

Parking Asset Management

📅 May 13, 2005 / 👤 By Brian E. Falvey

While Asset Management is by no means a novel concept to the hotel industry, Parking Asset Management is about as novel as it gets, providing hotels with additional cash flow that they never knew they had. It is perhaps the most significant seat cushion in the industry—the money’s there, you just have to dig around a little bit and you’ll find it. The problem is that hoteliers rarely know where, or even how, to dig. Managing parking is not at all like managing rooms and F&B. A quick perusal of the Cornell School of Hotel Administration program syllabus will not find “Parking 101” or “Garage Management 201.” That’s why retaining a parking Asset Manager like HVS/Ultimate Hotel Parking Solutions can be one of the best investments a hotel owner or operator can make. For example, at one hotel in the portfolio of one of our asset management clients, we recently improved gross profit per occupied room by over 30%. The increased GPPOR was attributed to a whopping \$850,000 increase in annual gross revenue, with about \$650,000 of that flowing directly to the bottom line. Most importantly, the improvements we made are permanent, and the regular and ongoing involvement of the Parking Asset Manager has enabled to the hotel continue to operate at this astounding level of profitability month after month. The hotel is a large airport property with a 1,000 space parking garage. After assessing its historical financial performance and auditing its operations and facilities, we developed a plan of action to oversee certain initiatives designed to improve profitability and service. In one aspect, we overhauled the garage equipment removing outdated and failing parking gates and antiquated cashier booths and systems that had little or no reliable revenue controls. We brought in state-of-the-art equipment and revenue control software systems manufactured by SkiData, eliminated the cashiers altogether, and instituted a convenient and attractive pay-on-foot system. The equipment paid for itself in a few short months, and now churns out increased profitability daily. We also overhauled parking policies and procedures, rewriting many fundamental aspects, and implementing for the first time some policies that were vital to the integrity of the revenue generated through both valet and self parking. Notably, we not only designed and crafted these policies, but conducted training sessions with parking staff, front desk agents, security, and sales and catering personnel to ensure that associates throughout the hotel understood the policies and the reasons why they were important, and how to communicate those policies to guests and clients. This effort continued for months with existing staff, and it continues to this day as it has become part of the regular training of new associates in the ordinary course. While identifying the opportunities to improve parking at this property was in and of itself valuable, the true return was derived from our commitment, supported by our compensation structure, to see our recommendations through. Regular monitoring of results of operations, site visits, audits, meetings with management, and continual identification of opportunities continue to make this engagement a complete success. We brought our expertise and our ability to manage change to the table and left the hotel with substantial and material upside they, quite frankly, never knew they had. In fact, the hotel owner’s internal auditors had audited the parking operation only a few months before our arrival and gave it a clean bill of health. They don’t know how or where to dig in the cushions. We do. This type of result is typically not the exception, but the rule. If you think it’s not the case at your properties, think again. Then engage us to find all that “spare change” that may just be the reason you hit your financial goals this year.

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Summary

More Than Spare Change in the Parking Couch... The First Edition of a Three Part Series on Parking Asset Management Success

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