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A Key Component to Asset Management - The Sales & Marketing Assessment

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With room demand down in virtually every market and market segment, operating expenses to aggressively be contained, and room rate deterioration not seen in many years, hotel owners and operators should now be internally focused on service; the focus should be on maintaining service standards, identifying operational efficiencies, and improved sales and marketing, in order to be prepared for the eventual increase in demand and economic upswing. "Service", regardless of the brand or level of hotel, includes providing appropriate amenities, service recovery when necessary and the delivery of the marketing promise.

Hotel owners engage asset managers in order to provide strategic direction, oversee the identification and implementation of appropriate business strategies and cost controls, and to continuously improve standards to result in maximum profitability. Some areas addressed in the asset management process include:

- Reviews of all operating departments;
- Comprehensive profit and loss statement evaluation and performance comparisons to assets of similar quality and asset configuration;
- Energy management and effective cost controls;
- Standard operating procedures to insure well-organized and managed operating departments;
- Human resource management;
- Safety standards;
- Brand compliance for franchised hotels;
- And more.....

As part of the overall asset management strategy for a hotel asset, owners should certainly ask, "How can our sales and marketing efforts be more focused? Made more efficient and effective?"

The HVS Sales & Marketing Service's Sales & Marketing Assessment is a highly useful component of an overall property review — and provides an outside, objective assessment of current activities and strategies to assure that the sales and marketing approach in place is effective and appropriate for the specific asset.
Relentlessly sourcing new opportunities to identify guests is a fluid process, and must be assessed as an on-going business practice. And, particularly in today's challenging economic environment, effective rate-setting strategies and revenue management are essential to protect and enhance revenue sources. Finally, sales strategies and tactics required to remain competitive and profitable must stay vibrant and proactive as clients and technology evolve and change.

An effective, result-oriented sales and marketing assessment or audit generally includes the following initiatives:

- Review of the existing Sales and Marketing Plan;
- Mystery customer shops related to the hotel's reservations department, sales department and website;
- Review of the appropriateness of the selected properties in the competitive set, Smith Travel Research and Hotelligence reports;
- Review of 3rd party channel positioning and production;
- Development of a SWOT (strengths, weaknesses, opportunities, threats) analysis of each of the hotels in the

Summary

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competitive set, as well as the subject asset;

- Review of current revenue management strategies, rate structure and e-commerce programs;
- Review of the hotel's website and search engine optimization; review of online and traditional marketing strategies; and use of social media and other public relations approaches;
- For franchised hotels -- Review of the hotel's utilization of the brand-offered marketing products, sales programs, sales training programs and website marketing.

At the completion of the sales and marketing evaluation, a detailed report of the findings and results — coupled with specific recommendations for improvement are provided to the hotel owner. As may be required or requested, a 6-month documented Sales Action Plan with suggested follow-up steps for moving forward -- can also be integrated into this effort.

For more information about the Sales & Marketing Assessment process, and to discuss how this initiative can result in quantifiable results contact Leora Lanz at 516-248-8828 x 278, or ****; or Eydie Shapiro at 201-320-8981 or ****.

About Mark C. Lynn

Based in San Francisco, MARK LYNN oversees the wide range of hotel asset management, strategic planning, development and operational consulting services provided by the firm. Mr. Lynn has more than 30 years of hotel industry experience and has been involved in the development and management of more than 100 hotel projects with an asset value exceeding $2 billion. Mr. Lynn holds a BSBA degree from Xavier University in Cincinnati, Ohio and is a member of HAMA (Hospitality Asset Managers Association). Mr. Lynn can be contacted at: 100 Bush Street Suite 750 San Francisco, CA 94104 +1 (415) 268.0357 tel. +1 (415) 869.0516 fax