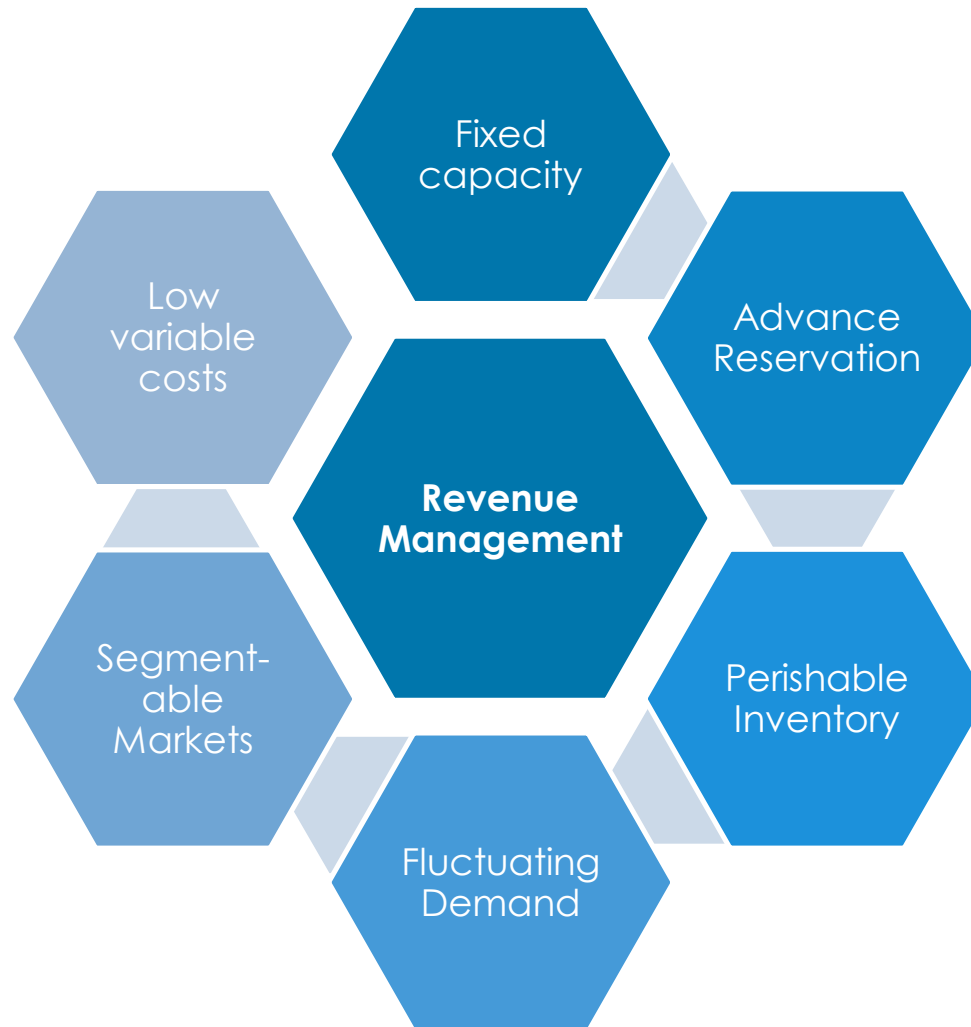


Right Price



Right Time

Revenue Management Characteristics

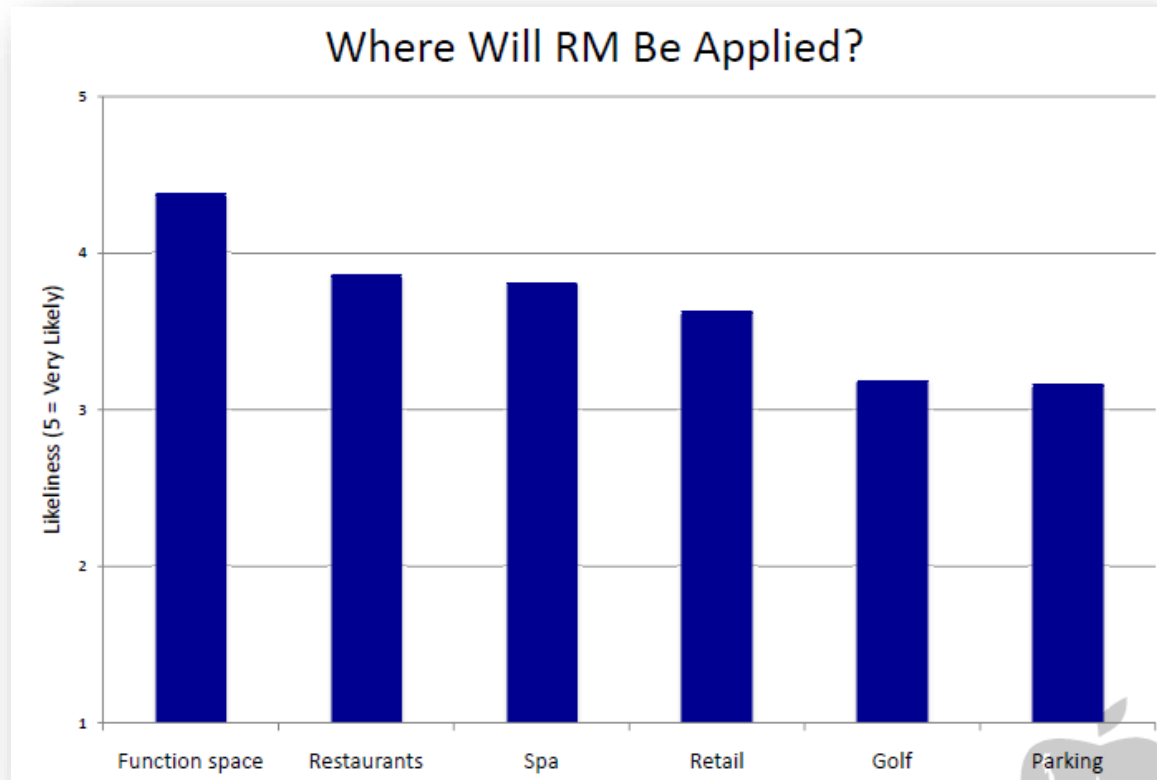


... not just in Guest Rooms



Why focusing on Function Space?

Group business represents a large percent of revenue potential for many hotels, with function space revenues being the second largest revenue contributor to a hotel



* Survey by Sherri Kimes, Professor at Cornell University conducted in July 2011

Most common trouble spots



Undersold
Function
Space



Unsold
Function
Space



Displaced
Groups



Function Space Key Capabilities

- Analyze & evaluate value of displacement
- Price guest rooms & function space optimally
- Optimize pricing based on total profit goals



- Apply advanced SAS[®] analytics
- Forecast demand by day and day part
- Validate & override demand as needed

- Preserve function space for groups with guestrooms in high demand
- Release space to function-only events during low demand

Function Space Opportunity Evaluation

Powered by SAS ® Analytics

- ✓ Input group needs & budget
- ✓ Evaluate the value of rooms displaced, if any
- ✓ Compare the prices with your profit targets
- ✓ Confirm group business or review

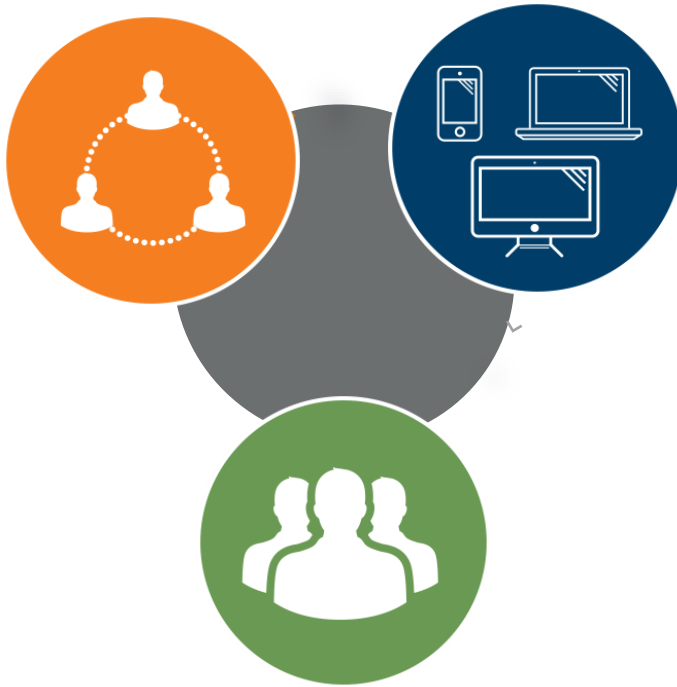


FSRM is a Balanced Transformation

It takes more than a great tool to manage M&E revenues

PROCESS

TECHNOLOGY



PEOPLE

“ The most important question for those implementing FSRM is 'How are we going to organize ourselves?' ”
IDeaS FSRM Client

Extending RM Discipline into Meetings & Events

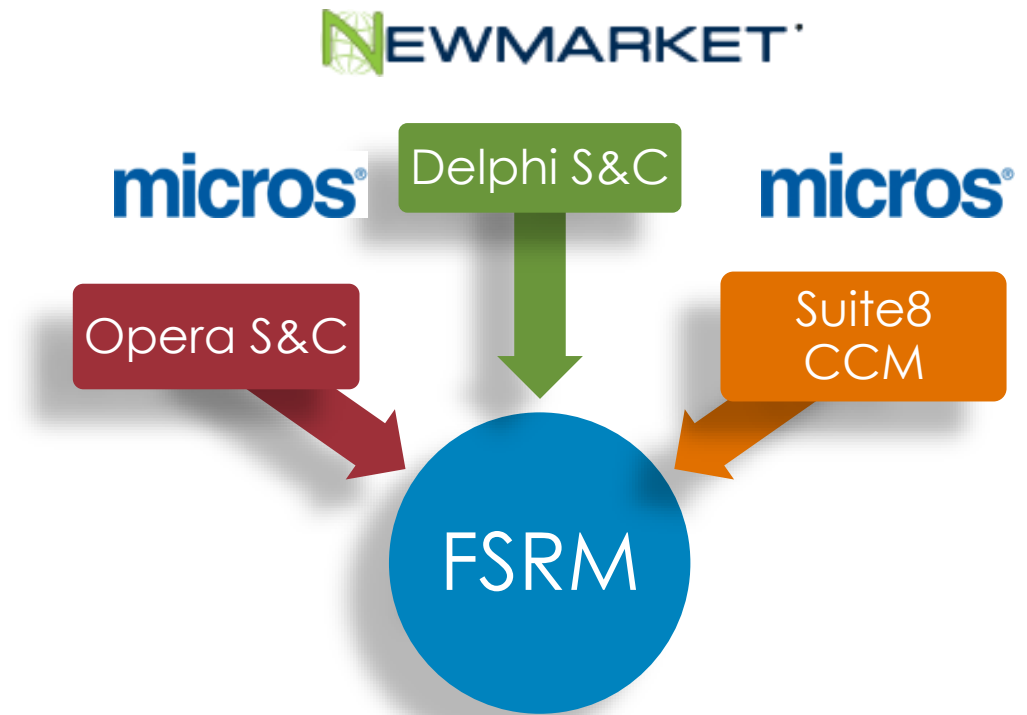
The path to Total Revenue Performance is an organizational change



01: Sales & Catering Data Quality

Sales and Catering Data

- Minimum of 1 Year of Data, ideally more
- Ideally 3 years
- Stable Market Segments use for at least 1 year

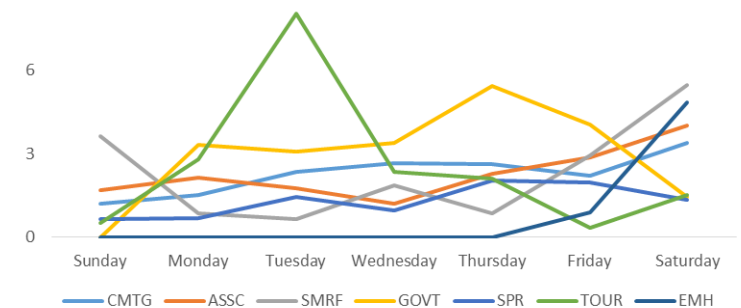
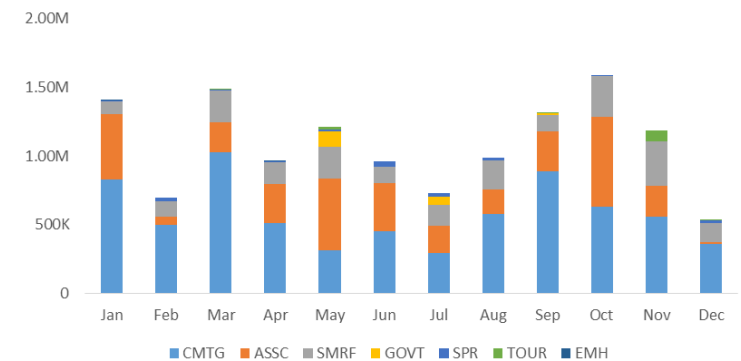
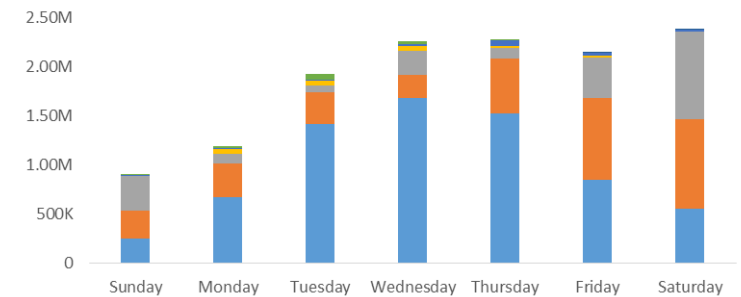
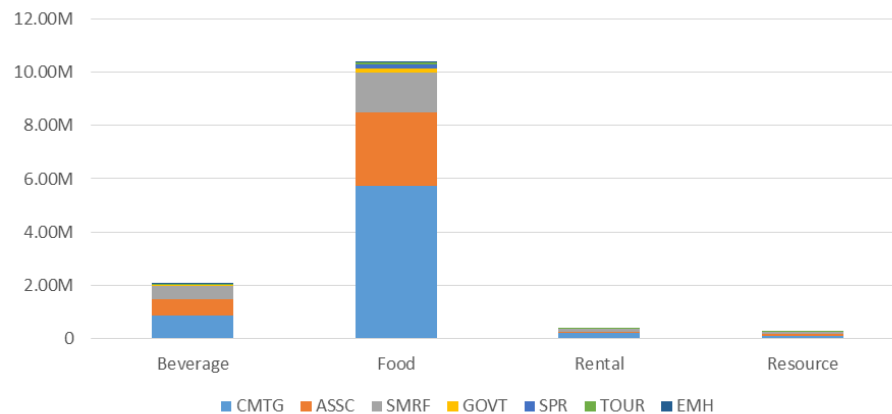


01: Data Considerations

- What is available and is it accurate?
 - Standard reports?
 - Interface with PMS?
 - Actuals updated?
- Processes
 - All opportunities entered?
 - Statuses assigned consistently?
 - Segments assigned correctly?

02: Metrics: Utilisation, Revenues V Profitability

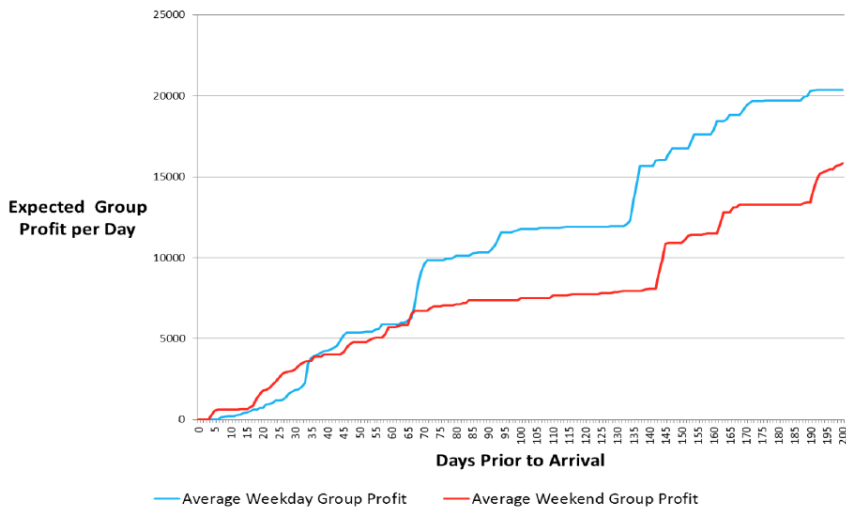
- Detect trends:
 - By segment
 - By month
 - By day of the week
 - Revenues
 - Utilization
- Use the analysis to verify processes



02: Metrics: Lead Time

- Understand your lead time:
 - By Event Type
 - By Segment
 - By Revenue / Profit Levels
 - Day of the Week
 - Month
 - Season

Group Booking Pace



Business Type	Revenu Levels	Leadtime	Blocked Rms	Ttl Revenues
Local Catering	0	180	0	\$ -
	1-200K	147	0	\$ 5,622,877
	200-500K	186	0	\$ 10,056,900
	500K-1M	222	0	\$ 7,825,388
	1M-2.5M	158	0	\$ 6,547,896
	2.5M-5M	136	0	\$ 4,080,000
	5M+	256	0	\$ 10,456,754
Local Catering Total		173	0	\$ 44,589,815
MICE	0	240	563	\$ -
	1-200K	201	28	\$ 35,860,130
	200-500K	253	77	\$ 79,670,182
	500K-1M	232	150	\$ 131,044,174
	1M-2.5M	268	307	\$ 311,434,506
	2.5M-5M	258	632	\$ 316,517,706
	5M+	283	1502	\$ 825,381,659
MICE Total		237	261	\$ 1,699,908,357
Total		229	228	\$ 1,744,498,172

02: Metrics: Lost / Cancelled

- Understand why and when you loose business
- Verify if your denied business is being tracked

Revenue Levels	Ttl Revenue	Lead Time	Dys lost before Arrival	Days b/w creation & lost	Length of Stay	# of Events
0	\$ -	207	136	71	2	73
1-100K	\$ 66,786	243	86	157	2	96
100-250K	\$ 162,677	228	113	115	2	123
250-500K	\$ 358,027	258	135	122	2	165
500-750K	\$ 622,400	234	138	96	3	84
750K-1M	\$ 3,487,047	268	163	106	4	363
Total	\$ 4,696,937	250	136	112	3	904

Lost Reason	Ttl Revenue	Lead Time	# Dys b/w creation & lost	# Dys lost DBA	# of Events
NA	\$ 1,662,299	258	107	151	26
Agency Lost	\$ 3,020,669	277	87	190	36
Room Rates Too High	\$ 1,003,923	243	66	178	25
City, Selected Anohter	\$ 3,553,398	228	71	157	103
No Response from Client	\$ 1,021,606	270	146	125	327
Mtg Space not Suiteable	\$ 1,559,336	275	142	133	94

03: Team Incentives

- Targets, rewards
- Catering and non-catering based revenue assessment
- Segmentation performance
- Incremental revenues
- Customer lifetime value
- From Sales to Profitability measurement



04: Ownership & Guidelines

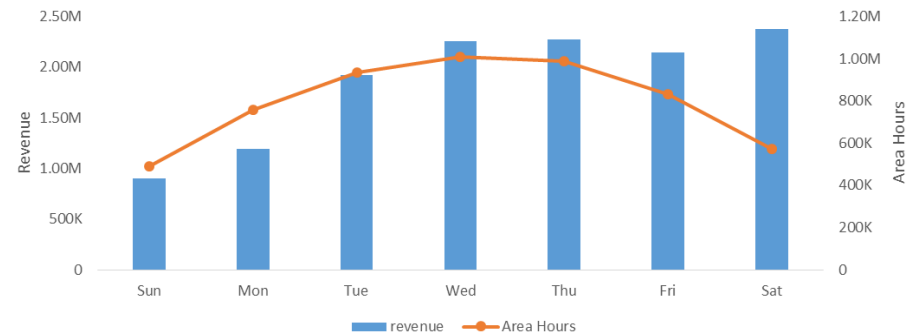
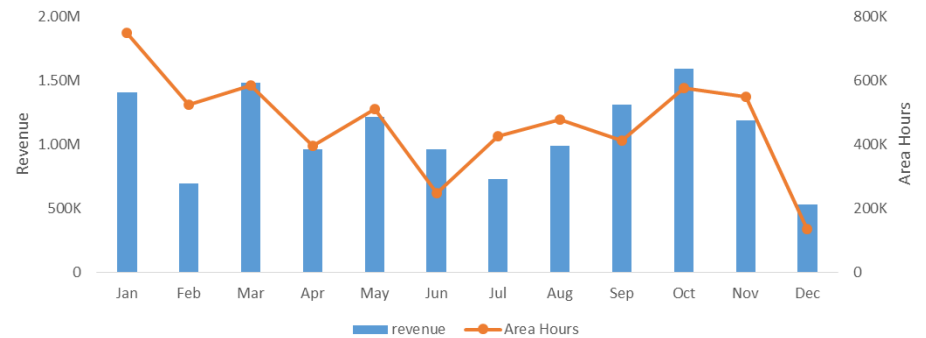
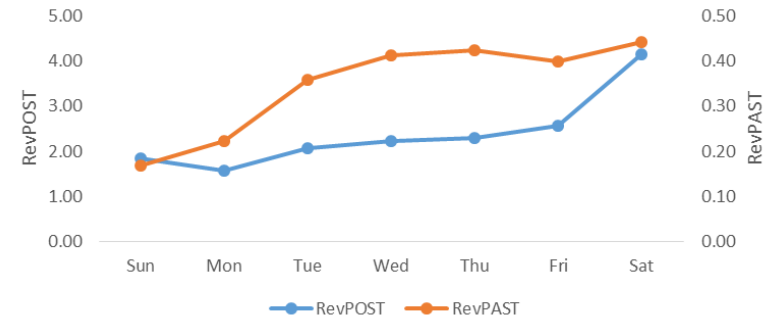
- Confirm your free-sell guidelines
- Should you have different guidelines by season or day of the week?

Business Type	Revenu Levels	Leadtime	Blocked Rms	Ttl Revenues
Local Catering	0	180	0	\$ -
	1-200K	147	0	\$ 5,622,877
	200-500K	186	0	\$ 10,056,900
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MICE Total		237	261	\$ 1,699,908,357
Total		229	228	\$ 1,744,498,172

05: Revenue Management, S&C Alignment

- Create standard reports :
 - By Month
 - By Day of the Week
 - By Segment
 - By Room Type

- **Share the success with the team!**



05: Alignment:

06: Demand Pricing: By room, by day part, catering only

- Price by Demand – use what you have learned from your utilization & revenue/profit analysis
- Share your strategy with a Demand Calendar
 - 1st step: by Day
 - 2nd step: by Day Part
 - 3rd step: by Room Type

MARCH						
MON	TUE	WED	THU	FRI	SAT	SUN
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

07: Alignment of RM and Sales & Catering



Set revenue /
profit
expectations



Analyze your
group
requests



Look at
displacement



Think about
Profits not
Revenues!



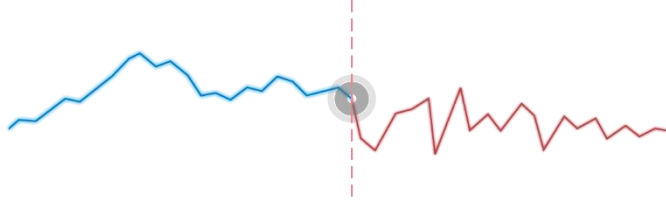
08: People, Process & Technology: Success

- Data Integrity
- SOPs
- Free sell guidelines
- Forecasting, reporting
- Success measurement
- Ownership & Empowerment
- Technology investment & ROI
- Training, Education Programs



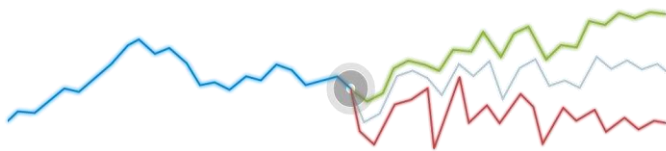
The End Game

FIND OPPORTUNITY



Anticipate & **seize** pricing opportunities for **profitability** & **growth**

EMPOWER ACTION



Take strategic, operational and tactical **actions**—in **record time**

DRIVE IMPACT



Turn **actions** into tangible **results** across the enterprise

Thank you – please do let us know how we
can help you on your revenue journey

Rachel Grier
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DRIVING BETTER REVENUE

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