

THE VERVIEW

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Asset Management - a HOSPA guide



Corporate criminal offence
Acting on sharing

Welcome to THE OVERVIEW

Contrary to the view from my window, we have had summer this year and, for many of us, that has involved a spot of self catering, increasingly using sharing sites such as Airbnb. 'Sharing' is something of a misnomer, given that if I were to share my crisps with you I wouldn't necessarily charge, but I guess one must consider wear and tear to the sofa.

Airbnb usage is on the rise and studies have shown that, once guests have tried it once they go back, and not just because of the cost savings - which in some cities are negligible. For families there is the convenience of having an entire property and, for everyone, the 'experience' factor is a draw. Just extrapolate out from premium burger brands such as Grillstock for evidence of how we like a gloss on our reality.

Later in this issue we discuss what hotels can do to counter the impact of Airbnb, but there is evidence that the tide is already turning, in unexpected ways. The sector has attempted to legislate sharing out of existence, with some success in cities such as Berlin, where hosts may only share a property, rather than rent it out in its entirety. Only some success, as studies have shown that many hosts decided that the benefits outweighed the fine and supply has not dropped significantly.

However, a report from the University of Siena, which warned of "the touristisation and social desertification of Italian historical centres", may give some visitors pause.

Marieke Dessauvage, hotel consultant, Colliers International, said: "The social pressure on both the people who use it and the people who are listing on it is starting to grow. Once the hosts start reading these stories and start thinking about what they're doing and seeing the bigger picture they may think again."

Airbnb may be a victim of its own success.



Katherine Doggrell

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We need your help!

...for HOSPA Career Development Scholarship and Inspirational Leader Award nominations; as well as Springboard Charity Undergraduate Mentoring.

We need your help! It is our annual HOSPA Scholarship and Inspirational Leader Awards time and we need your nominations. We are also looking for more volunteer mentors for the Hospitality Undergraduate Mentoring Scheme, conducted by The Springboard Charity.

We are now inviting applications for our popular annual HOSPA Career, and Future Career, Investment Development Scholarships - kindly sponsored this year by IDeaS (See Page: 9). Ten HOSPA Career Investment Development Scholarships are available. Successful applicants will have an unrivalled opportunity to learn from, and be recognised by, senior members of the hospitality industry at HOSPACE 2017 on 2 November at the newly refurbished Royal Lancaster Hotel, London.

Toward this end, we are very pleased to announce: 'Career Investment Development Scholarship' opportunities for four upcoming young people, 30-years-old and under on 28 October 2017, working in hospitality finance, revenue management, marketing and IT. This is where you come in - please nominate your rising stars, and give them an unrivalled opportunity to boost their careers!

As ever, we are also offering 'Future Career Investment Development Scholarships' for five aspiring final-year hospitality students, who have excelled in their current studies, and are planning to start their hospitality industry careers in Autumn 2018. So HOSPA Fellows and Members, who are course leaders, please nominate candidates for an unparalleled experience that will help shape their futures in this exciting industry we belong to.

We are delighted that once again HIT Scotland (Hospitality Industry Trust Scotland) is offering one HOSPA Career Development Scholarships of its own to Scotland's talented 30-year-olds and under, studying or working in hospitality finance, revenue management, marketing and IT.

All 10 successful candidates will be notified before 20 October 2017. The nomination forms for Career Investment Development Scholarships and Future Career Investment Development Scholarships can be downloaded from: www.hospace.net/delegates/scholarships.

Everything is shaping up nicely for HOSPACE 2017 so ensure you keep 2 November free in your diaries!

Back in April of this year, we ran a piece in The Overview about mentoring - offering HOSPA members the chance to "volunteer their experience to nurture the next generation of hospitality professionals." We received an encouraging number of enquiries from potential mentors who we connected directly with The Springboard Charity. However, we still need more! Please do consider taking on this vitally important voluntary role.

There are many benefits - not least 'giving back' your hard-earned experience and wisdom to the industry, and contributing

to your Corporate Social Responsibility (CSR) commitments. The mentoring programme supports hospitality undergraduates completing their academic studies and embarking on their career paths. As a mentor, you get a glimpse into what students are being taught and, most interestingly, how they view the outside world.

Many of us underestimate the value of our own experience and industry knowledge, so please don't hold back. Just remember, the role is voluntary so all expenses are self-funded.

Offering access to mentor training and advice, The Springboard Charity welcomes mentors in the specialist HOSPA sectors of hospitality finance, revenue management, marketing and IT. You must be willing to commit to three years to support a mentee; meeting face-to-face with a student four times per year; and being available via telephone and email for the periods in between.

For the undergraduate, the mentor's input is often worth more than could ever be imagined. Hospitality students from selected UK Universities are matched to their industry mentor for a period of three years to support them in their studies and crucially beyond into their initial time in our industry.

Don't just take my word about the value of undergraduate mentoring, here is what two highly experienced and seasoned HOSPA mentors say about the programme.

HOSPA Treasurer Justyn Herbert - Financial Controller, Luxury Hotel Partners - told me that "Mentoring has been very rewarding both professionally and personally. I enjoy seeing my mentees succeed! It is also feels good to be giving something back to the industry."

Howard Field - a Founder of the Association and a lifetime achievement award winner in 2005 when HOSPA was known as BAHA - said that "Being a mentor on the programme enhances both your own status and that of HOSPA within the hospitality industry."

If you are interested to find out more, then please get in touch. Mentors will need to be free to attend a half-day at one of the workshop dates, and a half-day at one of the matching dates for pairing mentors with mentees - to be held at The Royal Air Force Club in London's Piccadilly. Workshops are scheduled for 25 October and 31 October. The matching dates will be 9 November and 20 November. Thankfully, neither of which will clash with your 2 November attendance at HOSPACE 2017!

Last but most certainly not least, we will be presenting our prestigious awards for Inspirational Leaders in Hospitality Finance, Revenue Management and IT - to be presented at the HOSPACE 2017 dinner. Please nominate a member of your team or a colleague who should be recognised for their leadership. More information can be found at: www.hospace.net/conference/dinner.



Ewa Maliczowska
Consultant, Madison Mayfair

Back to Basics: A break from the digital grind

To pack the iPad or not to pack the iPad? That is the question. According to research from Electric Tobacconist, 35% of people in the UK typically carry two to three gadgets with them every single day¹. 81.6% of people carry a smartphone with them on a typical day and 1.3% of people now even say they carry a drone with them. This reliance on technology has also infiltrated the hospitality world, with hotels, hostels and apartments using technology more and more to revolutionise the check in process, and to stay connected with guests before during and after their stay. But with every development comes a backlash and it is no surprise that there is now a trend for back to basics holidays.

Getting away from it all

A study from McAfee in the US found that 43% of survey respondents went on vacation in the last year with the intent to unplug, and of those, 81% reported they were successful and their vacation was more enjoyable because of it². Families crave more one to one time without screen distractions, thrill seekers want the challenge of going without the technology they have come to rely on, and the stressed out want the chance to find a sense of calm. While people may not be able to opt out of technology use in their day to day lives, they can set the rules for their holiday and we can help.

Quality time

Digital detoxing can appeal to people of all ages and especially to families. One thing prompting families to take time away from gadgets is the fear that children are getting too much screen time and not connecting enough with their actual surroundings. Holiday rentals are appealing to parents by offering an opportunity for them to experience a more idyllic version of home life. One of Airbnb's current TV adverts highlights this sentiment, showing a family that rediscover the simple joy of spending time together; they cook together and 'end up closer than ever'. The property itself is no more or less plugged in than a normal family home. But the advert connects with the consumers' sense that holidays are a time for a break from the norm, and if the norm is technology filled, holidays should not be.

Wellness

Another factor leading the digital detox trend is society's increased interest in health and wellbeing. Studies have shown that using a mobile phone before bed nearly doubles the risk of having a bad night's sleep³. Our 'always on' technology culture increases anxiety because it produces pressure for people to stay up to date with constant digital notifications. Too much time on social media can also be bad for self-esteem as we inevitably end up comparing our lives to the lives we see presented. Now, a good night's sleep and the opportunity to de-stress and be positive, are hallmarks of a good holiday. So as an industry,

hospitality is best placed to help people recover from the drains of modern life.

Survival skills

Wilderness escapes are another popular branch of back to basics holidays. Camping has long been a great way for people to relearn skills like lighting a fire or foraging for food. This type of holiday appeals to people who want to remind themselves of what they are capable of without the help of gadgets. For those really looking for a challenge there are even holidays that offer camping on the edge of a cliff, where you are suspended over the sea and therefore really are limited to the amenities carried in your backpack. There are also vacation rentals in isolated locations that are disconnected from Wi-Fi. These sell the opportunity for people to have more time to think, get creative with ways to fill their time, and reconnect to themselves.

There are now dedicated websites and hospitality companies which provide detox holidays. Both itstimetologoff.com and digitaldetoxholidays.com promote stepping away from technology. But you do not need to be completely tech free to embrace this trend. Remember that a strong motivation behind unplugging from technology is to live more in the moment. So, one of the best things you can do for your guests is to offer such great experiences that they won't even have time to look at their phones.

How to help guests unplug

- Offer guests a device lockbox. Devices and especially smartphones are such a part of life that it can be difficult to leave them behind, and people may be hesitant to do a complete detox. Many people rely on gadgets to get through long journeys, people can feel safer when they have their smartphone with them, and some will want to remain contactable to family and friends back home. But while people may take their phones with them on holiday they still may want to limit their use of it. Guests may appreciate a safe dedicated space where a group can agree to put their gadgets away so they can be sociable at dinner. A single

¹ www.electrictobacconist.co.uk/uk-gadget-usage-report-2017-i276

² www.mcafee.com/resources/misc/pr-unplugging-study-digital-detox.pdf

³ www.itstimetologoff.com/2015/07/11/why-using-screens-before-bed-is-ruining-your-sleep/

guest may want somewhere to put their phone out of reach at night so they can get a better night's sleep. This is all about removing temptation and disconnecting people from the subconscious habit of checking devices constantly.

- Cooking and craft classes are great ways to keep guests' hands busy and give them something non-digital to focus on.
- Spa treatments are a classic way to help holidaymakers relax. Make a rule that no gadgets are allowed in treatment rooms and wrap your guests up in seaweed to make doubly sure they can't reach out and check Facebook.
- Create quiet rooms. While much of your hotel may embrace technology, you can give your guest a tranquil tech free zone that people can enter as and when they feel the need. This may be set up as a reading room, relaxation room, yoga, or meditation room. Many airports now have meditation rooms to offer people an escape from the extreme hustle and bustle in the rest of the building.
- Help your guests get back to nature. Set up hikes and nature trails to help people reconnect with the natural world. They will get muddy and feel the benefit of the fresh air, while still being able to return afterwards to a warm meal, comfy bed and fresh towels.

The level of technology you use in your properties may be partially down to your branding and the customers you are trying to reach. But whether you are aiming to be leaders in high tech hospitality or the most stripped back nature lovers, remember there is a difference between surface level branding and a true experience. Listen to what the guests are asking you for. If technology helps you give customer's smoother service and efficiency, then embrace it, but tech for tech's sake may not be as popular. Similarly, wood panelling is not enough make an actual forest cabin. Hospitality is all about looking after guests, and technology is all about problem solving. So, mix match what you need so long as your guests leave feeling like they have experienced something special that they wouldn't have had at home.

Ewa Maliczowska is a regular contributor to HOSPA, and a Consultant at Madison Mayfair, a business which focusses on recruiting managerial positions for the hospitality industry. Ewa specialises in Revenue and Sales & Marketing roles in the UK and internationally.





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- Is convenient and relevant to your career in hospitality finance

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Zena Carter Revenue Manager at the Farncombe Estate

Prize Winner for Stage 3 Revenue Management, September 2015

Zena commenced the Revenue Management programme in September 2014 and became the prize winner for Stage Three for achieving the highest course work and project grade. She has now completed the programme and became an Associate member of HOSPA. She has since mentored a member of her team through the programme.

Zena works as Revenue Manager for the Farncombe Estate, managing the central reservations team for the Estate, which includes the Fish Hotel, Dormy House Hotel and Foxhill Manor.

Zena officially started her career in the hospitality industry straight from the University of Bath where she studied for an HND in Travel & Tourism Management. Her first role was as a Conference & Events Co-ordinator for Hilton Hotels, although prior to that she had worked part-time as a member of the Food & Beverage team for Thistle Hotels.

Most of her career has been spent within events, whether for a hotel, overseas or for an events agency, but when she reached the level of Meeting & Events Manager she felt she needed to make a decision as to whether to move towards Sales Management or Revenue Management. Zena naturally felt more drawn towards Revenue Management, she says,

“Revenue Management appealed a lot more to me as I am quite analytical. I had a taste of Revenue Management in a previous employment and knew that was definitely the route for me.”

Zena was working as a Revenue Manager for a boutique hotel within the Cotswolds when she was approached about the position at Farncombe. With the exciting plans the company was going through and the diversity of the products, it was an amazing opportunity to get her teeth stuck into.

Zena started the Revenue Management course in March 2015 and has now completed all three Levels of the course.

When asked about how the course is helping her within her role, she said,

“I am pulling ideas from the course that are helping input knowledge into my team as there are some great examples of why we need to do things a certain way and by seeing it in practice it helps with the understanding. Though my background is predominantly events and reservations, I am looking to use the added knowledge to look at the different areas on the estate and within each business to see how my skills can help develop each area.”

Since completing the programme herself, Zena has mentored one of her team through the programme.

As to the future, Zena says that as the business develops and expands she would like to develop her role further and move into the position of Director of Revenue Management for the business, as well as help develop her team's knowledge further.

Studied in three stages, the HOSPA programmes in Financial Management or Revenue Management cost £820 + VAT per stage and enrolments are being accepted until mid-September for the September 2017 programmes, or for the March 2018 intake. Contact education@hospa.org or visit the website at www.hospa.org/education.

Meet the Professional Development Team

Enrolling now for the HOSPA Professional Development courses in Financial Management and Revenue Management for the September intake.

For more information about all of our education activities, please contact debra.adams@hospa.org or jane.scott@hospa.org

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Corporate crime

BDO discusses the Corporate Criminal Offence legislation which will be enacted on September 30th.

It's a hot topic for the leisure sector as not only can companies receive penalties where they have breached the legislation, but also vicariously through suppliers and associated organisation as well as if they operate internationally.

Corporate Criminal Offence

The Act became law on 27 April and takes effect for all organisations from 30 September 2017.

The aim of the legislation is to overcome the difficulties in attributing criminal liability to corporates when their employees, contractors and other 'associated persons' are seen to be facilitating tax evasion by a customer or supplier. Under this legislation, it is the corporate that is subject to prosecution without the need for prosecution of any individual. HMRC intends that the legislation will bring about a "cultural change" in how prevention procedures over tax evasion are "embedded in the organisation".

Who and what is affected?

The legislation affects all businesses (i.e. corporate bodies and partnerships) whatever their size or industry sector. For the hospitality sector where the following are often prevalent, taking action now to ensure sufficient controls and procedures are in place is critical:

- Fluid, seasonal, transitional and often impermanent staff and personnel can prove a challenge for PAYE, NIC and other regulatory employment requirements.
- Use of agency staff and/or third party contractors on a frequent basis.
- Customer facing staff receiving cash tips and the appropriate operation of TIPS and TRONCS.

Crime and punishment

There are two offences under the act - a domestic offence and an overseas offence. The law sets out three stages to each offence:

1. Criminal tax evasion by a taxpayer.
2. Criminal facilitation of this offence by an "associated person" - i.e., a person acting on behalf of the corporation is guilty of knowingly aiding, abetting, counselling or procuring the tax evasion by a taxpayer.
3. The corporation failed to prevent its representative from committing the criminal act at Stage 2.

For the overseas offence, there must dual criminality at both the tax evasion and facilitation offences stages (1 and 2), i.e. the acts must be criminal offences both in the UK and the overseas jurisdiction.

Importantly, there does not need to be a conviction for either Stage 1 or Stage 2 for the third stage to be present.

A successful prosecution could lead to:

- An unlimited fine
- Public record of the conviction
- Significant reputational damage and adverse publicity
- Severe regulatory impact

Defence

The key defence for any organisation is that it had reasonable procedures in place to prevent the Stage 2 action, or, that it was not reasonable for that organisation to have such procedures. In formulating a robust defence, the guidance issued by HMRC focusses on the following six key principles:

1. Risk assessment
2. Top level commitment
3. Due diligence
4. Proportionality of reasonable procedures
5. Communication and training
6. Monitoring and review

A pragmatic response

Organisations should aim to be 'Day One' compliant; although HMRC appreciates that what are accepted as reasonable procedures will develop over time. As a start by 30 September 2017, we recommend that you show you have:

- Identified the internal stakeholders with accountability and responsibilities for the legislation in your business. Is this Head of Tax, Head of Legal, Risk Teams or even Supply Chain?
- Undertaken a risk assessment to establish the extent of potential exposure.
- Implemented some quick wins, especially in relation to demonstrating top level commitment.
- Put in place a plan to implement further prevention procedures on a prioritised basis including due diligence procedures, introducing monitoring and review processes etc.

Some procedures, such as online training and changes in due diligence will take time to roll out. At a minimum, however, organisations need to assess their risk and establish a clear timeframe and implementation plan.

For further information on how we can help you manage this new risk please contact one of our dedicated team: James Welch, james.welch@bdo.co.uk, or James Egert, james.egert@bdo.co.uk.

Throw your cap in the ring



Entries invited for HOSPA Career Investment Development Scholarships 2017, sponsored by IDeaS, providing an unrivalled opportunity for candidates to be noticed by top hospitality industry leaders at HOSPA's annual HOSPACE 2017!

HOSPA is delighted to invite applications for its popular annual HOSPA Career, and Future Career, Investment Development Scholarships, kindly sponsored by IDeaS.

In total 10 HOSPA Career Investment Development Scholarships are available this year. Successful applicants will have the chance to learn from, and be recognised by, senior members of the hospitality industry at HOSPA's annual HOSPACE 2017 Conference and Exhibition on 2 November at the newly-refurbished Royal Lancaster Hotel, London.

HOSPA is delighted that once again HIT Scotland (Hospitality Industry Trust Scotland) - whose mission is "assisting people to achieve their potential within Scottish hospitality" - is offering one HOSPA Career Development Scholarships of its own to Scotland's talented 30 year-olds and under, studying or working in hospitality finance, revenue management, marketing and IT.

In addition to the HOSPA scholarship offered by HIT Scotland, HOSPA is very pleased to announce 'Career Investment Development Scholarship' opportunities for four upcoming young people, 30 years old and under on 28 October 2017, working in hospitality finance, revenue management, marketing and IT.

Also, HOSPA is offering 'Future Career Investment Development Scholarships' for five aspiring final-year hospitality students, who have excelled in their current studies, and are planning to start their hospitality industry careers in Autumn 2018.

Candidates for the two award categories must be nominated accordingly by senior members of the industry and course leaders.

The 2017 HOSPA Scholarship Awards will afford the 10 lucky winners an unparalleled opportunity to be noticed and publicly recognised for their outstanding achievements in the work-place and the classroom. Their prizes will comprise a full day's attendance at HOSPACE 2017; places at HOSPA's Conference Gala Awards Dinner where their achievements will be recognised;

and the chance to be individually featured in the Conference Edition of the monthly HOSPA journal, The Overview.

"We are greatly indebted to IDeaS for their sponsorship," said HOSPA Chief Executive, Jane Pendlebury. "The HOSPA Career Development Scholarships provide a great career stepping-stone for networking with, and learning and gaining recognition from, current industry leaders in the key disciplines of hospitality finance, revenue management, marketing and IT.

"It is also an invaluable opportunity for successful candidates to learn from the conference sessions, and participate in our education workshops on future business best practice. In the evening at the Conference Awards Dinner, they will be able to meet and gain inspiration from the newly crowned Hospitality Finance, Revenue Management and IT Professionals of the Year 2017."

The closing date for nominations is 16 October 2017. All candidates will be notified before 20 October 2017. The nomination forms for Career Investment Development Scholarships and Future Career Investment Development Scholarships can be downloaded from: www.hospace.net/delegates/scholarships. HOSPACE 2017 details can be found on www.hospace.org.

Pictured: 2016 HOSPA Career Investment Development Scholarship recipients at HOSPACE 2016.

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Kick asset

David Bridge director, Adafabridge Hotel Consultancy, launches the first in a series of four investigations into asset management.

Hotel Asset Management - HOSPA decides

For some time, there have been discussions as to whether asset management should be included under the HOSPA umbrella, perhaps not as a community, but more as a special interest group. It is difficult to see it as a community in the same way as IT, Finance, Revenue Management, or Marketing, as, by its very nature, it requires a wide range of skills and arguably draws on the knowledge and skills of these existing communities to perform its services and add value. However there is a growing number of specialist firms and experienced individuals providing asset management services.

It is also being recognised at colleges and universities as a career option; and HOSPA is in the best position to meet the need for a UK based association to provide a resource for the asset management profession.

Definition

To further the discussion, I thought it might be helpful to write an article on what I believe asset management is. ISO 55000 defines Asset management as the “coordinated activity of an organisation to realise value from assets”. In turn, the Institute of Asset Management define Assets as follows: “An asset is an item, thing or entity that has potential or actual value to an organisation”. So far, so good.

The “coordinated activity” is very much the focus of the asset manager in these days when property, brand and operation are in different hands.

The ownership

To understand any business sector, it is important to know the type of people or institutions that invest or are the ‘owners’. These bodies range from experienced hotel funds investing globally in property, branded, unbranded, or independently managed, to high net worth individuals owning a trophy hotel, and to families owning traditional hotels and pensions and essentially to everything else in-between, above, and below. These include other funds, some tax driven, some opportunity driven, with varying appetites for risk or with regulations that prohibit them from direct investment in operating companies.

Some develop, and some acquire cash-flowing assets. The target properties include leased, managed, franchised, and independently owned and operated hotels, with the selection often being governed by the experience and the resources of the investor, or their advisors. As the number of leased hotels has diminished, with hotel operators preferring to receive fees rather than pay rent on a calendar that rarely matches the seasonal pattern of their profitability, the form of ownership has had to adapt and the nature of financing has also had to change.

It is now essential to understand the underlying strength of the property and the experience of the investor in controlling such an

asset, rather than the financial strength of their balance sheet or the balance sheet of their tenant or operator.

The structure is changing

Recent years have seen many fundamental changes. Firstly, there has been a significant increase in the type of assets considered. These asset types now include serviced apartments, hostels, student accommodation, care homes and even residential properties, which might be potential Airbnb apartments or future service apartments, pending change of planning. Secondly, there has been a dramatic increase in the number of brands and sub-brands, many trying to target niche markets. I am not sure to what extent the end consumer fully understands what each of these brands seeks to deliver.

On the operating front, we have seen the separation of the various elements of the investment. It is now common for the property to be owned by one group, bear the brand of another, and be operated by a third-party operator. In addition, restaurants and other facilities might be contracted out to yet other companies, who might also have their own brand and loyalty program. And client/customer data is now seen as one of the most valuable assets. But who co-ordinates all these activities between the stakeholders and ensures there are no gaps, with associated risk for the investor? Difficult during operation, but even more challenging during development.

And when it comes to marketing platforms, is a brand now an essential requirement? I heard recently that the marketing budget of the leading OTAs now exceeded that of the leading brands. But the OTAs are equipped and financially able not only to carry this cost but also to carry out research on how the consumer is persuaded to purchase and how websites and apps should be configured to get the right “response”.

From accountant to asset manager

Firstly, a little background on myself (and potentially my own prejudices). I entered the hotel sector many years ago to install IT systems into a group, whose main accounting was NCR machine-based and whose rooms inventory control was manual. I came from an accounting background and, although I had little IT experience, I was told that my main qualification would be that I would learn faster than the client.

After this, I worked for various organisations, from operators to investors, before I became the financial director of Securum Hotels Holdings Limited, the Swedish bad loan bank. Here, the team’s objective was to convert non-performing loans to assets and then to operate those assets effectively until they could be sold back to the private sector. The process was thus to oversee the asset life cycle of acquisition or rather gaining control, reinvigorating operations, making the necessary investments in people and capital expenditure and then divestment. This was my first direct encounter with asset management, with one difference - there was no need to create an acquisition strategy, as the assets were pre-selected!

I followed this with positions with Westmont, the privately owned, operator, co-investor and asset manager, and Jones Lang LaSalle Hotels, all focused on asset management, before I struck out on my own.

My experience has stretched from small hotels in Richmond, Surrey to properties such as the Hilton Prague, the Sheraton Munich, the Hotel Arts in Barcelona, the Strand Palace, London, the Fairmont, Monte Carlo, the Penha Longa Resort in Portugal and the wonderful Chewton Glen, Hampshire.

Moving swiftly on

So, what is asset management from a hotel sector perspective? I suppose the key word in the definition is “potential”. The potential might be unlocked from one of the following four areas:

- Physical - facilities
- Operational - the right people with the right concept and the best performance
- Technology and Security
- Competitive environment

In this first article, I write about the physical or property aspects and what an asset manager can do to add value. I deal with the remaining items in three following articles, with the third summing up what I believe are the skills needed to become an asset manager.

Physical - The initial decision

The key question is what type of property the investor wants to acquire or develop and here we essentially hit our first issue. The first is how we assess and value the different types of asset for comparison purposes. This is a major question, and not one I will dwell on here. But suffice it to say that an asset manager probably must base the proposal on some form of discounted cash flow model, with all its different assumptions on how to determine the profitability, the cost to develop and their operational risk profile, the property yield and thus their value.

The configuration of the property will be determined by the brand, but perhaps there is more opportunity in a non-branded configuration, where specialised operators, as mentioned above, might be used to drive business into some of the facilities. Especially if they have their own customer base and loyalty program.

Again, when looking at the individual elements of the configuration, we have the measurement issue. Hotels have extraordinary knowledge of room occupancy and rate, but when it comes to other facilities, the data is not so comprehensive. How do we determine occupancy in a restaurant? How many table turns do we allow an evening? Dependent on location, a varying proportion of the ancillary business will be driven by room's occupancy, but, if a specialist operator is in place, the additional facilities could become a destination in their own right. And do we know to what extent the different business segments use the additional facilities? But how far do we take this analysis, when we know that the only thing that is certain is that the market will change?

Some examples

Historically, the asset manager has sought to add additional bedrooms, as the basis for a sale was often a price per room, following closely the housing market. Other areas have been to change low capacity facilities into facilities that welcome higher volumes. An example of this was to change two internal tennis

courts, one into a 600-guest ballroom and the other to a gym with a mezzanine floor to attract a substantial membership - from 4 to 600 - not a bad increase in occupancy, and a substantial jump in profit. This would have made a good basis for an incentive fee.

Other opportunities have included the conversion of staff accommodation to guest bedrooms, gaps between wings to new rooms, roof space turned to sky bars and more bizarrely a tall high-rise façade being converted to an abseiling “run”. Fortunately, the run finished in the beer garden, a much safer participation point. Also, work flow improvements are important - new corridors linking kitchen and large banqueting areas. All these ideas require validation and calculations showing the return on investment.

One of the issues with making such changes is assessing the impact on the overall operation, the supporting facilities, and the flow of guests. If additional rooms are added, will the restaurant still have sufficient capacity for breakfast on a busy summer weekend? Or will the look and feel of the property change, as the quiet corners previously enjoyed by the guest now bustle with new guests? Or will the new rooms only be reachable by trundling down long windowless corridors? No such problems with the new tree suites at Chewton Glen.

Different approaches

Rather than following historic patterns of soft and case good replacement, it is good for returning guests to see continuous changes and improvements to the property. This might be lining the approach with new olive trees or restyling bars and restaurants. This perhaps encourages guests to return rather than trying other new competitive facilities nearby. Novelty attracts and retains.

At Securum, many of the hotels had been starved of capex. Here, it was important to make some changes to demonstrate what could be achieved without excessive (State) spending. This gave the benefit of being able to demonstrate the value of these limited changes and demonstrate to buyers what could be achieved with reasonable investment.

One of the most important aspects is location. This cannot be easily changed (although boat hotels have been considered), but some things can be amended, such as brand to ensure that the best brand is selected to take full advantage of the facilities of the hotel and surrounding area or the type of property. Maybe a fashion-led brand might be more appropriate in Bond Street than a business brand? Also, maybe certain brands draw more guests from certain countries or continents and these brands might be more appropriate to the location. And maybe student accommodation with some form of express food shop is more appropriate in a less commercial area.

So, to conclude this section, I summarise the steps an asset manager might take:

- Maximise room count as value is enhanced on a price per room valuation.
- Configure according to operator requirement, but build in flexibility.
- Find ways of measuring and analysing occupancy in facilities other than bedrooms.
- Look at ways of having the individual elements managed by those with the greatest experience.
- Manage potential gaps, risk, and conflict.

As can be seen, the asset manager has a very interesting role to play, but a lot of knowledge to assimilate.

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Direct message hits home



UK holidaymakers 'booking direct' through hotel websites more than doubled over last decade, finds Barclays.

- Almost two fifths (37%) of UK holidaymakers plan to book their holiday accommodation directly with hoteliers this year, more than double on ten years ago when 17% booked direct.
- Online travel agents are the preferred booking method (52%) for international holidaymakers, followed by traditional travel agents (22%) and booking direct (17%).
- Key drivers for booking direct for UK holiday makers include cheaper prices (62%), special benefits offered only to direct bookers (39%) and easier booking experiences (37%).

Special offers for direct bookings and lower prices are luring British holidaymakers to book directly through hotel websites, finds Barclays Corporate Banking.

Almost two fifths (37%) plan to book their stays through hotel and self-accommodation provider websites this year, compared to 17% in 2007 and 30% five years ago. This contrasts with international trends where travel agents online and on the high street are the most popular ways for holidaymakers to book their UK breaks (52% and 22% respectively).

The findings are from a Barclays survey of British holiday booking trends and the Barclays Corporate Banking report, Destination UK: driving growth in the UK hospitality and leisure sector, which reveals the 2017 holiday and leisure preferences of almost 10,000 guests from the UK, continental Europe, the US, Middle East, Asia and Australia.

Mike Saul, Head of Hospitality & Leisure at Barclays Corporate Banking, said:

"Competition in the hospitality and leisure market is fierce and our results show that efforts by hoteliers to lure customers to book directly through their websites are paying off, with British holidaymakers now over twice as likely to book via this route than they were ten years ago.

"British hoteliers and self-accommodation providers should look to capitalise on this - and the increased trend for international guests to book their holidays using their mobile phones - by offering discounts and special benefits for direct bookers, and by ensuring their websites are mobile-optimised."

Direct bookings boosted by discounts, special benefits and improvements to hotel websites

Brits are being drawn to direct bookings by discounts (62%), offers of special benefits (39%), and improvements to the actual booking experience (37%) the report finds. Also effective in encouraging direct bookings is the provision of loyalty bonuses (27%) and access to price comparisons with nearby hotels (23%).

Booking holidays "on-the-move" using smart phones grows in popularity

The number booking their trips online using their mobile phones has also doubled from the 3% of all bookings made this way five years ago. With 6% of all UK holidaymakers planning to book their holidays online using their mobile phones this year, this equates to 2.4 million Brits planning their holidays, potentially, whilst on the move.

The popularity of smart phone bookings is even more obvious among international guests, with nearly one in ten (9%) planning to book their holidays this way. It is particularly popular for Chinese 17% Saudi Arabian holidaymakers (14%).

Conversely, US guests are the international visitors most likely to welcome a human touch, with twice as many booking their holidays by conversation over the phone (8% versus 4%) or in person (15% versus 11%) compared to the averages seen for other global holidaymakers.

Airbnb is more tempting for international holidaymakers than staycationers

Airbnb is a popular option for international holidaymakers, with nearly a quarter (24%) considering this type of accommodation for their UK breaks this year. However, UK holidaymakers still prefer the hotel experience (49%) and less than one in ten (6%) currently plan to use an Airbnb for their staycations, with mid-market (25%) and budget (10%) hotels being more popular options.

Is it too late to fight back against Airbnb?



Larry Mogelonsky investigates what action the hotel sector can take against the sharing economy.

Despite what many have dismissed as a mere blip on the radar, Airbnb is a force to be reckoned with, and we have yet to see just how widely it will impact our livelihoods. But before we discuss this disruptive company and its effects on the hospitality industry, let's look to Uber. The vehicle for hire industry underestimated Uber by not adapting to the new paradigm of internet and mobile-based transactions, and my fear is that we are making the same mistake with Airbnb.

It is not only a hotel service for backpackers or those looking for esoteric accommodation experiences. Not anymore at least. As new listings come online, the doors are opening for more and more key population groups to find something they want on its website, even in areas previously deemed 'off limits' like travelling for business or the ultra-luxury market.

Airbnb is now a household name, but it is only just starting to supplant its 'millennials only' image. Along with the bargain hotel prices provided by the OTAs, this online service has increased the worldwide demand for travel by making it more accessible. Soon, though, it will target all the same consumer types that we depend on to stay in business. And it may already be too late to stop it!

Airbnb's website beats any hotel

You love your website, and you've spent tens of thousands of dollars on it. But, frankly, it pales in comparison to Airbnb's web venture. Not only does it have a booking engine that shows you

all upfront costs, but it also fluidly integrates comments from its own user data. The commentary and description of the rooms being sold reads like a storybook written by people who truly care. They are not selling; they are trying to make your travel more interesting. Moreover, the presentation is seamless on mobile, tablet or a laptop computer.

Social media was meant for Airbnb, or is it the other way around? When you are contemplating booking a room, you don't research your options through some third-party gateway such as TripAdvisor, but directly with members of the Airbnb community - both the users and the purveyors of the product. This provides a level of confidence in the buying decision that is very difficult to match. The site even reports on how long it took for the buyer to post the rating. Confidence is assured.

Ever visit a city for the first time? Not sure of where you are staying relative to where you want to visit? Airbnb integrates a map function directly into every search. You can see all participating properties and instantly select based on availability and location. This makes Airbnb both intuitive and logical. You end up searching the full range of accommodations just for the fun of it, especially when you browse in the \$1,000+ range.

Lastly, Airbnb reveals the complete rate breakdown: room, cleaning fee and commission. We all like to feel we are getting a bargain, and with Airbnb you see the net price along with all add-ons. Imagine if your hotel site showed the net rate, then the housekeeping fee and the third-party commission.

Dispelling the myth

Worrisome for the luxury market is Airbnb's wide range of product offerings. Yes, you can still find some low-end rooms to book. In fact, the low to middle ranges - the supposed 'bottom feeder' customers - comprise most of what's available. But Airbnb's accommodations stretch up to multi-bedroom homes and into some of the world's most exclusive locations. Heck, you can even book luxury treehouses on the site!

It is this premium segment that will eventually make significant inroads into the luxury hotel market. If a cardinal rule of the upper echelon of travel involves the creation of vibrant and exceptional experiences for guests, then Airbnb has it in spades, especially once it fully rolls out its aptly named Experiences program, which connects travelers with local guides and activity operators once they've booked their accommodations. Each selection is 'unique' as it isn't a part of a branded hotel but contains the personal styling of the individual landowner or renter.

Along these lines, consider the baby boomer market. Airbnb might be a table name for them, but it still holds the perception as a forum for the afore mentioned bottom feeders. As this demographic looks for more profound experiential vacations to satiate the ample free time made possible by retirement, Airbnb offers 'badge-generating' alternatives to hotels. Why stay where everyone else stayed? Airbnb not only provides a truly unique travel experience, but also bragging rights to boot. What can hoteliers do?

First and foremost, study Airbnb's website and business model. Learn all you can about it in a general sense and, more specifically, the properties that are being offered in your vicinity. Understand the price points that you are competing against and see where you stand. You don't want to necessarily change your pricing structure or your amenity packaging. Rather, try to understand this new competitor and treat it with the same respect and acknowledgement as other properties in your comp set.

Second, take a good, hard look at your own website. Look at how it 'talks' to your audience and the convenience factor. See how friendly it is to use and navigate as well as how many clicks it takes from arrival to confirmation of booking. Torture test it on a mobile device. Additionally, ask the same from your web agency. Encourage them to learn from Airbnb and make recommendations as to how you can enhance your site's profile and sociability. Then run, don't walk, to properly fund the necessary work to make your site more user friendly. This may not be a quick fix, but it is worth it.

Next, get involved with your local hotel association and make sure all the other hotels in your constituency are participating as well. The issues pertaining to Airbnb are very political, meaning that tax dollars are at stake. Hoteliers want a fair share: Why do individuals checking into your property pay local and state taxes, yet those checking in with Airbnb do not? What about local tourism levies, health, insurance, fire and safety code issues? And does the Airbnb location being offered violate any municipal codes? Meet with your local representatives. Calculate, then identify the losses in tax revenues - ditto job losses. You're not arguing for some sort of tax reduction or special favor, only an equal treatment for everyone in the accommodations sector.

Airbnb is going to improve

It is not going away, so deal with it! They already have some outstanding rooms available and will increasingly become an important factor in all segments. The push for the premier end

of the market is compounded by the launch of the Airbnb's quarterly magazine, Pineapple, which released its first issue in November 2014. Printed with barely any distracting advertisements and showcasing only a few prime cities to focus its awareness profile, this new venture will soon be a strong adjunctive to the company's luxury-seeking strategy.

With all this, it's nearly impossible not to view Airbnb as a somnolent hospitality giant about to scarf down its first coffee of the day. Sure, it's not for everyone. While you may be appalled by the concept of buying your hotel room in this fashion, millions are finding it increasingly acceptable. And these are the people who will not only encourage others to give it a try - they will also make it part of a habit-forming behavior.

By Larry Mogelonsky, MBA, P. Eng. from new book *The Llama is Inn*.

The Llama is Inn is the fourth anthology book in Larry Mogelonsky's series following *Are You an Ostrich or a Llama?* (2012), *Llamas Rule* (2013) and *Hotel Llama* (2015). Together, they give a detailed picture of the present hotel business landscape, outlining how to best navigate new technological issues shaping our industry in addition to the need for a perpetual commitment to exceptional service. All four books draw from Larry's extensive experience in the field as well as the prudence of other senior managers and corporate executives active in the hospitality industry. Offering creative and effective solutions to today's problems, this collection will give you the tools you need to thrive in the modern hotel world.

This book will strengthen your hotel management skills. Individual articles cover sales, marketing, branding channel management and emerging new technologies. Examples of operational excellence in F&B, housekeeping, front desk, reservations and HR are explored. The goal is to enhance learning and practical application to your property. Above all, it is stressed that the success of any property - even with all that has changed in recent years - nonetheless depends on the relationship a hotel fosters with its guests. This is the hotelier's guidebook that recognizes future developments while celebrating the past.

About the author

After a formal engineering undergraduate degree and an MBA, plus a stint as a professional civil engineer, Larry Mogelonsky's business career started with a brand management position at Procter & Gamble. This was followed by half-dozen years at a top ten ad agency, where he was the team leader for the Four Seasons Hotels & Resorts business. Smitten with the hospitality 'bug', Larry founded LMA Communications and more recently, Hotel Mogel Consulting, a specialty consultancy dedicated to the hotel industry. Today, Larry works with hotel owners and operators across the globe. His knowledge of hospitality marketing and operations has been demonstrated through the accumulation of 75+ awards from HSMAI (Hotel Sales and Marketing Association International). His firm was also awarded the distinction of Worldwide e-Marketing Agency of the Year by TravelClick.

Larry regularly contributes to many of the world's top industry publications. He was recognized as one of the Top 25 Minds in Hospitality. He is also sought after as a keynote speaker at worldwide industry conferences. *The Llama is Inn* will be available in Spring 2017 through Amazon and Barnes & Noble. A Kindle edition is also available.

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The digital transformation of McDonald's France puts the customer at the heart of their organisation

“Our digital ambitions are strong to meet the challenges of our customers' new uses and Worldline is a global player in this momentum. As a company controlling the entire transactional value chain, we have found one of our partners to expand our inter-channel commitment.”

Jean-Noël PENICHON

VP Information Technology (IS & Digital) - McDonald's France

The new shopping experience

The new shopping experience can see customers ordering their meals through online channels, either from home or on the go. Payment is made in advance using the Worldline Wallet. Once the payment has been made, the customer receives a unique QR code which can be used in a McDonald's participant restaurant in France the same day to collect the order.

The digital transformation and the digital platform project for McDonald's started with online ordering. McDonald's started to experiment with the digitisation of 50 restaurants in France. This involved digital kiosks delivering new services to its customers.

McDonald's firstly merged its brand site with its e-commerce sites and applications to provide a seamless and consistent shopping experience. Interfaced with the online ordering system, the new customised digital platform orchestrates and stores securely, all business details including restaurant, product, prices and all data. The digital platform acts

as a spinner to expose essential data to all channels to efficiently meet new customers' expectations.

Furthermore, combined with the digital platform, the Worldline Wallet embeds the consumer's digital identity, making the experience easy for the customer. There is also a guaranteed strong authentication and an opt in established for the next transaction. Now McDonald's France is able to enhance the customer journey, providing a customised ordering experience.

The unique and customised combination of transactional and digital expertise makes

McDonald's France Digital Platform one of the first online, non-delivery, fast-food ordering services in the world which enables customers to prepare and pre-pay for their orders ahead of time.

The new online ordering system is a win-win for the fast food chain. First of all, the overall experience for the customer is improved, and secondly, McDonald's France gains valuable insight into their customers' behaviour through the data collected, allowing for targeted offers and cross sales. However, far from having crossed the finishing line, this is just the beginning for McDonald's France. In fact, many innovative payment solutions will emerge and will continue to shake up the fast food scene.

McDonald's France customer journey



For more information on how Atos can help your business, contact Joaquim Marques - Director of Hospitality, Atos.
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PwC warns on slowdown in growth



UK economic growth held up better than expected in the six months following the Brexit vote, particularly as regards consumer spending. But growth slowed in the first half of 2017 as inflation rose sharply, squeezing household spending power.

In PwC's main scenario, the group projects UK growth to slow from 1.8% in 2016 to around 1.5% in 2017 and 1.4% in 2018. This reflects slower consumer spending growth, offset by some rise in UK exports and public investment. But risks to growth are weighted to the downside due to Brexit.

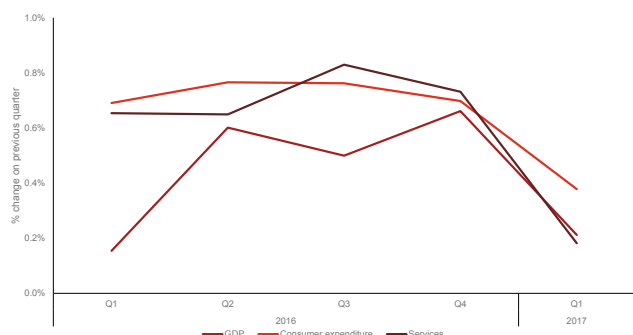
The group said: "There are always uncertainties surrounding our growth projections and these are particularly marked following the vote to leave the EU. There are still considerable downside risks relating to international developments (notably a possible US-led rise in global protectionism in the longer term) and the fallout from Brexit, but there are also upside possibilities if these problems can be contained. In our main scenario, we expect the UK to suffer a moderate slowdown not a recession, but businesses need to monitor and make contingency plans for potential downside risks."

The Bank of England will, it said, probably keep interest rates on hold in the short term, but the case for a rate rise could build later this year or, more likely, in 2018 if growth and inflation evolve broadly as we project.

Inflation could rebound to well over 3% by early 2018, assuming the pound remains relatively weak and there is no repeat of past falls in global energy and food prices. Despite this, PwC expects monetary policy to remain on hold in the short term. In our main scenario, official interest rates are assumed to remain at current levels throughout 2017, but this will depend on how events develop. By early 2018, the case for a gradual rate rise could grow stronger if UK growth and inflation evolve broadly as projected in its main scenario.

Growth in consumer spending and the services sector slowed in Q1 2017, contributing to weaker GDP growth

Figure 2.2: Trends in GDP, consumer spending and the services sector



Source: ONS
UK Economic Outlook
PwC

July 2017

UK inflation heading above 3% later this year in our main scenario – but considerable uncertainties remain

Figure 2.8: Alternative UK inflation (CPI) scenarios



Source: ONS, PwC scenarios
UK Economic Outlook
PwC

July 2017

Pub and restaurant groups see slight sales growth in July



It's steady as you go for Britain's managed pub and restaurant chains. Latest figures from the Coffer Peach Business Tracker show that collective like-for-like sales were up by 0.6% across the sector in July compared to the same month last year.

There was little difference between trading inside and outside the M25, with London ahead 0.5%, compared to a 0.7% like-for-like increase for the rest of the country. Restaurant chains just edged ahead of pub groups in performance, showing a collective 0.9% like-for-like growth rate against 0.4% for pub and bar operators.

"It's an essentially flat market out there, with the modest 0.6% growth rate exactly the same as we saw in June," said Peter Martin, vice president of CGA, the business insight consultancy that produces the Tracker, in partnership with Coffer Group and RSM.

"Despite all the media talk of fragile consumer confidence, it appears that the British are continuing to go out to eat and drink much as they did last year - which is good news. However, the increased cost pressures that operators across the sector are facing this year, particularly from increases in business rates and food costs, mean that margins are being squeezed and businesses are feeling the pinch," added Martin.

"Operators have been looking for efficiencies, but also increasing prices to mitigate rising costs. According to CGA's latest Business Confidence Survey this summer, over 80% of operators have introduced at least some price rises this year, with a third implementing them across the board. These latest Tracker trading figures show that those rises haven't stopped the public spending, but neither have they significantly boosted income for operators. It remains a tough market," he said.

Total sales growth in July among the 37 companies in the Tracker cohort was 3.7%, reflecting the continuing if more subdued effect of new openings over the year. The underlying annual sales trend shows sector like-for-likes running at 1.6% ahead for the 12 months to the end of July.

"The market is essentially stable, with little dynamic movement in any of the sub-markets, geographically or by sector. The good weather in July should have benefitted wet led venues which makes the relatively strong figures from the restaurant sector encouraging," said Trevor Watson, executive director, valuations, at Davis Coffer Lyons.

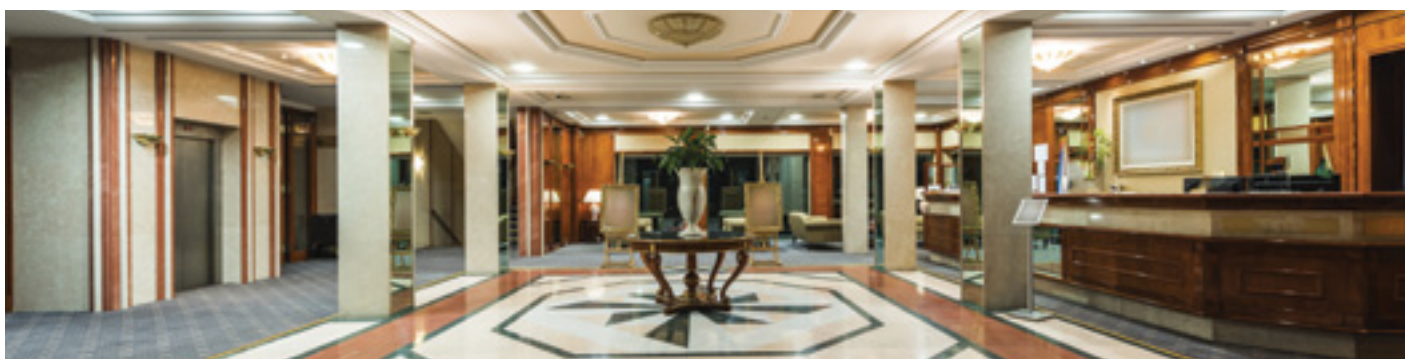
"These latest figures will be greeted with a degree of relief by operators. Despite household budgets becoming increasingly stretched, consumers continue to indulge in eating and drinking out. We've seen businesses who develop exciting and affordable concepts outpacing competitors and attracting investors keen to support ambitious roll out plans," added Paul Newman, head of leisure and hospitality at RSM UK.

The Coffer Peach Tracker industry sales monitor for the UK pub and restaurant sector collects and analyses monthly performance data from 37 operating groups, and is recognised as the established industry benchmark. CGA Peach is part of CGA Strategy.

Pub and restaurant group sales performance for last 12 months

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LFLs	0.6%	1.8%	-1.0%	1.1%	1.1%	1.9%	1.7%	-0.5%	4.4%	-0.4%	0.6%	0.6%
Total	4.2%	5.0%	1.9%	4.1%	4.4%	4.4%	4.7%	2.1%	7.4%	2.4%	3.7%	3.7%

Source: Coffer Peach Business Tracker



UK hotels ahead despite election uncertainty

GOPPAR at hotels in the UK increased by 5.4% in June in spite of the heightened uncertainty across the country as the snap general election ended in yet another hung parliament, according to the latest worldwide poll of full-service hotels from HotStats.

The year-on-year growth in GOPPAR this month was fuelled by a 6.2% increase in RevPAR, as hotels in the UK recorded a 0.6 percentage point increase in room occupancy, to 82.7%, as well as a 5.4% year-on-year uplift in achieved average room rate, to £122.23.

In addition to the uplift in RevPAR, hotels in the UK recorded a 0.7% increase in Food and Beverage revenue, to £42.31 per available room, which contributed to the 4.5% increase in TrevPAR.

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

June 2017 v June 2016

RevPAR: +6.2% to £101.05
TrevPAR: +4.5% to £153.86
Payroll: -0.2 pts to 25.7%
GOPPAR: +5.4% to £65.24

Cost savings, which included a 0.2 percentage point reduction in Payroll, to 25.7% of total revenue, enabled a high flow through from the top line to the bottom line and hotels in the UK subsequently achieved a 5.4% increase in GOPPAR, to £65.24.

"The UK hotel market would have been forgiven for stumbling a little in the messy aftermath of 8 June. However, the strong economic fundamentals of the UK remain and the hotel sector is buoyant, illustrated by the continued upward trajectory this month," said Pablo Alonso, CEO of HotStats.

Hotels in London continued to perform strongly in June, with a 6.0% increase in GOPPAR for the month contributing to the 13.9% year-on-year profit per room increase for year-to-date 2017, to £75.15.

The potential impact on hotel performance from terrorist-related activity in the capital at the beginning of the month was more than offset by the 30,000-strong attendance at IFSEC International 2017 at ExCeL.

Furthermore, the capital continues to benefit from the drop in the value of Sterling following the Brexit vote this time last year, with

both business and leisure visitors arriving in increasing numbers from major source markets such as North America and Europe.

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

June 2017 v June 2016

RevPAR: +6.3% to £144.46
TrevPAR: +4.4% to £195.07
Payroll: -0.2 pts to 22.8%
GOPPAR: +6.0% to £95.32

Despite declines in Food and Beverage (-1.9%) and Conference and Banqueting (-5.8%) revenue at hotels in London in June, a 6.3% increase in RevPAR supported a 4.4% increase in TrevPAR, to £195.07.

"UK hoteliers are currently enjoying the benefits of Brexit, which has fuelled a record number of overseas visitors to the UK. The high demand levels have enabled room rates to be leveraged in the Individual Leisure, Group Leisure and Best Available Rate segments, with the rate premium flowing through to profit. This is great news for hotel owners and operators across the UK," added Pablo.

Cardiff hotels were amongst the best performing in the UK in June, after hosting another highly successful major event. GOPPAR soared by 34.6% year-on-year this month as the 2017 Champions League Final between Juventus and Real Madrid took place in the Millennium Stadium.

In addition to the 21.6% uplift in Rooms Revenue, the high volume of visitors to the Welsh capital fuelled an 18.6% increase in TrevPAR, to £132.82, with significant increases recorded in non-rooms revenues, including Food (+11.3%) and Beverage (+11.8%).

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

June 2017 v June 2016

RevPAR: +21.6% to £82.61
TrevPAR: +18.6% to £132.82
Payroll: -2.4pts to 26.5%
GOPPAR: +34.6% to £51.43

Banking on tourism



Global tourism supports twice as many jobs as the financial sector, new WTTC research shows.

According to a report by the World Travel & Tourism Council, the global Travel & Tourism sector directly sustains twice as many jobs as the financial sector, and five times as many jobs as the chemicals manufacturing sector.

The WTTC Benchmarking Report 2017 compares Travel & Tourism to eight other sectors, which are considered to have similar breadth and global presence, across 27 countries and six regions. In 2016, Travel & Tourism supported 108 million jobs directly, and 292 million in total, taking the direct, indirect, and induced impact into account.

The report shows that both on direct and total level, Travel & Tourism employs more people than the automotive manufacturing, banking, mining, chemicals manufacturing, and financial services sectors. Benchmarking 2017 Infographic Click on the image to enlarge It also shows that the power of Travel & Tourism to create jobs is significantly higher than that of financial services when you compare their contribution to GDP. Financial services generates 19.4% of the world's GDP compared to 10.2% by Travel & Tourism, but the latter supports twice as many jobs worldwide. Travel & Tourism generated a total of \$7.6 trillion in GDP in 2016, which makes the sector's GDP contribution larger than that of banking (\$4.8 trillion), mining (\$5.0 trillion), agriculture (\$5.8 trillion), automotive manufacturing (\$6.1 trillion), and chemicals manufacturing (\$6.5 trillion).

Global Travel & Tourism is forecast to grow by 4.0% per year over the next decade, which is significantly faster than the global economy at 2.7% and all other sectors covered in the study apart from the financial sector and banking.

On regional level when we look at total Travel & Tourism GDP and employment generated in 2016 benchmarks as following to the other eight sectors researched in this report: Africa: USD\$166 billion in GDP and 20.7 million jobs in 2016, making the sector larger than chemicals manufacturing, automotive manufacturing and banking in terms of GDP contribution, and all

of these sectors as well as financial services in terms of jobs.

- Americas: \$2.2 trillion in GDP exceeds that of every sector included in this study except for the construction, financial services, and retail sectors in the Americas. The 42.7 million jobs makes the sector larger than banking, chemicals manufacturing, automotive manufacturing and mining in terms of job creation.
- Asia Pacific: \$2.3 trillion in GDP makes the sector larger than that of Asia's mining sector. The 159.2 million supported jobs exceeds the impacts of banking, mining, automotive manufacturing and financial services.
- Europe: \$2.0 trillion in GDP makes the sector larger than mining, agriculture, banking, chemicals manufacturing, and automotive manufacturing in Europe. The 36 million jobs exceeds that of automotive manufacturing, mining, chemicals manufacturing, banking and financial services.
- Middle East: \$227 billion in GDP exceeds that of the Middle East's automotive manufacturing, agriculture, banking, and chemicals manufacturing sectors. The 5.7 million supported jobs are larger than that of the automotive manufacturing, banking, financial services, chemicals manufacturing and mining.

David Scowsill, President & CEO, WTTC, said: "It is easy to applaud the efforts or even to criticise the failings of Travel & Tourism in isolation without looking at the picture of our industry separate from the overall industrial context. Our sector contributes 10.2% of global GDP and supports 1 in 10 jobs when you look at the total impact and this research helps to put these achievements in context, and gives a clear picture as to the strength of Travel & Tourism. Business and leisure travel creates opportunities, empowers communities and enhances local livelihoods. There are still challenges to sustainable growth, and WTTC will continue to urge public and private sector to invest into our sector and implement policies that are favorable for growth while safeguarding the world's assets."

Members' Events

13th September *HOSPA quiz*

Location

Radisson Blu, 301 Argyle Street, Glasgow, G2 8DL

Cost

£20.00 per person, excluding VAT, (includes a drink and finger food) with teams of up to six allowed with a special rate of £110 when you book a whole team (prices are exclusive of VAT). Individual bookings are also accepted and will be placed together on a team.

The Glasgow Quiz Night is returning to the Radisson Blu.

This is one of the highlights of the HOSPA social calendar so book today to avoid disappointment - teams are limited.

To book individually or book your team of six please download and complete the booking form; Regional Quiz Night Form 2017 and send back to us at hospa@hospa.org.

This is a general pub quiz (not hospitality focused) and will include questions such as:

Vodka, Galliano and orange juice are used to make which classic cocktail?

21st September *Bridging the Gap Between Tradition and Technology*

Location

The Rubens Hotel, London
From 6pm

Event Details

Blending the tradition, culture and service of a hotel with the modern traveller's requirements for the latest technology can be a tricky balancing act – but when done properly, the guest experience can be outstanding.

In today's highly competitive market, guests appreciate hotels associated with the service from a bygone age, but they don't want to compromise on the comforts that modern technology brings. You've a great location, your rooms are pristine, and your staff are attentive so you can deliver the ultimate guest experience, however guests rate you on your adoption of technology too. Solutions need to complement the service and add value to the guest experience.

The modern traveller embraces technology and are only too quick to share their experience on review sites and social media, so it's more important than ever you don't overlook the advantage that technology can bring.

Join us for an evening of networking with like-minded peers and learn how hotels have seamlessly integrated modern IT systems, whilst maintaining the traditions and finesse of a quality hotel.

Agenda

6pm - Registration and welcome drinks
Speakers TBA
8pm - Networking drinks and Canapés

The Venue

Opposite Buckingham Palace, The Rubens Hotel offers a fusion of traditional luxury with all the comforts the modern traveller demands. Exceeding expectations at every turn, the

team at the historic hotel takes pride in delivering impeccable service. Its top floor houses Hotel 41, an establishment that takes luxury to another level.

The venue for the Bridging the gap between tradition and technology event is:

The Rubens At The Palace
39 Buckingham Palace Road,
London,
SW1W 0PS

Telephone

+44 (0)20 7834 6600

Join us and hear how the Rubens and Hotel 41 have themselves met the challenges of blending traditional service with cutting edge technology, demanded by the modern traveller.

As technology becomes more and more critical to hoteliers, our free to attend event provides you with an unprecedented opportunity to find out what technology your guests really want.

Nearest Tube and Rail Stations

Victoria Tube Station - 3 minutes walk
St James' Park Tube Station - 5 minutes walk

FREE for all HOSPA Members to attend and only £10 for Non-Members. To Register for this event, please send the below details to hospa@hospa.org with: HOSPA Members Meeting - 21st September in the subject line.

- Full Name:
- Job Title:
- Company Name:
- Membership Number:
- Invoice Details (If Non-Member)

28th September

Seminar: Staff and Skills Issues in the Tourism and Hospitality Sector

Event Details

The seminar will be held at Mazars offices in Tower Bridge. The Chair of the committee, Gareth Jones, has kindly offered to cover the costs for the venue and catering. The seminar will consist of two presentations. Jon Claypole, Tax Partner at Mazars, will explore the continued impact of labour issues including tips, gratuities, service charges and tronc; national minimum wage; staff accommodation and staff uniforms.

Richard Karmel, responsible for Mazars' business and human rights reporting line in the UK, will talk on the impact of Modern Slavery Act and the supply chain responsibilities in the hospitality sector.

Speakers & programming

Jon Claypole - Tax Partner

Jon joined Mazars in January 2008 from Ernst & Young LLP where he worked for 7 years handling all manner of investigations by HM Revenue & Customs across the full spectrum of clients from high net worth individuals through to some of the largest multinational corporations. Prior to joining Ernst & Young LLP, Jon was a senior Inspector of Taxes in HM Revenue & Customs for 12 years.

Richard Karmel Partner - Business and Human Rights

Richard is responsible for Mazars' award winning business

and human rights reporting line in the UK. Along with his team, Richard has devised an innovative service to help protect the reputation of businesses whilst ensuring they comply with their social and environmental obligations. Currently, Richard is a key member of the project team for the Reporting and Assurance Framework Initiative which has designed a Reporting Framework that is a guide for companies on what good reporting of their human rights performance looks like.

Contact

See the events section of the HOSPA website for further details.

5th October

Transforming Hospitality, Embracing Digital - Exclusive event with Atos

Atos and HOSPA are delighted to invite you to the first annual "Transforming Hospitality, Embracing Digital" Roundtable event @ Atos's Business Technology Innovation Centre, London on Thursday 5th October.

This is your opportunity to discuss and debate the latest Hospitality Industry developments with your peers in a strictly no-sales environment, hear from Hospitality leaders and have direct input into the inaugural "Directive on Digital Transformation: Hospitality" report.

To register for the event and for more info visit the event portal here www.atosevents.co.uk/EmbracingDigital/register.php.

18th October

Hotel Asset Managers - Friend or Foe? Do they really add value to the top and bottom lines?

Event Details

Hotel owners expect their operators to increase their hotels' revenues, profits and values. Increasingly they are turning to professional hotel asset managers to help ensure this is achieved. So what are the advantages - and limitations - of bringing in an asset manager? What are the various options

- in-house or outsourced? Shouldn't an experienced hotel operator be able to look after all the owner's interests without such 'interference' or can each bring out the best in the other?

These questions - and more - will be addressed by our expert panel on Wednesday 18 October 2017 at 6pm for 6.30pm at Venue.

- Katie Benson - VP Operations, Jumeirah Hotels & Resorts
- Cody Bradshaw - Senior VP and Head of European Hotels, Starwood Capital
- Frank Croston - Partner, Hamilton Hotel Partners
- Richard Nottage - Owner, Sofitel St James's and Sofitel Grand, Amsterdam
- Hugh Taylor OBE - Chief Executive, Michels & Taylor

Moderated by:

- Russell Kett - Chairman, HVS London Office

Location

The Sofitel London St James, 6 Waterloo Place, London, SW1Y 4AN

FREE for all HOSPA members to attend and only £10 for Non-Members

To Register for this event, please send the below details to hospa@hospa.org with: HOSPA Members Meeting - 18th October in the subject line.

Full Name:

Job Title:

Company Name:

Membership Number:

Invoice Details (If Non-Member)

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QDOS Communications

Rate Tiger

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Fresh Montgomery

HFTP (Hospitality Finance and

Technology Professionals)

Hotel Marketing Association

Hotel Technology Next Generation

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Special Interest Group

The IOH

Smart Report

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Which grade of membership are you applying for?

You would normally be granted Ordinary status, but if you wish to be considered for a higher grade then please indicate which and ensure you submit a CV to support your application. Corporate membership is available for 5 or more colleagues. Please call +44 (0)203 4188196 to discuss or email hospa@hospa.org.

Status (Please tick)	Ordinary <input type="radio"/>	Ordinary Student <input type="radio"/>	Associate <input type="radio"/>	Fellow <input type="radio"/>
Your Signature			Date	

HOSPA, Longdene House, Haslemere, Surrey, GU27 2PH



HOSPACE

Conference & Exhibition



Thursday 2nd November
Royal Lancaster London

www.lancasterlondon.com | www.hospace.net

"The major UK hospitality networking and educational hospitality event"

"HOSPACE is the best networking event of the year"

Hospitality Conference & Technology Exhibition

HOSPA is a community of professionals -
Promoting the highest professional standards in Financial, Revenue, Marketing and IT management in the hospitality industry.

The conference is an industry leading set of speakers and topics relevant for today's hoteliers.

HOSPACE is also home to an industry specialist technology solutions exhibition - covering all aspects of your hospitality business.

Who should attend this event?

- Senior Hospitality Business Directors
- Hospitality IT Professionals
- Financial Controllers and Accountants
- Revenue and Distribution Managers
- General and Commercial Managers
- Young aspiring employees wanting to develop their skills & meet with industry specialists



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To book your place at HOSPACE 2017 please visit our online shop at: www.HOSPA.org/shop or email: bookings@hospa.org

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