



HOTEL MANAGEMENT CASE STUDY: GRAND HOTEL ROGASKA, SLOVENIA

THE CHALLENGE

Following repossession in 2012, Hypo Alpe Adria Bank appointed Hamilton on an interim basis in February 2013 to manage the 5-star Grand Hotel Rogaška, Slovenia, in order to mitigate any trading losses and maximise asset value for disposal. The 194-key hotel offered a restaurant, lounge bar, spa, fitness centre, and conference and banqueting facilities. The hotel was in financial difficulty and was under pressure from creditors and suppliers.

SOLUTION

During its two years of management, Hamilton implemented the following cost saving and revenue generating initiatives:

- Appointment of a new management team;
- Overseeing an upgrade of the property with limited funds to better present the asset to market;
- Review of staffing levels and subsequent reduction in headcount and number of overtime hours;
- Negotiation of lower utility tariffs and insurance premiums;
- Reinforcing of credit procedures and controls;
- Securing additional rental income from new retail tenants;
- Securing new group contracts worldwide and in particular within the Russian market;
- Updating and widening the hotel's exposure through OTAs and efficient management of the hotel's own website;
- Targeted marketing of leisure packages and flash sales through multi-language websites to increase occupancy in slower periods;

- Targeted PR activities and focus on raising visibility and ratings on TripAdvisor;
- Review of menus and F&B service levels and appointment of a new Executive Chef to implement an à la carte menu;
- Extending spa services to include more holistic treatments and medical advice from contracted doctors.

RESULTS

Despite tourism in Slovenia being negatively impacted by the political instability in the region, the devaluation of the Rouble against the Euro and a summer of adverse weather, we achieved the following improvements:

- Year-on-year Total Revenue increased by €206k (+6.0%) for 2014, which was converted into an additional €547k at GOP level
- For FY 2014, Hamilton grew the hotel's YOY occupancy, ADR and RevPAR by 1.8%, 2.9% and 4.7% respectively and increased market share by 14.8% for YTD November 2014;
- We increased spa revenue by 55.1% from December 2013 to December 2014, leading to the generation of a departmental profit as opposed to previous loss making years;
- The creditor value was reduced by 73.1% and the aged debtors by 31.0%;
- The hotel was awarded the TripAdvisor Certificate of Excellence in 2014.

If you would like us to manage your hotel to maximise your return on investment, we would love to hear from you:

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