



HOTEL ASSET MANAGEMENT CASE STUDY: 5-STAR LONDON HOTEL

THE CHALLENGE

In April 2014, Hamilton was appointed to conduct an operational review of this 5-star branded hotel in central London, followed by securing an Asset Management role of the property. The Owner was particularly concerned about the adverse performance of the hotel as measured by STR's competitive set RevPAR index (RGI) and performance of the hotel against its operating budget.

KEY ISSUES IDENTIFIED

Lack of Leadership (Hotel/Brand) - limited oversight and ownership of the Revenue Management and Sales & Marketing processes, in particular with regards to pricing and positioning, resulting in inaccurate forecasting and missed revenue opportunities

Management Focus - unit management not adequately focused on the maximisation of revenues and the control of costs

Enquiry Conversion – loss of revenue due to poor and tardy enquiry handling and response

F&B Service – inconsistent service standards and food quality leading to below par guest satisfaction scores

Staffing - numerous operational issues, including high staff turnover, inadequate staff training and inefficient ways of working, negatively affecting service delivery, productivity and costs

Property - a number of unresolved property related matters requiring urgent attention

Online Visibility – poorly optimised disparate websites with few calls-to-action and a complicated customer journey

Hamilton were then retained to commence monthly oversight of the hotels' performance and delivery against an agreed action plan.

THE SOLUTIONS

Revenue Management/Sales & Marketing

- Increased the supplement between room types;
- Introduced dynamic demand-based pricing for suites;
- Developed a competitive pricing strategy to gain base business and optimise rate closer to the date of arrival;
- Introduced variable time-led advance purchase rate (APR) with the differential to best available rate (BAR) reducing closer to the arrival day;
- Reviewed of the whole enquiry process from a “guest journey” perspective;
- Developed and implemented one consolidated content-rich independent website that was well optimised, promoting all the Hotel's facilities on one single platform.

Food & Beverage/Operations

- Implemented cost benchmarking to establish potential cost savings;
- Reviewed internal layout of service areas to maximise operational efficiency;
- Review ways of working and staffing structure to ensure an optimal staffing level and efficient policies and processes;

RESULTS

- Increased Rooms revenue by 20% and GOP by 26% (on a trailing 12-month basis) between June 2014 and December 2016.

If you would like our help to maximise the returns on your hotel assets, then please get in touch:

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