



For **independent hoteliers** and owners of guest houses, B&Bs and pubs with letting rooms



Michael Cockman's **Hotel Profit Systems**

Sell more rooms, make more profits and have more time for yourself

12 Point MOT For Your Room Business

Well thank goodness that Christmas and New Year are over for another year. But wait a minute! It is the beginning of another year and our room occupancy is suffering (just like it did last year!).

So what is the magic solution? Well of course there isn't one. But there are a number of actions that you can take to give your business a quick winter service, to make sure that it runs efficiently for another 12 months. Here are my topical tips for an MOT.

Can you see where you are going?

What is your vision for your business? Do you still stick to all the principles that you established when you took over this business in the first place or have you compromised along the way? Your customers and your team all need to know exactly what you are trying to achieve and if they are sympathetic with it they will buy into it and help you all you want.

Review your vision and share it with your team.

Change is as good as a rest

Everyone knows that if you carry on doing what you have always done then you will get what you have always got. So if you want to improve your room revenue you need to make some changes and take some new actions. But you need to commit to this and allocate some time to make it happen. Are you still making excuses and saying that you don't have the time? If this is the case then what you lack is commitment, not time!

At least commit to making yourself sit down for 2 hours in a quiet place and honestly assess whether or not you are allocating enough time to working on the future direction of your business. And if you are not, then who is?

Take a break

You need to look at your business with fresh eyes and the only way to do that is to get away from it for as long as you can. Ideally you will stay at a hotel or pub that you admire so that you can gain some new ideas to use. You will then get back refreshed but also with a more critical eye. And hopefully you will notice your own signage, garden, lighting and atmosphere with a fresh eye.

Plan your break now, so that you have it in your diary and your team can get used to the idea that you will be away.

Stop the leaks

If the roof leaks you fix it. Sales opportunities leak away just the same through a lack of procedures. Do you have procedures in place to identify where all your guests come from, their name and address and their organisation? Do they have more business for you? Make sure that all your team are aware of how much it has cost you to get the phone to ring and ensure that everyone is trained to answer the phone and take all the right information from the enquirer.

Check that you have procedures in place for any sort of enquiry whether it comes to you direct or from the internet. What literature do you send out and how is it followed up? What system do you have for looking after your regular bookers of accommodation?

Best of all, have someone ring your hotel every so often and make an enquiry. This occasional 'mystery shopping' will give you the confidence to go on holiday, knowing that all is under control in your absence!

Guests disappear

However successful your business, each year a percentage (it could be up to 25%) of your customers and guests will go away and not use you anymore. You may not have upset them, it's just that they have moved on, changed companies or found a better solution to their accommodation needs. Every business needs a plan to make sure that these gaps are replaced.

This comes back to your time allocation. Who is going to be responsible for making new contacts? Make a plan for this activity. Your number of rooms you dictate how many clients you need, so maybe you only need to make one or two prospecting calls a week. But having decided what you need, you have to stick to it and make sure that it is done.

Learn to say No!

I'm sure that you get your fair share of unsolicited calls each day, offering undoubted great deals on advertising. Whatever they are, just say no. You will save yourself a fortune. If you think that the proposition is good then ask the person on the phone to explain how you can track the results of the advertising. If there is a cast iron way then give it a try. But all those £45 and £125 soon add up.

Take the opportunity to write a list of all your miscellaneous advertising in local magazines and websites. If you know what worked then fine but if you don't know then make sure that you don't renew it.

Can prospects find you?

Now is a good time to check that you can be found. Even if your internet site was working before it does not mean that it still is. Have you recently updated your site? The search engines are very keen to promote sites that are constantly looked after and updated and also ones that are useful. So check out the opportunities for sites to link to you, even if they are just the accommodation sections of the local area or town site.

More and more people are using the internet to gather information even if they don't actually book online. It is vital that you can be found through various search terms. Try it for yourself and if your site does not come up on the first or second page of an organic search speak to your website designer and have them test some different text.

Action is better than reaction

You just never know where business comes from so you need to check that you are covering as many of the options as possible.

Local businesses (if there are any) are obviously a great source but also check out other local opportunities such as schools, colleges, universities, charities, B&Bs, defence establishment, hospitals. Find a contact, establish their potential for you and put them on a list for further follow up. Do you have a leaflet that you can leave with them?

Business is what you make it

There are any number of self-help books that will tell you that you can have anything you like, you just have to want it enough. My own view is that it is a bit more complex than this. However if you know what you want to achieve from your business (on a personal *and* a business basis) and set yourself some written goals then you can go a long way to achieving what you want.

You can't do it all yourself so you need to involve your whole team in your goal setting, you need to agree some tactical actions and most of all you need to write these down (just one side of A4 will do). Without this road map it is so easy to veer off the agreed route.

What's in it for them?

At its most basic level, you are offering a room for the night. Often a guest is only with you for 8 hours and to be honest how much is that really worth – logically probably about £25?

But guests do spend anything from £65 upwards for an overnight stay so they must want something more than they get at the local branded budget hotel. So it must be an emotional, not a logical decision.

Check that you are engaging with your prospects on an emotional level by always communicating benefits not features. When you are answering a telephone enquiry don't give facts and features, give tempting descriptions of what the experience of staying with you will be like.

Review all your literature and your website and make sure that you interpret every feature of your venue and create a benefit. You do this by asking this question of every feature – Which means that?

Tastes change

In your food service there has had to be a consistent and gradual evolution of your offer; so too have tastes changed in the bedroom. Chintz has been replaced by muted plain colours and duvets have largely replaced blankets.

The New Year is a good opportunity to take stock of you room product and ensure that it meets the needs of your market. Stay overnight (or have friend do it for a more balanced view) in your own rooms just to appreciate what your guests experience.

Why not prepare a short questionnaire to gauge feedback from your guests for a month? Your questions need to relate to different target markets since for instance business travellers will have different needs from more mature weekend visitors.

Understand your yield

No doubt you will be acquainted with the joys of yield management. Simply put, yield management is the thought process that encourages you to maximise occupancy in periods of lower demand and maximise room rate in times of higher demand. This only works if you have good historical information, so that you know when demand is high and when it is low.

Look back at last year and check on your results and identify any peaks in demand through annual or one off events. You should be able to make a schedule for the coming year, so that you know when to hold out for your published rate and when you may need to be a bit flexible on rate to keep up your occupancy. Write it all down and share the information with your team so that everyone knows what the parameters are.

***Michael Cockman** is a writer and mentor who helps accommodation providers maximise their room revenue.*

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