THE OVERVIEW

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A New Deal - recognition for tourism

Marriott to fight GDPR fine

Welcome to THE OVERVIEW

Hospitality, it turns out, is a real thing. But don't take it from me - Theresa May thinks so. Or maybe take it from me depending on where you think the weight of credibility lies, which in a battle between a politician and a journalist is always going to be close.

So the proof of the Sector Deal for Tourism is likely to be in the eating, but can count as a glorious moment, where, after many years of lobbying for recognition, there is the hope of future support from Number 10.

Highlights included an additional 10,000 apprenticeship starts a year by 2025; a £1 million recruitment and retention programme; and increasing in-work training and development of new T-Levels. Government also plans to make travel to and around the UK easier for tourists with the development of its Maritime and Aviation strategies as well as a number of policy developments.

There will also be pilots of up to five new Tourism Zones, supported by central government and a biddable funding process, to drive visitor numbers across the country, extend the season and to tackle local barriers to tourism growth.

Looming behind all this is, of course, Brexit. It's all very well saying you're going to drive visitor numbers, but many of those visitors already find the UK's system of visas onerous. Our closest neighbours will not be lured over by the promise of extra-fun longer lines at passport control.

Last year around 38 million people visited the UK, contributing £23 billion to the local economy. By 2025 it is predicted that there will be an additional 9 million visitors to the UK. Statistics like this make the coffers glow and, until now, have led only to talk of bed tax. Hopefully this latest strategy will encourage support for growth - in the form of planning and rate support - not just a chance to milk the cow.

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In the July and August issue...

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Highlights of HITEC

HITEC was a blast as it always is. Minneapolis was a great location, where everything seemed to be within walking distance. Although I guess there was a lot I didn't see!

We are running a HITEC Update meeting on the evening of Thursday 12th September in conjunction with Keystep in London, so Andrew and I will give you a more detailed report then. One of the most fascinating sessions was one on the next big industry threat, which (no, not Brexit) apparently revolves around the tech giants that are Google, Amazon et al, and - on a lesser scale - the currently popular OTAs. I can also update you with the global opinions on the chances of Chatbots taking over hotels and let you know what seems to be stealing the show on new product innovation. From the keynote speech, I will alert you to what we really need to worry about in the future and ask if you are working for a banana plantation or a rain forest? That might sound slightly off topic here, but, really, it will make sense! It was a week of sunshine in Minneapolis, until the day HITEC closed and the heavens opened. So, I came home to sunny England…for the weekend at least!

Somewhere where the sun always shines though is Edinburgh. Well, that's what the locals said, anyway. Helen Marshall and I travelled to Edinburgh on the train at the end of June for a members' meeting with our sponsors and friends at Criton. We took the east coast route and we were both amazed at the scenery. I think the amazing June sun certainly helped, but even so the views were spectacular, so I'd certainly recommend taking the train to Edinburgh if you find yourself contemplating modes of transport when heading north of the border.

We held the meeting at the new Kimpton property in Charlotte Square, Edinburgh - which lived up to its reputation as a fine hotel with a genuine Scottish welcome. Our partnership with Criton ensured a great turnout from local hoteliers and hospitality businesses. Sarah Duignan from STR delivered a comprehensive overview of the local market both historically and looking forward - which was well received by a thoroughly engaged audience.

We then went on to discuss "Why Revenue Management is the New Black!" With the overview being:

"With a backdrop of falling ADRs and the likelihood of them continuing to fall given the current economic and political uncertainty, hotels must look for other ways to drive profit. How hotels increase total income is clearly dependent on location and strategy, our panel will update on current trends and take a look at what is happening in the world of holistic revenue management."

The panellists were happy to share their experiences and advice for maximising revenues. I was lucky enough to have Julie Grieve from Criton, Sarah from STR and Lesley Reid from IHG answering my questions, so a more diverse and informed panel would have been hard to find. We could have gone on for hours, but the Prosecco and networking was calling! The debate and conversations though did go on for hours - and I am sure a good time was had by all. A big thank you to Criton for supporting this event and to all who helped put the evening together.

We can now celebrate that school's out, summer has arrived and HOSPACE is just around the corner! We have reduced the exhibition area at HOSPACE this year to ensure we maintain our integrity as a conference rather than a trade show. Both have their place of course, but sharing HOSPA's wealth of industry knowledge is our primary objective and I know you will not be disappointed with the line-up of speakers this year. Just in case you don't have it in your diary, please pop it in now: 28th November at The Royal Lancaster Hotel in London.

Marriott to fight GDPR fines

The Information Commissioner's Office in the UK has said that it intends to fine Marriott International more than GBP99m for breaches of data protection law.

The proposed fine relates to a cyber incident which was notified to the ICO by Marriott in November 2018. A variety of personal data contained in approximately 339 million guest records globally were exposed by the incident, of which around 30 million related to residents of 31 countries in the European Economic Area. Seven million related to UK residents.

It is believed the vulnerability began when the systems of the Starwood hotels group were compromised in 2014. Marriott subsequently acquired Starwood in 2016, but the exposure of customer information was not discovered until 2018. The ICO's investigation found that Marriott failed to undertake sufficient due diligence when it bought Starwood and should also have done more to secure its systems.

Information Commissioner Elizabeth Denham said: "The GDPR makes it clear that organisations must be accountable for the personal data they hold. This can include carrying out proper due diligence when making a corporate acquisition, and putting in place proper accountability measures to assess not only what personal data has been acquired, but also how it is protected.

"Personal data has a real value so organisations have a legal duty to ensure its security, just like they would do with any other asset. If that doesn't happen, we will not hesitate to take strong action when necessary to protect the rights of the public."

Marriott has co-operated with the ICO investigation and has made improvements to its security arrangements since these events came to light. The company will now have an opportunity to make representations to the ICO as to the proposed findings and sanction.

The ICO has been investigating this case as lead supervisory authority on behalf of other EU Member State data protection authorities. It has also liaised with other regulators. Under the GDPR 'one stop shop' provisions the data protection authorities in the EU whose residents have been affected will also have the chance to comment on the ICO's findings.

Marriott has the right to respond before any final determination is made and a fine can be issued by the ICO and the company said that it intended "to respond and vigorously defend its position".

The ICO said that it would consider carefully the representations made by the company and the other concerned data protection authorities before it took its final decision.

Marriott International's President and CEO, Arne Sorenson, said: "We are disappointed with this notice of intent from the ICO, which we will contest. Marriott has been cooperating with the ICO throughout its investigation into the incident, which involved a criminal attack against the Starwood guest reservation database.

"We deeply regret this incident happened. We take the privacy and security of guest information very seriously and continue to work hard to meet the standard of excellence that our guests expect from Marriott."

The Starwood guest reservation database that was attacked is no longer used for business operations.

In March Sorenson told a US Senate committee hearing that the company had not been away of the scale of the data issues at Starwood Hotels & Resorts prior to buying it in 2016.

Sorenson told the Senate Permanent Subcommittee on Investigations: "As a company that prides itself on taking care of people, we recognise the gravity of this criminal attack on the Starwood guest reservation database and our responsibility for protecting data concerning our guests. To all of our guests, I sincerely apologise."

When asked about past issues at Starwood Hotels & Resorts which may have been uncovered in due diligence, Sorenson said was aware of a smaller breach at property level, but not of any widespread irregularities in the company's reservation system.

The CEO said that there had been evidence of an unauthorised party on the Starwood network since July 2014 but that it did not impact its guest reservations database and Marriott International's investigators had found "no evidence the attacker had accessed guest data" until mid-November 2018.

Sorenson said that the company had first been alerted to an issue on 7th September last year, when an alert was delivered by a cybersecurity tool. Marriott was notified, as was a third-party party vendor that handled some technical aspects of the Starwood reservation system. It was on 19th November that Marriott International discovered that customer data had been stolen and, Sorenson said, accelerated the retirement of the Starwood reservations and operations systems.

The breach was publicly disclosed on 30th November, which, the CEO said, was an appropriate period of time following the confirmation of data theft. Under the GDPR regime in Europe, companies must inform regulators of breaches within 72 hours of becoming aware of them, with the threat of a fine of up to 4% of annual global revenue.

When asked whether he knew the source of the attack, the CEO said: "The short answer is we don't know. We've simply been focused on making sure the door is closed. I feel quite inadequate about even drawing inferences from the data we've obtained…We have shared everything with the FBI including IP addresses used and malware used so they can do that kind of investigation."

Jon Baines, Data Protection Advisor at Mischon de Reya, said: "News that the ICO is intending to fine BA £183m and Marriott International £99m is remarkable for a number of reasons.

"Firstly, and crucially, these are merely "notices of intent" - most recent figures obtained by this Firm under the Freedom of Information Act indicate that nearly one in three ICO notices of intent ultimately either get cancelled, or result in a lower final penalty.

"Secondly, the legality and fairness of ICO's investigative procedure has come under serious - and extraordinary - challenge in the recent case involving Facebook, in which the latter is alleging bias, pre-determination and procedural irregularity. It is quite possible that similar arguments will be aired in any challenge to the notices of intent.

"Thirdly, the notices of intent were announced initially not by the ICO, but by the recipients, under their market notification obligations. To this extent ICO's hand has been forced, and it will definitely be hoping it has got its factual and legal analyses right, because the challenges coming its way are likely to be robust and costly.

"Fourthly, these sums are huge, market-influencing ones. Up until now people were certainly concerned about GDPR, but this news makes it very clear that fines arising from alleged non compliance have become a major corporate risk factor.

"No one should over-react to this news. But everyone should pay very close attention to developments."

Rafi Azim-Khan, head of data privacy, Europe, Pillsbury Law, commented: "In discussions with regulators, it was clear to me that the initial first year bedding in phase for GDPR is now over and going forward we will start to see more aggressive enforcement, not just against tech companies but businesses of all shapes and sizes.

"This Marriott fine is in line with that tougher stance and a desire to see businesses step up to meet the new higher standards that GDPR has brought in.

"It is also a reminder that business as usual will not work and companies really do need to get specialist second (or third) opinions in as to their handling of data."

"This fine focuses on the numbers affected, failures to have better security and processes around data handling (particularly financial information) and reinforces the message that the status quo is not an option."

"From discussions with Data Commissioners it is also true to say that there is a frustration that the business world has not fully embraced the core underlying concepts of GDPR, namely a need to adopt a Privacy by Design and Privacy by Default mindset and be able to show changes that have been made to deliver on this requirement.

"One major problem has also been confusing and often incorrect advice being given to some companies in the frenzied run up to GDPR go-live last year. Many have who acted on erroneous advice are now in a dangerous comfort zone of feeling they are compliant when they are not. An expert fresh look is highly advisable."

Dasline Muvwanga

Cluster Rooms Reservations Manager, for the Radisson Hotel Group, Edinburgh

This month we feature the winner of the highest achieving student award for the HOSPA Revenue Management course at Level 3, completed in February 2018.

The winner, Dasline Muvwanga, is Cluster Rooms Reservations Manager, for the Radisson Hotel Group based in Edinburgh. She was presented with her award at the HOSPA Awards Ceremony held earlier this year at the Jumeirah Carlton Tower Hotel, London.

We caught up with Dasline to learn more about her career to date and her experience of the HOSPA RM course.

Dasline's hospitality experience stretches back more than 20 years, having started out as a waitress at a Hilton hotel while studying for a Higher National Diploma in Hotel Management. Her career path since then has seen her take on a variety of roles including front of house manager, events manager, revenue manager and reservations manager. During this time, she also studied for a BA in Hotel Management, which helped broaden her theoretical understanding of the hotel industry.

Whilst working at the Alona Hotel as a Reservations Manager, Dasline decided to continue with her learning, and enrolled for the HOSPA Revenue Management course in 2017. Since completing the course in early 2018 she has furthered her career aspirations with a move to join the Radisson Hotel Group as Cluster Reservations Manager for Radisson Blu and Radisson Collection Hotel on the Royal Mile in Edinburgh.

Of her time as a HOSPA learner, Dasline tells us:

"The course has really helped me to understand the theory behind the practice of Hotel Revenue Management, and putting the knowledge I gained to practice throughout the Revenue Management course also helped me to increase occupancy and ADR in my previous role as a Reservations Manager at the Alona Hotel."

Dasline is looking to take the step into the role of Revenue Manager in the future, while helping to foster her team's knowledge and appreciation of the importance of revenue management within the organisation.

The final level of the HOSPA RM course requires the learner to develop an applied research project based on their organisation. The project should be based on an issue or topic which will help the organisation to develop a practical solution to an ongoing business challenge or proposed development. In developing the project the learner is required to research in the range of journals and resources available and undertake research in their organisations by interviewing colleagues and line managers. Topics range from the introduction of a Total Revenue Management culture across the business, to selected a RM technology solution to developing a channel management strategy.

To find out more about the HOSPA courses in Revenue Management visit the HOSPA website at www.hospa.org/education or email education@hospa.org

Pubs and bars more upbeat as restaurant confidence falters

Confidence levels among the leaders of Britain's pub, bar and restaurant groups remain broadly flat in light of on-going political uncertainty and multiple continuing business challenges, the latest CGA Fourth Business Confidence Survey reveals.

Optimism in their own business' prospects continues to be higher than faith in the market as a whole. But, the exclusive June poll of around 140 senior industry executives, did show that drink-led operators were notably more upbeat about the future.

The research, conducted in partnership with Fourth, found that a minority (41%) of bosses were fairly or very optimistic about prospects for the eating and drinking out market over the next 12 months - up slightly from 39% in February, but down six percentage points on a year ago.

Leaders' were more upbeat about their own businesses, with a majority (65%) fairly or very optimistic about the next 12 months - though the figure was down both quarter-on-quarter (from 68%) and year-on-year (from 75%). Movements in the two measures showed that the gap between confidence levels in their own businesses and in the market in general had narrowed slightly over the last three months.

The latest survey highlights concern about the frequency of consumers' visits to pubs, bars and restaurants over the rest of 2019. Nearly half (45%) of leaders think consumers will eat and drink out less often in the next six months than they do now, with far fewer (9%) predicting they will do so more often.

The poll also revealed a stark contrast in optimism levels between business types. Three in five (61%) leaders of drink-led businesses say they feel optimistic about the market as a whole over the next 12 months - nearly twice the proportion of leaders of food-led businesses (33%). This echoes findings from the Coffer Peach Business Tracker that show much stronger like-for-like sales growth for managed drink-led operators than for food-led ones over the past year.

Fragile market confidence reflects the many pressures facing the hospitality sector, including rising labour, property and food costs, intense competition and uncertainty over Brexit. It follows a tough first half of 2019, with more than a quarter (29%) of leaders reporting that their business' performance over the last six months had been below expectations - nine percentage points up on CGA's last Confidence Survey.

CGA group chief executive Phil Tate said: "The patchy optimism among food-led business leaders confirms that 2019 has been a rough ride, with casual dining operators buffeted by ferocious headwinds and several high profile brands struggling. But leaders of drink-led businesses clearly feel they have much more to look forward to - a sign that after many years of pub closures and restaurant expansion, the tables have turned."

The latest CGA Fourth Business Confidence Survey also highlights the need for investment if brands are to obtain a competitive edge. A third (33%) of leaders say they plan refurbishments across more sites this year than last, with only 14% planning fewer. This suggests that operators are focused on making the most of their existing assets rather than expansion, and recognise the importance of keeping their venues fresh and appealing.

Tate said: "Our survey suggests that for many big brands in the sector, the aim for the second half of 2019 will be to preserve market share and invest in current assets ahead of new openings. With consumer footfall and spend likely to be flat at best, and such intense competition for loyalty, all operators will need to keep their offer resolutely focused on the fundamentals of hospitality and the needs of guests."

Ben Hood, CEO of Fourth, said: "It's fascinating to see something of a confidence gap emerging in the outlooks of operators from different types of businesses, which is clearly a product of the extremely challenging conditions buffeting some parts of hospitality. What is also resoundingly clear from industry leaders is a razor-sharp focus on labour productivity, no matter what type of business they lead.

"The research graphically illustrates what we know from our many working partnerships with hospitality businesses: productivity and delivering efficiency gains is 'mission critical' for hospitality businesses in this market, and there is clear momentum in this area, with operators harnessing technology to drive efficiencies and defend profitability."

10 tips for successful hotel revenue management

Mary Hunter casts her eye over a changing role

Managing a hotel is an in and of itself difficult task. You should make sure that everything is done right in all departments and the promised quality is maintained. Everything should be polished to perfection and all the employees, from the cook to the cleaner, should be closely monitored to ensure the successful completion of their tasks.

Obviously, there is near to no time to think about revenue management, especially if you are trying to do all of the administration by yourself. This is why this article will focus on ten tips to help you successfully manage your hotel revenue.

1 Make website and mobile experience a priority

In a world where most of our lives are spent online, it comes as no surprise that most of your customers will be booking rooms online. This is why keeping your website up and running is very important not only for appearing in Google search results but also for showing your reliability.

Make sure to keep all the information updated. The experience your customers have your site will play a major role in their final decision in choosing a hotel. If you still don't have a website, you can either use such website builders as Squarespace and Wix or opt for creating your site from scratch (which will require a professional and will cost more).

2 Focus on value

The hospitality sector is very price-sensitive, which is why it is very important to focus on value. To be more exact, on value and perceived value, which are way more different than you may think.

You must provide your clients with the value that you promised them. But you must also be clear about what value your hotel provides in order for your potential customers to choose you when booking a hotel.

Show that your hotel is special by providing additional features such as outstanding customer service or exceptional food and beverages. Free parking or any other unique extras can dramatically increase the satisfaction of your guests and improve their experience. This, in turn, leads to positive reviews, recommendations, and repeat stays.

3 Manage your distribution channels smartly

Compared to large hotel chains, independent hotels often do not possess a sufficient budget to be able to make use of wider, intensive marketing. This is why you should always choose the right distribution channels to invest your invaluable money in.

When choosing a distribution channel, keep in mind such factors:

- The potential of the distribution channels.
- The ease of management.
- Costs involved in maintaining the channel.
- Marketing opportunities the channel provides.
- The technology it uses.
- Its compatibility with your own property management system.

If you are located in a place largely visited by tourists, consider translating the information on your website to appeal to international audiences and be discovered easier. You can do this with the help of such professional online translation services as The Word Point. But remember that it is advised not to do it yourself in order to maintain the quality of your content and appear serious to your potential foreign clients.

4 Offer direct booking incentives

Direct bookings are superior to bookings through external partners in many ways. They are the most desirable method of guest reservations because they help build customer loyalty and have a much lower likelihood of your potential clients choosing a competitor (as opposed to hotel comparison sites).

In order to increase the number of direct bookings, you can offer value-added incentives such as food and beverage discounts, discounts on future stays, reservation price reductions, and more. You can also consider promoting a loyalty program to increase the likelihood of your guests recommending your hotel.

5 Keep up with consumer trends

As mentioned in point number 3, being old-fashioned is not good for your hotel. You must always keep up with the changing consumer trends and customer behaviour. Try different ways of approaching this, such as having periodic reviews of the booking process to see which channels customers use to make reservations or changes in the customer demographic.

Make sure to always monitor the activity online. Everything from short tweets to lengthy reviews should be seen and addressed in order to build customer loyalty and trust. Besides, you will be able to get a lot of valuable feedback this way.

6 Organise your records of key data

Whether you are using CRM technology or simple Microsoft Excel to organise your data, you should always keep in mind that you don't need every single bit of information. Store only the key data and organise it in an efficient way. When analysed properly, insights into key data can drive your entire revenue management approach.

7 Use automation to support, not replace

Revenue management should never entirely rely on mere automation. Humans are much more reliable than machines, and where the former ones succeed, the latter ones fail. Keep in mind to find the perfect balance between the two and stick to it in order to achieve the best results in your hotel revenue management and administration in general.

8 Remember about ROI

By using the KPI data and focusing on ROI, you will be able to maintain your revenue management almost to perfection. After all, ROI is somewhat of a foundation when it comes to revenue management. Every choice you make will primarily depend on it, so make sure to analyse your KPI data correctly and set the right goals for yourself.

9 Always improve your revenue management

Remember that there is always more space for improvement. Create a culture of revenue management through organisation to show your employees that it is important. Check out such sites as eHotelier to find more new tips on how to successfully manage hotel revenue and improve other aspects of your hotel. If you don't develop, you might be stuck back in time which is never a good thing.

10 Achieve accurate demand forecasting & mapping

Last but not least, accurate demand forecasting is crucial for setting the right goals and having precise and realistic expectations for the season.

Likewise, mapping is important to understand where your demand originates from. With its help, you can spot trends that will tell you whether demand is growing or declining from certain customer demographics depending on age, place of origin, and so forth. Mapping can also support marketing and sales initiatives which will increase future revenues.

All in all, maybe leaving some administrative tasks to other people than yourself is a good idea if you want to be able to have at least some time for yourself. There is no need to carry the burden of hotel management yourself, but there are some things, like hotel revenue management, that should be rather done by you specifically. If you follow these tips, you will be on your way to successfully do just that.

QDOS

Support for Windows 7 is nearing the end

QDOSsbl™

The clock is ticking...

Support for **Windows 7 is nearing the end.** Are you prepared?

Windows 7 END OF SUPPORT =

- ✕ No Updates
- ✕ No Security
- ✕ No Compliance

Are you still using Windows 7? If so, you must take action NOW to upgrade your software, before you put you, your business and customers at risk of harmful viruses and malicious software.

Microsoft will not support Windows 7 after January 14th 2020. You can continue to use Windows 7, but once support ends, your PC will become vulnerable to security risks. Windows will operate but you will stop receiving security and feature updates.

You'll see below is a list of questions the team at QDOS-sbl are often asked regarding the migration to Windows 10, along with answers and advice for a smooth transition.

Q&A

How much longer will Windows 7 be supported?

Back in 2009, Microsoft made a commitment to provide extended product support (including technical assistance and security updates) for Windows 7 until 14th January 2020. Having already ended mainstream support on 13th January 2015, Microsoft will discontinue Windows 7 extended support to focus on newer technologies.

What's the difference between mainstream and extended support periods?

Everything has a shelf life, especially in the fast-paced world of IT technology. The lifecycle of a Microsoft operating system begins with its release and ends with the termination of support. This typically includes two service periods, mainstream support and extended support.

Mainstream support:

During an operating systems mainstream support period, Microsoft continue to implement security updates, release design changes, and provide online and phone support. This typically ends five years after the release date, at which point the extended support period commences. In Windows 7's case, this first phase ceased on 13th January 2015.

Extended support:

Extended support typically runs for a period announced by Microsoft until the operating systems end of life, this being 14th January 2020 for Windows 7. Rather than continuing to develop the product during this period, Microsoft simply release security updates to keep it safe.

Will it still be safe to use Windows 7?

The constant evolution of viruses and other malware means security updates play a vital role in protecting a business's data. Newly identified vulnerabilities will not be patched by Microsoft, therefore, businesses that continue running Windows 7 beyond

this point will be doing so at their own risk, leaving themselves vulnerable to cyber-attacks.

What's the best route to change?

To ensure your business experiences an efficient and cost-effective migration to Windows 10, you must understand your options and either replace legacy systems with new devices that run Windows 10 or upgrade existing devices with a full version of the software.

Replacing legacy systems:

According to Microsoft "For most Windows 7 users, moving to a new device with Windows 10 will be the recommended path forward. Today's PCs are faster, lightweight, yet powerful and more secure, with an average price that's considerably less than that of the average PC eight years ago."

Upgrading existing devices:

Alternatively, it is possible to upgrade compatible Windows 7 PCs by installing a version of the Windows 10 software. This is the most cost-effective option in the short-term. However, it's worth noting that PCs older than four years often cost more to maintain than a new Windows device.

How do I implement the migration project?

Avoid a situation where you need support that's no longer available, by carefully planning your business's migration to Windows 10. Having decided whether to replace or upgrade existing devices, it's time to devise your implementation strategy.

Common issues to avoid during the migration

As well as the financial and strategic implications of upgrading to Windows 10, there are several technical issues to consider.

Avoid compatibility issues:

Evaluate the compatibility of Windows 10 with your business's applications, these might include finance, HR, CRM and ERP. Take time to liaise with your application vendors to confirm compatibility and avoid disruption further down the line.

Avoid post migration issues:

Mitigate against potential post migration issues by implementing a strategic plan for each application

Avoid integration issues:

To prevent any disruption, setup processes should be tested when upgrading to Windows 10

Unsupported applications:

Although some applications may not be supported by Windows 10, this does not rule out an upgrade. QDOS-sbl can propose alternative solutions based on best security practices. For example, a legacy application can be replaced with a new Cloud based solution.

Get help from the experts

January 2020 may seem a long way off, but when it comes to switching from Windows 7 to 10 there is a lot to consider. With help from QDOS-sbl implementing such a major project doesn't have to be a daunting prospect.

QDOS-sbl specialises in providing leading-edge IT, voice and in-room technology solutions and support for the international hospitality industry, so we understand just how disruptive even positive change can be, if not managed properly. Whether acting as consultants to your internal team or managing the entire business change project from start to finish, we can provide professional project management services.

For expert advice on migration to Windows 10 speak to the QDOS-sbl team, call +44 (0) 203 3010 007, or email enquiries@qdos-sbl.com, or visit www.qdos-sbl.com

Government spots tourism

Theresa May has outlined the UK's first-ever tourism sector deal, which aims to support the hospitality sector's growth

The Sector Deal was an agreement with Government to prioritise and support the sector as a driver of economic growth and job creation. It will see the creation of a Hospitality and Tourism Skills Board, promoting hospitality as a career of choice, supporting and funding a three-year industry-led skills and recruitment campaign.

In addition, the deal would see local Tourism Zones created, a new Business Events strategy and significant investment in infrastructure and connectivity.

The new deal will, the government said "revolutionise" the way data is used by the sector, through the creation of new Tourism Data Hub. The hub will collate regularly updated data showing the latest trends and spends, allowing businesses to better target overseas visitors.

The deal will also support the creation of an additional 10,000 apprenticeships for people building their careers in the tourism and hospitality sectors.

Last year around 38 million people visited the UK, contributing £23 billion to the local economy. By 2025 experts predict that there will be an additional 9 million visitors to the UK. The new deal commits to building an additional 130,000 hotel rooms to respond to the increased demand for infrastructure.

The deal also outlines the government's ambitions for the UK to become the most accessible destination for disabled visitors, through improvement of disabled facilities and access to destinations across the country.

Prime Minister Theresa May said: “As one of the most visited countries in the world, the UK is a world leader in international tourism and it is crucial that we remain globally competitive to meet growing demands.

“That’s why today I am pleased to announce the UK’s first ever tourism sector deal, ensuring that we continue to innovate, boost connectivity and economic productivity, expand career pathways and break down barriers for visitors with disabilities.This deal recognises the important role tourism plays, and will continue to play, in showcasing what our great country has to offer.”

Kate Nicholls, CEO UKHospitality, said: “This Sector Deal marks a tremendous moment for all of us in the hospitality, tourism and leisure industries. The move will be absolutely critical in changing the perception of the sector within Government and the wider public opinion, and acknowledges that hospitality is key to the country’s economic growth.

“Tourism and hospitality are inextricably linked, with over 80% of tourism jobs within hospitality, so this will have a positive impact on our ability to recruit and retain the people we need. UKHospitality has worked tirelessly to ensure that the Government understands the importance of our vital industry and we look forward to continuing this partnership, with positive action to secure the future workforce for our sector.”

Culture Secretary Jeremy Wright said: “Today we have set out our vision for the future of UK tourism - a commitment to an industry that is vital for the prosperity of our communities, our businesses and our economy.

The UK is one of the world’s greatest destinations and this deal recognises the importance of maximising our natural assets. We are dedicated to supporting life-long careers for those that work in tourism, offering insightful data to help grow businesses and ultimately creating a better visitor experience throughout the UK.

Business Secretary Greg Clark said: “Tourism is one of our most valuable industries and it plays a vital role in our economy, with nearly two million people employed in the communities across the country and £23 billion pounds spent by visitors in the UK last year.

“As part of the ground-breaking Deal, new Tourism Zones will deliver a direct boost to holiday destinations across the country, helping create new jobs as well as supporting improvements in transport connections.

“This is one of the many ways in which the Deal will be key in building a world-class experience economy, helping us deliver on the ambition we set out in our modern Industrial Strategy; Government and industry working hand-in-hand to build on our exceptional strengths in this sector, boosting productivity and further increasing the UK’s attractiveness as a holiday destination.”

The document called for resources to be better used as a result of the deal, as productivity, it said, was currently hampered by the overreliance on the traditional July to September peak season, with 38% of holidays by inbound visitors taking place in these three months. This deal sets out how the UK will increase the number of off-season visitors via two major interventions.

Firstly, the government will create up to five new Tourism Zones to support areas wishing to improve their tourism offer, particularly focusing on those areas looking to boost off-season visits. Secondly, business events often drive inbound visits outside of peak leisure season, and the UK government was launching an International Business Events Action Plan in conjunction with the Sector Deal. This plan set out how the UK will maintain its position as a leading nation for hosting business events in Europe and sets out clear steps to bring more major conferences and exhibitions to the UK.

Other commitments in the Tourism Sector Deal include:

- more than 130,000 new hotel rooms are set to be built across the UK, with 75% being built outside of London. £250,000 to improve broadband connectivity in conferences centres across the UK for business visitors
- 10,000 employees in the sector to benefit from new mentorship schemes
- developed in partnership with the British Tourist Authority and Industry, the sector deal forms part of the UK Government’s Modern Industrial Strategy supporting the continued growth of the tourism sector, ensuring the UK remains globally competitive as a top tourist destination.

Jobs and training were key to the strategy, following on from government’s set out in the Industrial Strategy its vision to create good jobs “and greater earning power for all”. The tourism sector supports an estimated 1.6 million jobs across the UK, giving it the potential to offer development opportunities right across the country.

In the future, the industry will seek to attract, train and retain a more skilled workforce. This ambition will be overseen by a newly formed Hospitality and Tourism Skills Board, chaired by Grant Hearn, former CEO of Travelodge. The Board will oversee a significant increase in the number of approved apprenticeship starts to 30,000 a year by 2025 and a mentoring programme to support 10,000 employees to enhance their careers and ensure they remain within the sector. Industry will also lead a £1m retention and recruitment campaign.

The government will also work closely with industry on the rollout of two new T Level courses to help deliver the hospitality and tourism workers of the future, which will cover Catering, and Cultural and Heritage Visitor Attractions.

These new technical learning opportunities will offer students a mixture of classroom learning and ‘on-the-job’ experience during an industry placement of at least 45 days.

The government will also engage with industry during the review of post-16 qualifications at level 3 and below so that stakeholders are able to inform future policy development.

The deal document said: “Not all the sector’s prospective talent needs highly technical training, but many school leavers will derive a longterm benefit from targeted guidance that shapes practical skills and delivers applied learning - underpinning a successful transition into high quality, sustained, employment. This multiagency engagement will also contribute to policy development of the emerging National Retraining Scheme.”

British Tourist Authority Chair Steve Ridgway CBE said: “This sector deal is a game-changer for tourism, one of the UK’s most valuable export industries, spelling a step-change in how we underpin the success of tourism for a generation, moving it to the top table as a leading industry for the UK Government’s future economic planning.

“And it is a game-changer for the economy, growing the value of the industry and employment in tourism, fixing issues from skills and productivity to extending the season year-round, building stronger tourism destinations up and down the country and developing world-class experiences for domestic and international visitors.

“Tourism is one of the most fiercely competitive global industries and this deal ensures we can continue to compete internationally as a top destination for visitors, driving major economic growth across the whole of the UK.”

The Deal was big on hope, but scant on detail. We await its implementation to see whether it has the depth to be a true legacy for May.

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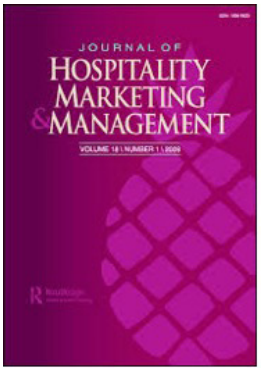

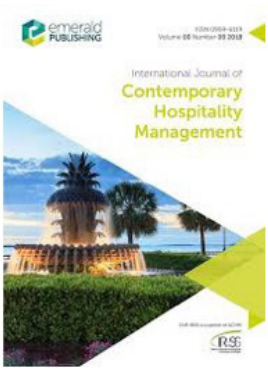

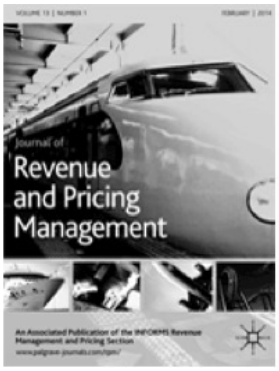

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CBI warns on no-deal Brexit

Economic growth has been volatile in the first half of 2019, due to pre-Brexit stockpiling and a surge in gold bullion pushing up imports growth. But further ahead, the economy is expected to grow at a modest pace, according to the CBI.

The UK's leading business group now predicts GDP growth of 1.4% in 2019 and 1.5% in 2020. This is based on an orderly Brexit deal being ratified by October 2019, and the commencement of a smooth transition period thereafter.

A key driver of this growth is household spending (which grows by 1.7% in both 2019 and 2020), underpinned by a recent pick-up in real earnings. The CBI said that it expected living standards to remain reasonably firm over its forecast, giving impetus to household spending. However, growth was likely to remain below the average of recent years, as the ongoing weakness in productivity holds back earnings, partially offsetting the upward pressure on wages from a tight labour market.

In contrast to the firmness in household spending, Brexit uncertainty continues to bite hard on business investment, which remains very weak for this stage of the economic cycle. The CBI expects business investment to fall for much of the rest of this year (-1.3% in 2019, 0.9% in 2020). But under the forecast assumption that a Brexit deal is ratified, firms were expected to gradually resume capital spending projects, in particular on new technology such as artificial intelligence and automation. Nonetheless, growth in business investment was expected to remain modest, weighed upon by uncertainty around the end state of the UK-EU relationship.

Rain Newton-Smith, CBI Chief Economist, said: "Looking through the volatility in growth over the last six months, our view of modest economic momentum ahead is largely unchanged.

"However, there is a lot going on underneath the surface and the make-up of growth in our forecast is more skewed towards consumers. It's certainly positive that household spending has more punch, thanks to an improvement in living standards. But set against this, Brexit uncertainty is crippling business investment, which we expect to fall at the fastest pace since the financial crisis this year. It's crystal clear that without a Brexit deal by October, we're at risk of falling further behind our G7 competitors.

"Our forecast represents what could be in the event of an orderly Brexit - a decent foundation upon which we can take the reins and re-focus on vital domestic priorities that have been neglected. For example, pressing ahead with essential infrastructure projects such as HS2 and Heathrow expansion will enable the UK to better connect with and enter new global markets. These priorities will shift down the list in a no deal scenario, against the backdrop of damage to the UK economy, jobs and livelihoods."

Meanwhile, global growth is expected to be slower this year, though to remain relatively decent. The global economy is forecast to grow by 3.0% in 2019 and 3.5% in 2020 (in purchasing power parity terms). However, the global backdrop has been hit by weaker world trade recently, in part due to the bilateral tariffs imposed between the US and China. As a result, the CBI expects slower UK export growth ahead. Coupled with the surge in imports in Q1, this means that no support to the economy is expected from net trade over our forecast.

The Bank of England continues to signal a gradual tightening in monetary policy ahead. While CPI inflation is around target at present, the Bank have their eye on growing domestic cost pressures, and the subsequent upward pressure on inflation over the medium-term. Brexit uncertainty is likely to keep the Monetary Policy Committee in check this year, but we expect two rate rises in 2020, of 25 basis points each.

Looking ahead, a "no deal" Brexit remains the biggest risk to the outlook, through its damaging impact on activity, sentiment and financial markets.

Alpesh Paleja, CBI Principal Economist, said: "One-off boosts to Q1 growth - notably the pre-Brexit stockpiling bonanza - are set to unwind in the next quarter, when we expect the economy to flatline. But beyond this, it's largely more of the same: we expect modest underlying growth, similar to that seen over the past year.

"The impact of Brexit uncertainty rightly gets a lot of airtime. However, we must not lose sight of the other challenges facing the economy: particularly the persistent weakness in productivity, which remains the main threat to living standards and potential growth. Fixing this should remain a focus for both government and business - for example, by enabling more effective adoption of new technologies.

"It's worth noting that the global backdrop is also looking less benign, particularly with US-China trade tensions now hitting world trade flows. A further escalation is a key risk to the UK and, were it to follow a no deal Brexit, would leave the economy even worse off."

Cooler June is good news for restaurants

June was a better month for eating and drinking out across Britain - although pub and restaurant operators experienced widely contrasting fortunes, according to latest figures from the Coffer Peach Business Tracker.

Collective like-for-like sales across the combined managed pub and restaurant market, which the Tracker measures, were up 1.4% against June last year. But while pubs and bars saw a 1.2% decline in like-for-like trading, restaurant groups were collectively up 6.1%.

“And it’s all down to football and the weather,” said Karl Chessell, director of CGA, the business insight consultancy that produces the Tracker, in partnership with Coffer Group and RSM.

“Last June, pub and bar groups saw sales jump 2.8%, largely thanks to the mini-heatwave at home and England’s good showing in the men’s football World Cup, while restaurants suffered a 1.8% decline. This June the roles have been reversed, with more sedate conditions favouring eating rather than drinking out,” said Chessell.

“These are encouraging numbers. Last June, the World Cup gave an overall boost despite restaurants suffering and to beat those numbers on a net basis shows some much-needed positivity. It’s tough out there but the hospitality sector is showing some much need resilience,” said Mark Sheehan, managing director at Coffer Corporate Leisure.

“It demonstrates how outside factors still influence trading patterns. The underlying good news is that the market overall still grew, if modestly, by 1.4%, despite all the current political uncertainty, predictions of tumbling consumer confidence and flat trading in May,” Chessell added.

Regionally, market performance inside and outside of London was broadly in line, with like-for-likes up 1.8% and 1.3% respectively. In pubs and bars, drink sales took a bigger hit than food over the month, down 2.2% against a 1.2% fall in meals. Restaurants recorded a 2.9% increase in covers over the month.

Total sales across the 50 companies in the Tracker, which include the effect of net new openings since this time last year, were ahead 3.7% compared to last June.

“A number of high-profile restaurant closures in recent months has culminated in a net reduction of sites in June, leaving those operators that remain to benefit from reduced competition. We put much of this month’s increase in like-for-like sales down to supply and demand approaching a more even keel. There are certainly more challenges ahead, but these results will be pleasing news to embattled food-led operators,” said Paul Newman, Head of Leisure and Hospitality at RSM.

Underlying like-for-like growth for the Tracker cohort, which represents both large and small groups, was running at 1.6% for the 12 months to the end of June.

Fruit picker shortage hits prices

Exclusive market measure reveals month-on-month price rises across the board in May 2019, but signs of some respite in year-on-year inflation. The CGA Prestige Foodservice Price Index recorded month-on-month price rises in nine out of 10 categories in May, triggering a rise in the overall measure to its highest point to date. But year-on-year inflation is slowly easing and has fallen below 6% for the first time this year, the Index reveals.

Fruit and vegetable prices are particularly susceptible to price fluctuations between April and June, as the availability of UK produce is dependent on Spring weather. Prices fall once reliance on imported product declines, and this year's cutover has been later than usual-a factor exaggerated by unfavourable exchange rates.

In 2018, we experienced hot, dry conditions throughout Europe in the Spring months, but the weather has been more unsettled in 2019, with more rain and a tendency for extreme events. For example, a key fruit growing region in Italy has suffered from torrential hailstorms, damaging a large amount of soft fruit crops including peaches and nectarines. Vegetable growing areas in the UK have also experienced heavy rain and flooding, delaying harvesting and damaging some crops. Shortages of berry pickers in the UK are meanwhile taking a toll at a crucial time in harvesting, with reports that as many as three in four picking vacancies are going unfilled.

Fish prices have also risen, after salmon farmers were pressured to sell existing stocks quickly to avoid infection in advance of an algae bloom outbreak. Now that this rush has died down, prices have spiked because of a decrease in supply and a lower weight caused by earlier harvesting.

There is a more positive outlook in the Sugar (Jams, Syrups and Confectionery) category of the Foodservice Price Index. Yields from past harvesting and crushing delays caused by undesirable weather in Brazil earlier in the year finally reached the market and caused prices to fall. Additionally, a surplus stock in crude oil in South America has caused sugar cane to be used for sugar instead of ethanol, bringing sugar prices down further.

Cost Creep Continues to Erode Profit at UK Hotels

Despite RevPAR growth, an increase in costs continued to chip away at profit levels at hotels in the UK in May, according to the latest data from HotStats.

Hotels in the region have now recorded a year-over-year drop in profit in every month of 2019, but it runs concurrent with overall increases in RevPAR, which has fallen only once since the beginning of the year.

This month, the 3.0% YOY decline in GOPPAR to £53.75 was on the back of a 0.3% increase in RevPAR to £93.84.

And whilst both RevPAR and GOPPAR were highs for the year so far, the two measures are becoming increasingly divergent, with flow-through figures consistently in negative territory.

On a positive note, revenue levels remain buoyant and YOY growth in ancillary revenues, including Food & Beverage (up 3.5%) and Conference & Banqueting (up 5.6%) revenue, contributed to a 1.0% increase in TRevPAR to £145.13.

However, revenue growth was cancelled out by rising costs, led by a 4.5% YOY increase in payroll to £41.71, as well as a 2.3% increase in overheads to £31.29.

Despite the challenges to GOPPAR, profit conversion remained steady at 37.0% of total revenue.

Profit & Loss Key Performance Indicators - Total UK (in GBP)

May 2019 v. May 2018

RevPAR: +0.3% to £93.84

TRevPAR: +1.0% to £145.13

Payroll: +4.5% to £41.71

GOPPAR: -3.0% to £53.75

In contrast to the performance of the total UK, it was a good month for hotels in Newcastle, which secured a 17.2% YOY increase in profit per room to £30.72, as the city hosted a number of events, including the Heineken Champions Cup and European Rugby Challenge Cup finals.

This was a high for 2019 and the strongest GOPPAR performance in the city since September 2018. It was also a welcome break for the city's hoteliers who have experienced a relatively consistent decline in profit since the beginning of 2018 due, in part, to an increase in supply.

The increase in profit this month was led by a 10.2% uplift in RevPAR to £64.97 and came in spite of an 8.2% decline in ancillary revenues, which fell to £28.87.

This month was also the first time, since November 2017, that hotels in the city recorded a YOY reduction in payroll, which dropped by 7.2% to £24.68, on a per-available-room basis.

Profit & Loss Key Performance Indicators - Newcastle (in GBP)

May 2019 v. May 2018

RevPAR: +10.2% to £64.97

TRevPAR: +3.8% to £93.84

Payroll: -7.2% to £24.68

GOPPAR: +17.2% to £30.72

Meanwhile, Aberdeen hotels had their struggles, reflected in the ongoing decline in YOY profit per room, which fell by 7.8% in the month to £17.00 and contributed to the 22.9% YOY decline for YTD 2019.

Whilst room occupancy levels still show signs of upward movement, achieved average room rate fell by 5.0% in the month to £57.52 and has now dropped by almost £25 in the last three years.

The 4.9% RevPAR decline this month was coupled with a 5.4% decrease in ancillary revenues, which contributed to the 5.1% YOY decline in TRevPAR to £61.80.

Profit & Loss Key Performance Indicators - Reading (in GBP)

May 2019 v. May 2018

RevPAR: -4.9% to £44.47

TRevPAR: -5.1% to £61.80

Payroll: +0.9% to £20.54

GOPPAR: -7.8% to £17.00

Members' Events

9th September
HOSPA Revenue Management and Financial Management courses start

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12th September,
HOSPA host a HITEC update - sponsored by Keystep

Opendoor
www.keystep.co.uk

"A postcard from Minneapolis"

Time: 6pm

Location: London

Event Details:
Jane Pendlebury will present a summary of her notes from the keynote speeches at HITEC and will share what she learned about the next big industry threat, the role of AI in hospitality and if chatbots will replace our front desk staff.

Hear from Andrew Evans about his journey from deepest Derby to Minneapolis. He will tell you about his brush with US immigration, the sights and sounds of Minneapolis and his Northern accent being a challenge for American ears! If you've never been to the United States and you're curious about what it's like, here's a glimpse into the American way of life told by Andrew in his own unique style. While it won't be the same as living the American dream we can promise you a fun night.

7th October
In Room Technology - sponsored by SKY

Time: 6pm

Event Details:
From TVs to WiFi and voice recognition. What guests actually do and don't want....

Venue:
One Aldwych
1 Aldwych
Westminster
London WC2B 4BZ

28th November
HOSPACE 2019

Venue: Royal Lancaster London

Our one-day annual international conference hosted by HOSPA.

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- ✓ HOSPA offers a vast array of sponsorship opportunities running across our platforms including HOSPACE our annual conference and exhibition.

For Further Information please contact Helen Marshall - Helen.marshall@hospa.org

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Thursday 28th November
Royal Lancaster London

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- Young aspiring employees wanting to develop their skills & meet with industry specialists

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