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## **How does revenue management work in small and independent hotel chains?**

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For small and independent hotel chains, a lack of resources and less money for high-end technology mean big systems and brought-in expertise just don't exist. However the hands-on-approach of senior decision-makers means better communications, leads to faster decisions, less cultural obstacles and a greater understanding of RM across all departments.

Elizabeth Churchill, who heads up sales and marketing for the 12 property Aqua Hotel and Resorts chain, argues that this approach means that RM can sit at a more profitable core of a small chain's distribution strategy.

In the interview Elizabeth Churchill discussed the major differences between large and small hotel chains in terms of revenue management, focusing on RM technology and roles within the revenue division.

Elizabeth Churchill will be speaking on this topic at EyeforTravel's Revenue Management and Pricing conference on October 1-2 in Las Vegas. More information visit: [www.eyefortravel.com/tdsusa/revenue](http://www.eyefortravel.com/tdsusa/revenue)

Helen Raff: What specific revenue management challenges do you face as a small independent hotel chain compared to a large chain? What impact does this have upon your role within the company?

Elizabeth: The key issues when it comes to revenue management are a lack of resources and a limited budget to invest in high-end technology.

When it comes to our role, as with all small companies, we wear many hats. For example, I oversee all revenue divisions, including sales, marketing, ecommerce, revenue and reservations. I work to ensure that these departments are communicating and working together so we can maximize revenue across the company. Large hotel chains have more money to invest in technology and people, so their roles within the revenue division can be more defined.

Investing in technology isn't just about having the money to do so. It's a challenge to find the right technology for a company such as ours. I have found that most revenue management systems tend to be suitable for either one property or huge hotels chains, so I think there's is a gap in the market. Also, unlike our larger counterparts, we don't have the budget to hire full time employees to focus on keeping our technology up-to-date so must rely on outsourcing some of these needs.

Helen Raff: In terms of revenue management, what are the positive aspects of working for a small hotel chain?

Elizabeth Churchill: One of the bonuses of working for any small company is that there tends to be better communication between different departments. Working for a small hotel chain, you have the

flexibility for open lines of communication so all team members can work closely together. This is one of our strengths at Aqua and allows us to put our Revenue Management strategy at the core of our business philosophy. I feel that we're definitely heading in the right direction; once your core philosophy is accurate you can really build on that success.

Helen Raff: How should a revenue manager divide their time when resources are stretched? What should you be focusing on?

Elizabeth Churchill: You need a revenue team to focus on strategy rather than just reports. Manual reporting is very time consuming, and it can be hard for small hotels to get their hands on reports quickly and easily. We currently rely mainly on manual reporting, but are in the process of upgrading technology and replacing manual reports with custom reports designed for our specific needs.

Helen Raff: Is a manual system always out-dated?

Elizabeth Churchill: A manual system is not always outdated and it has actually worked quite well for us in the past.

Helen Raff: What do you predict for the future?

Elizabeth Churchill: Integration is the key to any successful revenue management strategy. At the moment, not all our systems integrate into our Property Management System (PMS). Integration is a challenge faced by everyone and hopefully in the future technology will become so advanced that all our systems will be integrated.

To truly boost revenue you need to have a fully integrated RM system and put RM at the core of your business decisions. I think more and more small hotel companies will do this since the structure is in place to have better communication between different departments.

Churchill summed up by saying "Hospitality needs to look at strategies from dynamic industries and companies who have been so progressive in revenue generation. Hospitality doesn't always examine other industries enough. If we think more about hiring from, and learning from, other industries the sky is the limit!"