



# PORTRAIT OF REVENUE MANAGEMENT LEADERSHIP

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## Overview

In order to develop a comprehensive view of the work, challenges, and concerns of senior revenue management professionals, a survey was conducted of hotel revenue management executives at brands, ownership groups, and management companies. This report examines the results of that survey.

## Executive Summary & Findings

The discipline of revenue management is now the harbinger of change occurring throughout the hotel industry. Its genesis is yield management, the application of analysis to determining seat pricing, and was adopted from the airline industry. From the early 1990's to the current time, financial and analytical methods and optimization models have become more complex and are now the driving concerns for hotels large and small. The influence of a discipline is measured through adoption at all levels of the industry, as well as the stature and responsibilities of professionals within the field.

This study substantiates what was considered an emerging profession just two plus decades ago have rapidly gained stature and position within brands and management companies regardless of their size, scope, location, or any other structural or organizational reality. Vice President and Senior Vice President are the current titles of most respondents. It follows that 80% of respondents report to a Senior Vice President or higher – a sign of the importance of revenue management to the well being of an individual property or a global organization.

When considering the modern business of hotels, no area more clearly exemplifies the current realities than revenue management. Highlighting the importance of analytical and critical thinking to their success, respondents validate the shift to decision making rooted in quantitative analysis, with nearly 60% spending the majority of their time each week on revenue management planning and forecasting and strategy to drive revenue and growth. Just as the advance of technology has up-ended the buying process by placing the consumer in control, so the expansion of revenue management has forever changed enterprise strategy and goals.

The approach to measuring operational and corporate success has become increasingly rigorous with greater emphasis on the systematic over the “learn by doing” methodology. With this change the belief that to lead a hotel company one must rise through the ranks with a stint or two on property has been superseded by the principle that the hotel business, whatever its peculiarities, is functioning in a global, complex, and demanding environment requiring highly educated executives with advanced strategic abilities. Furthermore, the nature of the change is reflected in the movement toward quantitative analysis as the basis for decision making replacing the reliance on gut instinct. Such change requires more highly educated professionals schooled in decision science and predictive analytics. Perhaps the most striking proof that revenue management is of distinctly different significance for the industry is found in the educational attainment of the respondents, with nearly 30% having an advanced degree (MS, MBA or PhD). It was not so long ago that a bachelor's degree was considered more than adequate for a hotel professional and whether those in revenue management are far more highly educated than those in more traditional disciplines (e.g., Sales, Marketing) and other emerging areas (e.g., Digital Marketing, Information Technology) would require another study to determine. That study would provide the industry with useful information as the talent pool is shrinking while demand remains strong.

It should be no surprise to anyone who works with revenue management professionals that moving beyond revenue management to predictive analytics was identified as the most important strategic change that must occur over the next three years. Such a move will continue the reworking of the business of hotels, altering the very core principles of the industry and the expected skills and abilities of senior leadership whether working on a property or in corporate offices. It is an irreversible march to decision making with the proper blend of analysis and information with gut instinct and experience.



This study should be repeated every three to five years to establish a baseline of growth and change for the discipline. It is in the consistency of measuring and reporting that the true value of revenue management professionals within the organization and the industry will be assessed.

## The Methodology

Surveys were sent to 139 hotel revenue management executives on April 30, 2016. Of the 139 invitations, 90 were sent to brands and ownership groups and 49 to management companies. The survey closed at 5pm on Friday, May 6, 2016 with 45 responses (32%) of which 29 were from management companies and 16 from brands. There were twelve questions in the survey, eight closed-ended and four open-ended (see Appendix A).

The purpose of the survey was to provide a comprehensive view of the work, challenges and concerns of senior revenue management professionals.

The results of the survey are reported in the aggregate (N=45) and where appropriate are presented in comparison (brand versus management company) as two subsets.

## The Respondents

- Affiliation: 35% work for Brands; 65% work for Management Companies.
- Current Title: The most prevalent title is Vice President (47%) followed by Senior Vice President (18%).
- Title Descriptor: The most common word within respondents' title is Revenue (87%). Classic titles dominate but contemporary titles are rising: strategy, optimization, pricing, enterprise analytics, advanced analytics.
- Length of time in current position: 33% have been in their current job less than 3 years and 31% at least 3 years but less than 5 years.
- Reporting lines: Report to positions of power with nearly one-fifth to chief executive; more than one-quarter to other C-suite (CCO, CMO, COO, CRO); more than one-third to SVP.
- Education: Highly educated group with six of 10 having earned a four-year undergraduate degree and nearly one-third (29%) having an advanced degree (either MBA, MS, or PhD).
- Where do respondents spend their time in an average week: Strategy to drive revenue and growth, and revenue management planning and forecasting, are the focus during an average week. Using the standard 40-hour week, 14 hours is allocated to strategy to drive revenue and growth and 9.6 hours to revenue management planning and forecasting.
- Prediction of the MOST important strategic change in their area that will occur over the next three years: Moving beyond revenue management to predictive analytics.
- What must happen for the strategic change to occur: Increased

## Portrait of Revenue Management Leadership

**Highly Educated:** Nearly one-third have an advanced degree (MBA, MS, or PhD).

**Focused on Strategy & Growth:** More time is spent on strategy to drive revenue and growth than any other area.

**Moving Beyond Revenue Management to Predictive Analytics:** This was identified as the most important strategic change to come.

**Leading Change:** The precursors for predictive analytics to be fully leveraged are increased deployment of revenue management throughout the organization, and the alignment of revenue management goals with enterprise goals.

**Analytical:** Most attribute their analytics and critical thinking skills to their success.

**Crossing Over:** Advancing the thinking in related disciplines and elevating the strategic application of data throughout the enterprise is by far the greatest challenge faced by revenue management leaders.



deployment of revenue management throughout the organization and the alignment of revenue management goals with enterprise goals.

- Most important skill for success in your current position: Analytical or critical thinking.
- Most challenging aspect of current position: Advancing the thinking and decision making in related disciplines and elevating the strategic application of data throughout the enterprise.
- Current duty you would most like to eliminate from your portfolio: Overwhelmingly respondents want to jettison organizational and operational aspects of their job.
- One responsibility to add to current responsibilities: Across the board the preference is to add leading marketing and/or sales.

## The Survey Questions

1. [What is your current title?](#)
2. [How many years have you been in your current position?](#)
3. [What type of company do you work for?](#)
4. [What is title of the person you report to?](#)
5. [What is the highest level of education you have completed?](#)
6. [In the course of an average week, how much time do you spend on the following?](#)
7. [Which strategic change will be the MOST important within your area over the next three years?](#)
8. [What must happen for your selection in question 7 to come to fruition?](#)
9. [Rank the following skills in order of importance to success in your current position.](#)
10. [What is the MOST challenging aspect of your current position? Please be as specific as possible.](#)
11. [What aspect of your current position would you MOST like to eliminate from your responsibilities?](#)
12. [What one responsibility would you MOST like to add to your current responsibilities?](#)

## Specific Results & Analysis

### 1. What is your current title?

Among the variety of current titles, vice president is the most common among respondents as reported by nearly half (47%). The second most common title is senior vice president (18%). Table 1 provides the breakdown in aggregate and subsets of brand and management company.

**Table 1: Current Title**

	Aggregate	n=45	Brand	n=16	Mgmt Co	n=29
<b>CRO</b>	2	4%	1	6%	1	3%
<b>EVP</b>	2	4%	0	0%	2	7%
<b>SVP</b>	8	18%	4	25%	4	14%
<b>VP</b>	21	47%	9	56%	12	41%
<b>Associate/Assistant VP</b>	1	2%	0	0%	1	3%
<b>Executive/Senior Director</b>	3	7%	2	13%	1	3%
<b>Corporate Director</b>	3	7%	0	0%	3	10%
<b>Regional Director</b>	1	2%	0	0%	1	3%
<b>Director</b>	4	9%	0	0%	4	14%

Among respondents, two (one from a brand and one from a management company) are part of the C-suite holding the title of chief revenue officer. While this denotes less than 5% of respondents, it can be viewed as a positive



statement as revenue management, while practiced within the hotel industry for more than 25 years, has slowly gained stature among company leadership. Additionally, two are executive vice presidents (both with management companies); one is executive vice president and principal denoting C-suite responsibilities. Rounding out senior management are 8 senior vice presidents, equally split between brand and management companies. Twenty-five percent have titles at the lower end of the hierarchy – three corporate directors, one regional director, one executive director, two senior directors, and four directors. Interestingly, all but two (18%) work for management companies (see Table 1).

**Table 2: Titles with Revenue and X**

	Aggregate	n=39	Mgmt Co	n=25	Brand	n=14
<b>Revenue or Revenue Management</b>	20	51%	14	7%	6	38%
<b>Revenue &amp; Distribution</b>	5	13%	2	28%	3	19%
<b>Revenue Optimization</b>	5	13%	3	31%	2	13%
<b>Revenue Strategy</b>	4	10%	4	24%	0	0%
<b>Revenue &amp; Sales</b>	2	5%	2	10%	0	0%
<b>Revenue &amp; Other</b>	2	5%	0	0%	2	13%
<b>Revenue Strategy &amp; Distribution</b>	1	2%	0	0%	1	6%

It comes as no surprise that 87% of respondents have the descriptive word “Revenue” in their title (see Table 2). Of the 39 with Revenue in their title, 51% have the classic title “revenue management” and 18% are combined with another discipline, either distribution or sales. The remaining descriptions (30%) present a contrast to the classic revenue management title and indicate a reshaping of the modern business of hotels as the descriptors include responsibilities for strategy, optimization, pricing, and enterprise analytics: contemporary approaches to increased profitability and leadership.

Of the six respondents that do not have the descriptor “Revenue” in their title, three have no descriptors and are simply expressions of the position, i.e., two senior vice presidents and one vice president. Two titles, executive vice president and principal of sales and marketing, and vice president of sales, reflect a different era when more established disciplines assumed responsibility for the new practice. The other non-revenue title represents the next advancement in the refinement of business performance: vice president of advanced analytics.

## 2. How many years have you been in your current position?

Exactly one-third (33%) of respondents have been in their position less than three years, not quite one-third (31%) are between three and five years in their current job, and a bit more than one-third (36%) have five or more years of tenure. This even distribution is perhaps reflective of the youthfulness of revenue management in the industry and the limited number of senior professionals with the expertise required of a corporate revenue management leader. Individuals from management companies have been in their current positions longer than their brand counterparts with those with five or more years at 41% versus 25% respectively (see Table 3).



**Table 3: Years in Current Position**

	Aggregate	n=45	Brand	n=16	Mgmt Co	N=29
<b>Less than 1 year</b>	4	9%	2	13%	2	7%
<b>At least 1 year but less than 3 years</b>	11	24%	4	25%	7	24%
<b>At least 3 years but less than 5 years</b>	14	31%	6	38%	8	28%
<b>At least 5 years but less than 10 years</b>	13	29%	4	25%	9	31%
<b>10 years or more</b>	3	7%	0	0%	3	10%

An examination of current titles by length of time in the position illustrates the shift, with those in their position less than one year having contemporary descriptors in their titles (*enterprise analytics, advanced analytics, optimization*). While at the other end of the spectrum, those in their position 10 or more years have the classic descriptor *revenue management* in their title or another dated title of an aging discipline (see Table 4).

**Table 4: Titles by length of time in position**

<b>Less than 1 year n=4</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>SVP Revenue Management &amp; Enterprise Analytics, VP Advanced Analytics</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>AVP Revenue Optimization, Director Revenue Management</li> </ul>
<b>At least 1 year but less than 3 years n=11</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>CRO, SVP Revenue Operations, SVP Distribution &amp; Revenue Management, VP Revenue Strategy &amp; Global Distribution</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Corporate Director Revenue, Corporate Director Revenue Strategy, Director Revenue Management, SVP Revenue &amp; Digital Strategy, VP, VP Revenue Management, VP Revenue Management &amp; Distribution</li> </ul>
<b>At least 3 years but less than 5 years n=14</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>VP Global Revenue Optimization, VP Global Revenue Management, VP Pricing &amp; Revenue, VP Revenue &amp; Distribution, VP Revenue Management, VP Revenue Management &amp; Distribution</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Corporate Director Revenue Optimization, CRO, Director Revenue Management, Regional Director Revenue Management, VP Revenue, VP Revenue &amp; Sales, VP Revenue Management, VP Revenue Optimization</li> </ul>
<b>At least 5 years but less than 10 years n=13</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>Executive Director Revenue Management, Senior Director Revenue Optimization, SVP, VP Revenue Management</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>EVP &amp; Principal Sales &amp; Marketing, EVP Revenue &amp; Distribution, SVP, SVP Revenue Management, SVP Sales &amp; Revenue Management, VP Revenue Management (2) , VP Revenue Strategy (2)</li> </ul>
<b>10 years or more n=3</b>	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Director Revenue Management, Senior Director Revenue Management, VP Sales</li> </ul>

### 3. What type of company do you work for?

Respondents were given two choices of the type of company they work for: a brand or a management company. Nearly two-thirds (64%) work for management companies and the remainder are employed with a brand.



**Table 5: Type of company**

	#	%
<b>Brand</b>	16	36%
<b>Management Company</b>	29	64%

#### 4. What is the title of the person to whom you report?

A grouping of titles into a hierarchy provides insight into the prominence and importance of revenue management within a company. The highest level, senior management, is responsible for meeting objectives and reporting to owners, board of directors, and/or shareholders. Depending on the company, those at the C-level (chief executive, chief of divisions or disciplines) have the highest authority followed by a broader group that includes executive vice president and senior vice president positions. This varies by individual company, as an executive vice president may be part of the C-suite rather than the broader group of senior management. Generally the title vice president is part of senior management but the size of the company may determine whether such a title is considered more or less important. The next grouping within the organization, middle management, is responsible for specific departments or disciplines within perhaps a geographic region. Middle management titles may proliferate with the size of the organization requiring greater delineation in positions with titles such as associate or assistant vice president, executive or senior director, and director. Director is a title dependent on the tradition of company as it can denote a senior or middle level position.

Respondents were asked to provide the title of the person to whom they report. Overall, respondents report to eleven different titles with five (CEO, President, COO, SVP, VP) common to both brands and management companies. The variation in titles is greatest within management companies (10 versus seven for brands) and it is interesting to note that a brand professional reports to a chief commercial officer, one of the newer titles within the industry. Forty-five percent of all respondents report to C-level positions but the difference in distribution is notable at the lower levels of the reporting hierarchy, with 24% of management company respondents responsible to vice presidents or lower while just 6% of brand respondents report to a vice president (see Table 6).

**Table 6: Report to...**

	Aggregate	n=45	Brand	n=16	Mgmt Co	n=29
<b>CEO</b>	4	9%	1	6%	3	10%
<b>President</b>	3	7%	1	6%	2	7%
<b>President &amp; CEO</b>	1	2%	1	6%	0	0%
<b>CCO</b>	2	4%	2	13%	0	0%
<b>CMO</b>	1	2%	0	0%	1	3%
<b>COO</b>	6	13%	2	13%	4	14%
<b>CRO</b>	1	2%	0	0%	1	3%
<b>EVP</b>	2	4%	0	0%	2	7%
<b>SVP</b>	16	35%	8	50%	8	28%
<b>VP</b>	7	16%	1	6%	6	21%
<b>Sr. Director</b>	1	2%	0	0%	1	3%
<b>No direct reports, 3 partners</b>	1	2%	0	0%	1	3%



The results affirm that revenue management is rising as an imperative strategic driver of success throughout the industry as 20% of respondents report directly to the chief executive (or is the chief executive in the case of one respondent) while 25% report to other members of the C-suite (CCO, CMO, COO, CRO, or EVP). Sixteen (35%) report to a senior vice president, who, depending on the company, may or may not be a member of the executive committee. Half of brand-affiliated respondents report to a senior vice president while those working for management companies report to a wider distribution of titles (seven different titles for brand respondents versus 10 for management company respondents). Reporting to middle management is rare with just one management company respondent doing so and none from a brand.

The table below (Table 7) is organized by the reporting relationship showing which respondents report to which title (i.e., who reports to CEO/President/President & CEO and so on). Of the eight respondents who report to CEO/President/President & CEO, three are from a brand and five are from a management company. Interestingly there is a contrast among the eight with four senior revenue professionals (chief revenue officer and three senior vice presidents) reporting to the CEO/President/President & CEO and the other four who report to the chief executive at the vice president position that is generally considered a lower ranking position. This could reflect the size of the company and/or a compression of the reporting structure. The 16 who report to an SVP are evenly split between brands and management companies and dominated by those with the title vice president.

**Table 7: Reporting Relationships**

<b>CEO, President, President &amp; CEO</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>SVP, SVP Revenue Management &amp; Enterprise Analytics, VP Revenue &amp; Distribution</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>CRO, SVP Revenue &amp; Digital Strategy, VP Revenue &amp; Sales, VP Revenue Management</li> </ul>
<b>CCO</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>CRO, SVP Distribution &amp; Revenue Management</li> </ul>
<b>CMO</b>	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>SVP</li> </ul>
<b>COO (2 brand, 4 management company)</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>SVP Revenue Operations, VP Pricing &amp; Revenue</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Director Revenue Management, Senior Director Revenue Management, VP Revenue, VP Sales</li> </ul>
<b>CRO</b>	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>EVP Revenue &amp; Distribution</li> </ul>
<b>EVP</b>	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>SVP Revenue Management, VP Revenue Optimization</li> </ul>
<b>SVP (8 brand, 8 management company)</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>Senior Director Revenue Optimization, VP Advanced Analytics, VP Global Revenue Management, VP Global Revenue Optimization, VP Revenue Management (2) , VP Revenue Management &amp; Distribution, VP Revenue Strategy &amp; Global Distribution</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Regional Director Revenue Management, SVP Sales &amp; Revenue Management, VP, VP Revenue Management (2) , VP Revenue Management &amp; Distribution, VP Revenue Strategy (2)</li> </ul>
<b>VP (1 brand, 6 management company)</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>Executive Director Revenue Management</li> </ul>





	<b>Management Company</b>	<ul style="list-style-type: none"> <li>AVP Revenue Optimization, Corporate Director Revenue, Corporate Director Revenue Optimization, Corporate Director Revenue Strategy, Director Revenue Management (2)</li> </ul>
<b>Senior Director</b>	<b>Management Company</b>	<ul style="list-style-type: none"> <li>Director of Revenue Management</li> </ul>

### 5. What is the highest level of education you have completed?

Respondents were asked to designate their highest level of education with six of 10 having earned a four-year undergraduate degree and nearly one-third (29%) have an advanced degree (either MBA, MS or PhD). More brand respondents (44%) have post-baccalaureate degrees than management companies (22%) as well as having the only earned doctorate. At the other end of the spectrum, five (11%) respondents, all employed by management companies, have not earned a bachelors degree. Three (7%) have an associate degree; one has some college credits and the other a high school diploma (see Table 8).

**Table 8: Highest Level of Education**

	Aggregate	n=44	Brand	n=16	Mgmt Co	n=28
<b>PhD Degree</b>	1	2%	1	6%	0	0%
<b>MBA Degree</b>	7	16%	4	25%	3	11%
<b>MS Degree</b>	5	11%	2	13%	3	11%
<b>BA or BS Degree</b>	26	59%	9	56%	17	61%
<b>Associate Degree</b>	3	7%	0	0%	3	11%
<b>Other</b>	2	5%	0	0%	2	7%

It is a recent expectation throughout the hotel industry that C-level professionals, not just within the revenue management discipline, would be college graduates. The demands of leadership are rapidly progressing requiring advanced degrees in more complex aspects of business including decision sciences, business analysis, and strategy. As this occurs, the principles defining the business of hotels will surpass the deeply rooted hospitality business mentality. This will create a change in the qualities and characteristics expected of senior management, providing ample opportunity for revenue management professionals to move into other positions within the C-suite. Table nine depicts the level of education organized by respondents' title.

**Table 9: Level of Education by Title**

Title	Associate Degree or less (5 mgmt co)	BA or BS n=26 (9 brand, 17 mgmt co)	MBA n = 7 (4 brand, 3 mgmt co)	MS n=5 (2 brand, 3 mgmt co)
<b>CRO</b>	0	1	1	0
<b>EVP</b>	0	2	0	0
<b>SVP</b>	0	6	1	1
<b>VP</b>	2	11	3	3
<b>AVP</b>	0	0	1	0
<b>Corporate Director</b>	1	2	0	0
<b>Exec Director</b>	0	1	0	0
<b>Regional Director</b>	1	0	0	0
<b>Senior Director</b>	0	0	1	1
<b>Director</b>	1	3	0	0



## 6. In the course of an average week, how much time do you spend on the following?

Respondents were asked to indicate the amount of time in an average week they spend on five areas: human resource management; revenue management planning and forecasting; strategy to drive revenue and growth; technology application; and other issues. The selection of the five areas was based on discussions at Chief Revenue Officer (CRO) roundtables sponsored by Hospitality Sales and Marketing Association International (HSMAI) over the past three years. During the course of the roundtables, brand and management company professionals would consistently describe areas of concern that consumed their thinking and time. Using this information as the framework, the goal of this question was to assess time devoted to major concerns to demonstrate what a senior revenue management professional does.

A consistent issue of discussion at the roundtables was the dearth of quality talent. So it was unexpected that more than eight of 10 respondents spend less than 25% of their time on human resource management and more than two-fifths (41%) of all respondents spend less than 10% of their time per week on personnel related matters. There are at least two possible explanations for this: 1. The issue has not abated but is delegated to others within revenue management, or 2. New tactics have been implemented and are yielding positive results. Whatever the reason, this is allowing senior revenue management professionals to focus on direct discipline and enterprise-related issues.

The fact that nearly three-fifths of respondents spend 25% to 49% of their time on revenue management planning and forecasting (57%) and strategy to drive revenue and growth (59%) affirms the discipline’s reputation for a systematic and rigorous approach to problem-solving. But, it is a common shortcoming (aging technology, unconnected applications) throughout the industry that technology applications consume 10 to 24 percent of more than half the respondents’ (55%) time during the week. Nearly two-fifths (39%) of respondents spend less than 10% of their time per week on other issues while more than two-fifths (41%) report they spend 10 to 25% of their time on other issues.

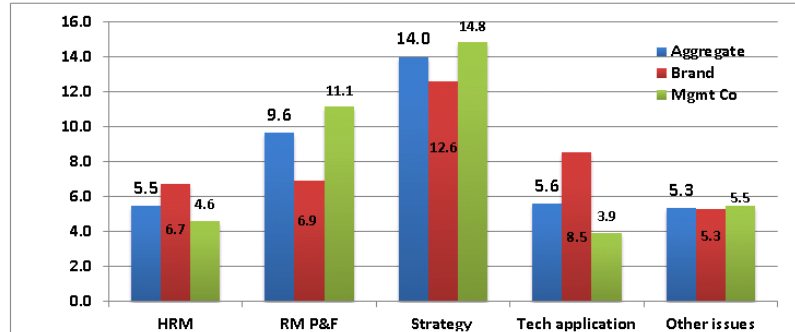
**Table 10: Amount of Time Spent per Area**

	0%	1-9%	10-24%	25-49%	50-74%	75+%
<b>HRM n=44</b>	<b>7%</b>	<b>36%</b>	<b>41%</b>	<b>11%</b>	<b>5%</b>	<b>0%</b>
Brand n=15	7%	20%	53%	13%	7%	0%
Management Company n=29	7%	45%	34%	10%	3%	0%
<b>Revenue Management n=44</b>	<b>7%</b>	<b>9%</b>	<b>25%</b>	<b>57%</b>	<b>2%</b>	<b>0%</b>
Brand n=15	20%	7%	33%	40%	0%	0%
Management Company n=29	0%	10%	21%	66%	3%	0%
<b>Strategy n=44</b>	<b>2%</b>	<b>0%</b>	<b>18%</b>	<b>59%</b>	<b>18%</b>	<b>2%</b>
Brand n=15	7%	0%	27%	53%	13%	0%
Management Company n=29	0%	0%	14%	62%	21%	3%
<b>Technology Application n=44</b>	<b>5%</b>	<b>27%</b>	<b>55%</b>	<b>9%</b>	<b>0%</b>	<b>5%</b>
Brand n=15	0%	20%	53%	13%	0%	13%
Management Company n=29	7%	31%	55%	7%	0%	0%
<b>Other Issues n=44</b>	<b>14%</b>	<b>25%</b>	<b>41%</b>	<b>18%</b>	<b>2%</b>	<b>0%</b>
Brand n=15	33%	20%	27%	13%	7%	0%
Management Company n=29	3%	28%	48%	21%	0%	0%

The chart below presents a snapshot of the average number of hours spent per week on each area. Using the standard 40-hour week, the majority of time (14 hours) is allocated to strategy to drive revenue and growth and to revenue management planning and forecasting (9.6 hours). The remaining time is closely clustered between the three other areas with 5.6 hours on technology application, 5.5 hours on human resource management, and the

remaining 5.3 hours on other issues. Interestingly, management company respondents spend more time on strategy to drive revenue and growth and revenue management forecasting and planning than brand respondents, who spend more time on technology applications than their counterparts.

**Chart 1: Average Number of Hours Per Week Per Area**



### 7. Which strategic change will be the MOST important within your area over the next three years?

Recognizing that revenue management must evolve, participants were asked to select the MOST important strategic change in their area that they predicted would occur over the next three years. The intent of the question was to frame the next steps for the discipline. The five choices were:

- Aligning revenue management with IT
- Consolidating revenue management into business strategy
- Fully integrating revenue management with sales and marketing
- Moving beyond revenue management to predictive analytics
- Other

Moving beyond revenue management to predictive analytics was the choice of two-fifths (40%) of respondents as the most important strategic change in their area over the next three years. Nearly one-quarter (24.4%) selected fully integrating revenue management with sales and marketing closely followed by consolidating revenue management into business strategy (22%). Less than one-tenth (9%) chose other, while aligning revenue management with IT was selected as the least important strategic change among revenue leaders (see Table 11).

**Table 11: Strategic Change Over the Next Three Years**

	Aggregate n=45		Brand n=16		Mgmt Co n=29	
Aligning RM with IT	2	4%	1	6%	1	3%
Consolidating RM into business strategy	10	22%	5	31%	5	17%
Fully Integrating RM with sales & marketing	11	24%	3	19%	8	28%
Moving beyond RM to predictive analytics	18	40%	5	31%	13	45%
Other	4	9%	2	13%	2	7%

Arranging the choices into a ranking from one to five demonstrates the difference between the subsets. The brand respondents equally ranked *moving beyond revenue management to predictive analytics* and *consolidating revenue management into business strategy* as the number one change, which moved *fully integrating revenue management with sales and marketing* into third place (see Table 12).



**Table 12: Ranking of Most Important Strategic Change over next 3 Years**

	Aggregate n=45	Brand n=16	Mgmt Co n=29
Moving beyond RM to predictive analytics	1	1	1
Fully integrating RM with sales & marketing	2	3	2
Consolidating RM into business strategy	3	1	3
Other	4	4	4
Aligning RM with IT	5	5	5

The “Other” Category produced four responses (see Table 13), two of which could be subsumed under the categories provided, with *fully integrate revenue management with sales, marketing and ecommerce* included with *fully integrating revenue management with sales & marketing*, and *centralizing property revenue management decisions* aligned with *consolidating revenue management into business strategy*.

**Table 13: Responses to the Other Category**

Brand	Attribute pricing, the convergence of traditional segments & channel strategy
Brand	Centralizing property revenue management decisions
Mgmt Co	Fully integrate revenue management with sales, marketing & ecommerce
Mgmt Co	Hybrid role of revenue strategy and digital marketing

## 8. What must happen for your selection in question 7 to come to fruition?

To accomplish the strategic change determined in question 7, respondents were asked to explain what must happen, and the 45 replies range from large-scale actions to quite focused tactics. The macro themes target the need for increased deployment of revenue management throughout the organization and the alignment of revenue management goals with enterprise goals. The micro or tactical changes highlighted common long-standing issues of antiquated property management systems and limited revenue management expertise among property-level professionals, specifically the GM, DOS and DOM.

A complete list of the responses to each of the five strategic changes is organized by subset in table 14 below. According to respondents, regardless of affiliation, to realize *moving beyond revenue management to predictive analytics* will require comprehensive improvement in the quality of data produced throughout the enterprise. Additional investment in technology is necessary to achieve an increase in the quality of data (consistency, reliability, and accessibility). The ability or inability of non-revenue professionals to appropriately utilize data is inferred from the responses to be the crucial element in achieving this change.

To solve the issue of *fully integrating revenue management with sales and marketing*, respondents highlight the inevitable end result of the inclusion of revenue management as an authoritative component of the business of hotels. Revenue management provides a disciplined approach to traditional methods used to sell, market, and engage customers, and in doing so has altered operational patterns and long-standing business methods. With revenue management as the disrupter, the stage is set for an operational and organizational transformation raising the strategic value of sales and marketing.

The third critical change is *consolidating revenue management into business strategy*. The end goal for this change is a cohesive, comprehensive revenue management driven business strategy, which elevates the hiring of a new type of hospitality professional to a high priority. Such a professional would possess a predominance of



“left brain” characteristics: logic, analysis, facts, and practicality. Combined with the move to predictive analytics, these dual actions will structurally change the nature of the industry over the next five years.

**Table 14: Actions necessary to accomplish strategic change**

<p><b>Aligning Revenue Management with IT</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ We [are moving] in the right direction.</li> <li>▪ RM &amp; Enterprise Analytics...create a fusion between the two departments.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Keeping up with the ever-changing ecommerce &amp; distribution landscape, as it pertains to positioning &amp; capture via the most profitable channels.</li> </ul>
<p><b>Consolidating Revenue Management into Business Strategy</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Additional team members to take care of administrative areas so S&amp;M &amp; Revenue leaders focus on priority synergies.</li> <li>▪ Full understanding of new RMS Tool. Improved sophistication of system capabilities with hotel P&amp;L statements.</li> <li>▪ New skill sets for GM's, DOSM's &amp; Revenue Leaders.</li> <li>▪ Revenue Management will drive commercial strategy of the business.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Exec team provide more air cover to avoid large distractions with minute-to-minute asset manager questions about strategy providing more time for analytics &amp; forward looking business development.</li> <li>▪ To continue to hire Strategic, Analytical Minds &amp; not mere hospitality folks that know an RMS.</li> <li>▪ IT alignment, Senior Management Alignment &amp; GM Training.</li> <li>▪ More resources (staffing).</li> <li>▪ Topline &amp; Financial planning must merge or cohabitate in some way.</li> </ul>
<p><b>Fully Integrating Revenue Management with Sales &amp; Marketing</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Implementation of improved RM system &amp; holistic representation in marketing business goals.</li> <li>▪ Increased recognition that RM is the driver of business strategy at hotel &amp; corporate level.</li> <li>▪ RM better equipped to drive the business forward using data, analytics &amp; strategic thinking.</li> <li>▪ Long term goal that requires research, development, technology &amp; business alignment across multiple departments.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ A culture change in our organization (2) recognizing RM on it's own vs. reporting to sales.</li> <li>▪ A holistic vision to channel strategy as the mentality of profitability to be more prominent when reviewing strategies (&amp; results).</li> <li>▪ Expanded market intelligence to deal with new disruptive models. Currently not traceable for demand predictions &amp; are forming new booking behaviors.</li> <li>▪ Alignment within organizations where S&amp;M/RM team is working together &amp; understand overall revenue strategy for a hotel.</li> <li>▪ Continuation of system integration for data aggregation &amp; product distribution.</li> <li>▪ Continued evolution of technology, sales processes &amp; training.</li> <li>▪ S&amp;M reporting to RM under a one-team approach as sales is becoming one of many distribution channels and marketing especially digital with cost of acquisition rising managed by room.</li> <li>▪ Significant changes in company philosophy as to how individual pieces of business are evaluated &amp; in the bidding process as to if &amp; what to bid.</li> </ul>
<p><b>Moving beyond Revenue Management to Predictive Analytics</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Better consolidation &amp; evolution of analytics that have RMs focusing on consumer behavior.</li> <li>▪ Finding the right partners in our business units who are willing to take a chance on some new techniques.</li> <li>▪ More investment (2) in technology.</li> <li>▪ Customer data needs to reside with systems data to easily make correlations &amp; draw conclusions [leading to] faster, more frequent testing cycles towards continuous improvement.</li> </ul>

	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Availability of better data, both historic &amp; future looking, including detailed segmentation &amp; alternative lodging.</li> <li>▪ Efficient access to relevant data, development of strategic analyst role(s), full integration of marketing with RM.</li> <li>▪ Ensure all stakeholders agree on the goal &amp; systems are efficiently integrated to produce the correct data.</li> <li>▪ Full interfacing of systems &amp; implementation of a RMS.</li> <li>▪ Further developing my team &amp; the other hotel team members involved in RM process to view beyond traditional RM practices.</li> <li>▪ Further elevation of the discipline – part of leadership team, report to GM directly &amp; manage revenue for ALL areas.</li> <li>▪ Implementation of streamlined technology with real time data seamless integration, uniform across multiple brand systems &amp; nomenclature. Improved integration of data from multiple sources.</li> <li>▪ Better modeling tools.</li> <li>▪ IT issues stabilized to provide better BI. Invest in better BI products to expand information on marketplace trends, etc.</li> <li>▪ IT issues resolved, better algorithms developed.</li> <li>▪ Technology investment.</li> <li>▪ Understand what is most important to measure &amp; how to integrate systems seamlessly.</li> </ul>
<p><b>Other</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Executive buy-in &amp; progress on predictive analytics.</li> <li>▪ Deconstruct pricing &amp; launch new system to enable attribute pricing.</li> <li>▪ Need to look at segmentation &amp; channels very differently. Industry must move beyond 90s approach &amp; create segmentation &amp; pricing for each individual.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ The industry recognizes eMarketing/Digital as a new dedicated discipline. Tie 3 disciplines together to be more coherent &amp; allow better execution of all disciplines.</li> <li>▪ Currently a disconnect between Revenue Management, Sales, Marketing &amp; Ecommerce.</li> </ul>

### 9. Rank the following skills in order of importance to success in your current position.

Respondents were asked to rank ten skills: analytical or critical thinking, business acumen, communication and presentation, data mining and analysis, economic forecasting, negotiations, planning, relationship building, strategic analysis, and technology integration in order of importance to success in their current position. Using a five-point scale respondents were asked to rank the level of importance of each skill to their success:

- Unimportant
- Of little importance
- Moderately important
- Important
- Very important

None of the skills were considered **unimportant** and only four respondents indicated the skills were **of little importance** with data mining and analysis identified by one respondent, negotiations by two, and technology integration by one.

Economic forecasting was selected by nearly half of respondents (49%) as a **moderately important** skill followed by data mining and analysis (28%) and negotiations (26%). Nearly half (49%) selected negotiations and



relationship building as the two most **important** skills. Analytical or critical thinking was deemed the top skill for all with 86% selecting it as **very important**. Seventy percent of respondents ranked business acumen and strategic analysis as the second ranked **very important** skill. This was followed by communication and presentation, ranked just behind at 69%. The table below provides the priority ranking from **moderately important** to **very important** for each of the skills.

**Table 15: Priority Rankings of Skills**

	Moderately Important			Important			Very Important		
	Aggregate	Brand	Mgmt Co	Aggregate	Brand	Mgmt Co	Aggregate	Brand	Mgmt Co
Analytical or critical thinking	0%	0%	0%	14%	20%	11%	86%	80%	89%
Business acumen	2%	0%	4%	28%	27%	29%	70%	73%	68%
Communication & presentation	0%	0%	0%	31%	27%	33%	69%	73%	67%
Data mining & analysis	28%	33%	25%	42%	33%	46%	28%	27%	29%
Economic forecasting	49%	73%	36%	37%	20%	46%	14%	7%	18%
Negotiations	26%	7%	36%	49%	60%	43%	21%	33%	14%
Planning	9%	13%	7%	28%	20%	32%	63%	67%	61%
Relationship building	7%	0%	11%	49%	47%	50%	44%	53%	39%
Strategic analysis	0%	0%	0%	30%	20%	36%	70%	80%	64%
Technology integration	23%	20%	25%	44%	47%	43%	30%	33%	29%

Six skills are recognized by more than 90% of respondents as **important** or **very important** which provides clear direction to the abilities and type of work performed by senior revenue executives. Of the six skills, half (analytical or critical thinking, communication and presentation, strategic analysis) were identified by all respondents as **important** or **very important**. The other three skills follow closely with business acumen at 98%, relationship building at 93%, and planning at 91%. One skill, economic forecasting, received the lowest rating; however at 51% is still considered by a majority to be a valuable skill for success.

**Table 16: Skills that are important and very important to success**

Skills	Aggregate	Brand n=15	Mgmt Co n=28
Analytical or critical thinking	1	1	1
Communication and presentation	1	1	1
Strategic analysis	1	1	1
Business acumen	4	1	4
Relationship building	5	1	6
Planning	6	7	5
Technology integration	7	8	8
Data mining and analysis	8	9	7
Negotiations	8	6	10
Economic forecasting	10	10	9



## 10. What is the MOST challenging aspect of your current position?

Respondents were asked to identify the most challenging aspect of their current position. Forty-two replies are organized below into five categories: *acquiring needed knowledge*; *advancing the thinking and decision making in related disciplines*; *elevating the strategic application of data throughout the enterprise*; *expanding the talent pool and abilities*; and *varied and discrete challenges*. The categories broadly represent challenges that influence current and near-term success on both a career and enterprise level. The assimilation of current information and trends, the refinement of strategic application of data, and the rapid expansion of scientific analysis as the basis of decision making are structural and connective progressions challenging every aspect of the hotel industry (see Table 17).

Two categories of challenges are of paramount concern to respondents: *advancing the thinking and decision making in related disciplines* which had 12 replies (29%), and *elevating the strategic application of data throughout the enterprise* followed closely with 11 (26%). Both categories reflect the ongoing conflict within an industry transitioning from a hospitality and service ethos to a bottom-line performance mentality.

**Table 17: Most challenging aspects of current position**

	Aggregate n=42		Brand n=15		Mgmt Co n=27	
<b>Acquiring needed knowledge</b>	7	17%	0	0%	7	26%
<b>Advancing the thinking &amp; decision making in related disciplines</b>	12	29%	7	47%	5	19%
<b>Elevating the strategic application of data throughout the enterprise</b>	11	26%	4	27%	7	26%
<b>Expanding the talent pool &amp; abilities</b>	6	14%	1	7%	5	19%
<b>Varied &amp; discrete challenges</b>	6	14%	3	20%	3	11%

When the individual responses are placed into the categories, a detailed view of brand versus management company challenges can be detected (see Table 18). Among the management companies two categories: *acquiring needed knowledge* and *elevating the strategic application of data throughout the enterprise* are of equal concern. Interestingly, only the respondents from management companies identified *acquiring needed knowledge* as a challenge. While the absolute reason for this is unknown, management companies should examine the extent to which knowledge is readily exchanged and available throughout their organizations. Such a gap is likely to affect overall success in quantifiable fashion. Brands, however, were focused on challenges related to *advancing the thinking and decision making in related disciplines*. Specific responses provided in the table below identify the protracted battle between contemporary hotel management and preceding practices.

The category, *elevating the strategic application of data throughout the enterprise*, details the struggle occurring everywhere in the industry: how to replace legacy systems (machines, software, and culture) that impede the integration of data throughout the organization. Legacy systems provide tacit license for property and discipline leadership to continue working in silos and delay changing the manner in which business is conducted.



**Table 18: Categories with Individual Responses**

<p><b>Acquiring needed knowledge (management company only)</b></p>	<ul style="list-style-type: none"> <li>▪ Identifying future trends (either economic, technological, or customer behavior) &amp; ensuring our strategies are set up to get in front of them (2).</li> <li>▪ Keeping up with the ever-changing &amp; competitive ecommerce &amp; distribution landscape (3).</li> <li>▪ Keeping up with the newest policies of each brand &amp; the speed at which systems change; we must be nimble &amp; able to ensure our team has a solid demonstration of understanding. Staying educated on brand programs &amp; technologies that impact my teams in the field to ensure they maximize revenue opportunities for the hotels in my region.</li> </ul>
<p><b>Advancing the thinking and decision making in related disciplines</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Aligning our long-term vision for revenue management with that of the company senior executives.</li> <li>▪ Communicating &amp; generating understanding of pricing strategies across leadership &amp; to the consumer.</li> <li>▪ Determining the best way to present changes to top executives for quick decision making.</li> <li>▪ Getting operations to realize that the world has changed and they must operate differently.</li> <li>▪ Getting properties to adopt new strategic direction.</li> <li>▪ Influencing decisions in other departments that impact the top line.</li> <li>▪ Uplifting the skills of our GM's, DOSM's, and Revenue Leaders.</li> <li>▪ RM trying constantly to prove itself within the business.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Must overcome old way of thinking of department heads that are not used to Revenue Manager getting involved in their respective areas.</li> <li>▪ Dealing with hundred plus hotels across multiple brand families &amp; multiple management companies while everything I do is a "recommendation" so very reliant on persuasion.</li> <li>▪ Figuring out how best to work with counterparts in sales &amp; marketing to work as a team to drive optimal results.</li> <li>▪ Having sales understand the new revenue management.</li> <li>▪ Shifting organizational philosophy away from a tendency to bid on every piece of business presented; the "bird in the hand" mindset results in bookings that should not have been taken and that later block better bookings from being taken.</li> <li>▪ Working with the analyst team to dialogue on strategy takes time that is not currently in the mix. The time needed is spent chasing down asset manager questions on daily minutia. Decisions have to be made daily on whom to give the time too. The wrong choice is made when the loudest asset manager wins.</li> </ul>
<p><b>Elevating the strategic application of data throughout the enterprise</b></p>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Balancing analytical rigor with business application.</li> <li>▪ Balancing basic administrative needs with strategy across digital, sales, loyalty, &amp; brand marketing needs.</li> <li>▪ Showing the way for the analytics to tell the story and convincing those that are NOT analytical that we are telling the truth; people tend to want to change 'averages' instead of looking at root cause.</li> <li>▪ Struggle to make non-proprietary systems work together.</li> <li>▪ Technology integration.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Balancing multiple priorities for various stakeholders; keeping focused on lead measures that will influence future results rather than on reporting out past results.</li> <li>▪ Big Data and how to process it assertively, efficiently, and quickly to make fast strategic analyses/decisions versus the fragmentation of strategies in revenue generating disciplines (Sales, Revenue Management, and Outlets).</li> <li>▪ Pulling together applicable data into user-friendly tools.</li> <li>▪ Creating a more standardized approach to basic tasks without limiting entrepreneurial opportunities (e.g., taking the time to review data from many views &amp; yet still pulling the information back to core approaches to revenue management when making decisions).</li> <li>▪ Data is slightly lagging &amp; too many systems with incompatible tracking across multiple brands; everybody should now be using segment tracking as defined in the 11th edition [of USALI] &amp; none of the major brands have conformed their data or systems to this.</li> </ul>

<b>Expanding the talent pool and abilities</b>	<ul style="list-style-type: none"> <li>Struggle with integrating the systems with each other to prevent critical data being kept in silos. Current technology does not enable analysis of the data currently available; too many occasions putting up with technical issues.</li> </ul>
	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>Finding talent</li> </ul>
	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Acquiring &amp; developing talent that can reel in the multitude of data, analyze it &amp; develop an effective strategy based on the information.</li> <li>Huge disparity between "A" players &amp; others, gone are the days of reservations offices where bench strength could be developed.</li> <li>Our analysts aren't our strategists &amp; vice versa; it is difficult to find &amp;/or develop people that can do both effectively.</li> <li>Don't have the manpower to be on all of the distribution channels want to be on; our direct channels are weak as far as capability of our websites &amp; skill level of our call center.</li> </ul>
<b>Varied and discrete challenges</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>Enhancing the brand image to drive superior revenue and increasing the development pipeline.</li> <li>Not managing our hotels &amp; moving more into a franchise world.</li> <li>Too many meetings, good to be involved in everything but not enough time in the day to do actual work.</li> <li>Time spent putting out fires rather than planning and analysis.</li> <li>Getting bombarded constantly with vendor requests for meetings and trying to sell us products is extremely annoying.</li> </ul>
	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>Cutting through politics to move the strategic vision.</li> <li>Involved in so many areas (acquisitions, management pitches, oversight of hotel strategy, owners relationship, market forecasts/overviews, marketing, e-commerce, CRM, distribution deals, recruiting, developing talent, budgets, new technology, revenue strategy) there is not enough time.</li> <li>The seasonality of my properties and their environment.</li> </ul>

### 11. What aspect of your current position would you MOST like to eliminate from your responsibilities?

Respondents were asked what current duty they would most like to eliminate from their portfolio and overwhelmingly (65%) wanted to jettison *organizational and operational* aspects of their job. Interestingly the second choice among of respondents (20%) is that *nothing* should be eliminated from their responsibilities. This could indicate job satisfaction or it could indicate concern over what might be added. Just one other area, *IT issues*, was identified by 15% of respondents and is solely the concern of management company respondents (see Table 19).

**Table 19: Eliminating a duty from current responsibilities**

	Aggregate n=40		Brand n=14		Mgmt Co n=26	
<b>IT Issues</b>	6	15%	0	0%	6	23%
<b>Nothing</b>	8	20%	4	29%	4	15%
<b>Organizational &amp; Operational Aspects</b>	26	65%	10	71%	16	62%



Of the 40 replies concerning the duties they would like eliminated, the number one aspect, *organizational and operational*, provides an appreciation of the advancement of revenue management as a discipline but highlights the ongoing struggle to keep pace with what is occurring in other areas. Specific responses in the table below identify the tactical aspects of senior revenue professionals' jobs that may have been necessary a few years ago but now should be the purview of others. This reaction highlights the 20<sup>th</sup> century approaches that still dominate the management of properties and drive the interconnected areas of sales, marketing, and distribution. Anachronistic reporting processes are a root problem across the industry setting off a chain reaction that reinforces dated approaches and delays the transition to organizations reliant on knowledge-based decision making.

Continuing a theme that has emerged in many areas of the survey, the expansion of revenue management principles throughout the organization reflects the need for change within other areas, of which IT is a great example. Respondents identified the need for a dedicated revenue management professional to be merged into IT. The anticipated result would include proactively address software challenges, thereby diminishing the time spent by respondents educating IT as well as caring for technical matters.

**Table 20: Individual Responses Organized by Category**

<b>IT (management company only)</b>	<ul style="list-style-type: none"> <li>▪ IT as it relates to system setup (2):             <ul style="list-style-type: none"> <li>○ IT departments need to be educated and adept at keeping all applications running and installing proper updates across the many brand platforms. They all need different JavaScript, different web browsers, different plugins, etc.</li> <li>○ Going through complete portfolio of hotels to determine focus areas.</li> <li>○ Would rather have a dashboard.</li> <li>○ Manual manipulation of reports.</li> <li>○ Need automated core group of predictive reporting tool kit to help properties make better, more strategic, decisions.</li> </ul> </li> <li>▪ Integration (4):             <ul style="list-style-type: none"> <li>○ There should be a business owner in IT owning all RM application; Issues are time consuming need a dedicated IT person for Revenue &amp; system integrations (2).</li> </ul> </li> </ul>
<b>Nothing</b>	<p><b>Brand (4)</b></p> <ul style="list-style-type: none"> <li>▪ I need more, not less.</li> </ul> <p><b>Management Company (4)</b></p> <ul style="list-style-type: none"> <li>▪ We don't have items on our plate that don't belong.</li> </ul>
<b>Organizational &amp; Operational Aspects</b>	<p><b>Brand (9)</b></p> <ul style="list-style-type: none"> <li>▪ Basic administrative distractions (7):             <ul style="list-style-type: none"> <li>○ Approving every invoice associated with current contracts.</li> <li>○ Deal too much with tactical levers due to a flat organization.</li> <li>○ Dealing with vendors.</li> <li>○ Getting hotels to pay for services.</li> <li>○ Operations aspects of the call center.</li> <li>○ Pushing other departments on the quality of their top-line analytics.</li> </ul> </li> <li>▪ Requests for "nice to have" analysis that solves someone's curiosity, but doesn't drive EBITDA. Or similarly, analysis requested to cover someone's butt.</li> <li>▪ Heavy reliance on Excel as a reporting and sometimes analysis tool. It bogs us down and keeps us from gaining true insight.</li> <li>▪ Global sales project overhauling how we price, which changes contracts, communications, marketing efforts, technology, etc.</li> </ul> <p><b>Management Company (13)</b></p> <ul style="list-style-type: none"> <li>▪ All the time 'wasted' answering frivolous investor questions.</li> <li>▪ Anything that creates more efficient reporting (3).             <ul style="list-style-type: none"> <li>○ Often requested reports are more a function of a different format than different content.</li> <li>○ Piecing together pertinent data in determining true ROI.</li> <li>○ To eliminate the repetitive tasks and manual reporting and spending time fact-</li> </ul> </li> </ul>

- checking reports.
- Still heavily involved in day-to-day hotel revenue strategies so need more regional positions.
- Need to focus completely on driving revenue versus taking the time drilling in to fees and costs & house profit.
- Monthly review meetings that only review past results.
- Group quotes:
  - Individual rate definitions.
  - Primarily a "group house" organization, and individual & transient make up a small percentage of our business. The focus should be on business evaluation & making sure we are bidding on the "right" business as opposed to any business.
- Human resource responsibilities (4):
  - Managing direct reports.
- OTA management.

## 12. What one responsibility would you MOST like to add to your current responsibilities?

Respondents were asked to identify the one responsibility they would most like to add to their current duties. Brand respondents demonstrate considerable agreement about the additional areas they desired to become part of their portfolio: *marketing and/or sales* (38%), *distribution* (31%), and *strategic planning* (31%). There is less focus among management company respondents with the foremost additional area *marketing and/or sales* (39%), followed by *strategic planning* (26%), and *development and acquisition* and *nothing* both at 13% (see Table 21).

Of the 36 replies, the number one new responsibility preferred is leading *marketing and/or sales*. Overwhelmingly, those working for brands want oversight of the sales area in order to direct decision making based on analytics for the express purpose of increasing profitability. For those working for management companies, the foremost reason is to control marketing strategy and digital marketing. The rationale given for assuming responsibility for sales and marketing is to increase overall accountability. The second most desired new responsibility falls under the category *strategic planning* with those working for brands clearly wanting a greater voice in company strategy, while management company respondents are seeking input into oversight of performance including better reporting and growing auxiliary revenue. Eight percent (all from management companies) indicated they wanted nothing additional added to their duties and a management company respondent requested the addition of training to their responsibilities.

**Table 21: Adding one responsibility to duties**

	Aggregate n=36		Brand n=13		Mgmt Co n=23	
<b>Development &amp; Acquisition</b>	3	8%	0	0%	3	13%
<b>Development of training</b>	1	3%	0	0%	1	4%
<b>Marketing and/or Sales</b>	14	39%	5	38%	9	39%
<b>Distribution</b>	5	14%	4	31%	1	4%
<b>Nothing</b>	3	8%	0	0%	3	13%
<b>Strategic Planning</b>	10	28%	4	31%	6	26%

Specific responses in the table below are grouped by area and delineate the variation between the brands and management companies. Adding distribution is far more important to brand responders (31%) than management



companies (4%) while only management companies are interested in acquiring responsibility for development and acquisition activities.

**Table 22: Individual Responses Organized by Category**

<b>Development &amp; Acquisition</b>	<p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ More involved in market analysis on the development side.</li> <li>▪ Feasibility &amp; asset acquisition &amp; disposition decision making.</li> <li>▪ Responsible for all underwriting.</li> </ul>
<b>Marketing &amp;/or Sales</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Directing (not just influencing) digital marketing spend.</li> <li>▪ Management of the Sales Force (6).</li> <li>▪ Responsibility for sales analytics.</li> <li>▪ When decisions are made in sales that do not support the overall revenue strategy, the accountability is in the wrong area.</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Marketing (7): <ul style="list-style-type: none"> <li>○ More full time responsibility for marketing strategy (2).</li> <li>○ Digital Marketing (2).</li> </ul> </li> <li>▪ Oversight of sales; Bid review &amp; evaluation prior to submission to potential clients.</li> <li>▪ Sales &amp; Marketing (3): <ul style="list-style-type: none"> <li>○ Further RM influence to set priorities for digital, brand, sales &amp; loyalty, more tightly working together to ensure the same focus areas.</li> </ul> </li> </ul>
<b>Distribution</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ Electronic Distribution (4): <ul style="list-style-type: none"> <li>○ So much overlap to distribution &amp; RM, it must be managed holistically.</li> <li>○ Own the online booking engine.</li> <li>○ We struggle with the fact that distribution starts at the rate-engineering phase.</li> </ul> </li> <li>▪ Meta search contracts</li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ RM &amp; Ecommerce are merging more and more each year; include e-Commerce under RM &amp; renamed Business Strategy</li> </ul>
<b>Strategic Planning</b>	<p><b>Brand</b></p> <ul style="list-style-type: none"> <li>▪ A larger voice in company direction (4): <ul style="list-style-type: none"> <li>○ Enterprise wide reporting, want to be able to build a consolidated data strategy &amp; implement more flexible BI tools.</li> <li>○ Overseeing &amp; developing analytical support.</li> <li>○ Using available data/analytics to drive toward better conversion, new business development &amp; improved profitability.</li> </ul> </li> </ul> <p><b>Management Company</b></p> <ul style="list-style-type: none"> <li>▪ Drive industry technology to report the right data &amp; REAL ROI.</li> <li>▪ Have a larger impact in ancillary revenue streams.</li> <li>▪ Oversight in long term planning &amp; performance of our brands or assets from a holistic perspective.</li> <li>▪ Integrate Market share into GM's bonus plans.</li> </ul>

### Comparison of Responses of Brand to Management Company

Comparing the two subsets, brand and management company revenue management professionals, raises the question – where are their greatest differences and agreements? The demographic differences (questions 1, 2, 4, and 5) are best described by creating a brand versus management company revenue professional profile. The profiles present contrasting elements perhaps reflective of the structural differences, such as whether the company is publicly or privately held, the number and/or type of properties in the portfolio, or the age and/or origins of the company.



#### Brand revenue professionals:

- Are more likely to be in senior level positions (nearly one-third) and more than half are vice presidents;
- Have less tenure in their current position (more than three-fourths are in position less than 5 years);
- Report to C-suite executive (94% to Senior Vice President or higher);
- All have a four-year college degree with 44% having earned a graduate degree or higher.

#### Management company revenue professionals:

- Are more widely dispersed throughout the company hierarchy with one-third of respondents in middle to lower management positions;
- Have greater tenure in their current position (more than two-fifths are in position five years or more);
- Report to a broader range of the hierarchy with nearly a quarter of respondents' supervisors at the Vice President level or lower;
- Perhaps representative of the experience trumps education school, 18% do not have an undergraduate degree and 22% have a master's degree.

The remaining questions (6 through 12) were a combination of scale (ordinal and interval) and open-ended. Two questions (7 and 9) were discussed in the main narrative and so no further analysis is provided.

"There is never enough time to..." is a universal complaint of most professionals, which in turn begs the question "what do you spend your time doing?" Revenue Management professionals were asked (question 6) to indicate how much time they spend in an average week on five broad areas: human resource management; revenue management planning and forecasting; strategy to drive revenue and growth; technology application; and other issues. The two greatest differences between the subsets was the time spent on technology applications by the brand versus management company revenue professionals. Brand professionals spend 21.3% of their week or 8.5 hours to less than half that for management company professionals at 4 hours (10%). Management company revenue professionals spend 11 hours (28%) of their week on revenue management planning and forecasting – slightly four hours more than the brand professionals (17.3%).

The positioning of the two groups relative to question 7 (Which strategic change will be the MOST important within your area over the next three years?) is covered in the narrative. However, comparing the responses to question 8 (What must happen for your selection in question 7 to come to fruition?) provides an interesting agreement among the subsets that provides a clear roadmap for any revenue management leader pondering change. Whichever of the four responses (aligning revenue management with IT; consolidating revenue management into business strategy; fully integrating revenue management with sales and marketing; moving beyond revenue management to predictive analytics) was chosen, there was near universal agreement that it's all about *better* access to *better* data for *better* results. To accomplish this both groups agree it will require increased investment in technology, a shift from hiring property and corporate executives who are hospitality oriented to those who are analytical thinkers, and the realignment of the corporate hierarchy with Revenue Management leading the formation and implementation of business strategy based upon predictive analytics and critical thinking. An organizational and cultural change of this magnitude will not occur in the short-term and will only be realized by leadership that fully perceives that the transition from hospitality business to the business of hotels is rooted in analytics and modeling.

When reviewed across the board, replies to question 10 "What is the MOST challenging aspect of your current position?" identifies a decided split between the two subsets. Two-thirds of brand revenue management professionals report changing the thinking and approach by property and corporate level professionals as their greatest challenge. Whether working with operations, sales and marketing, or senior leadership, reshaping the direction of thinking about business strategy, routinely employing analytics in decision making, and/or adjusting the relationship of revenue management to long-term vision, brand revenue management professionals recognize

what they are up against in their efforts to overhaul an outmoded system. Management company revenue professionals’ responses were distributed among four major challenges: first was the thinking and approach by property and corporate level professionals (41%), second technology limitations and subsequent problems (22 %), and third a tie with 15% identifying lack of quality talent and 15% focused on the evolution of distribution.

Brand revenue management professionals’ responses to the question “What aspect of your current position would you MOST like to eliminate from your responsibilities?” were exceedingly uniform (89%) in highlighting the ongoing struggle to modernize systems to eliminate repetitive, time consuming reporting tasks. By comparison, their management company colleagues presented three major headaches (repetitive reporting tasks, technology integration, and human resource issues) consuming an inordinate amount of time and creating consistent levels of aggravation.

An analysis of the responses to Question 12 “What one responsibility would you MOST like to add to your current responsibilities?” provides an interesting difference between the two subgroups. First, the identified added responsibilities from both subsets were more (62%) tactical in nature (i.e., bid review and evaluation prior to submission to potential clients) than strategic (i.e., Sales and Marketing including e-commerce should be wrapped under Revenue Management and the new department renamed...Business Strategy). Second, the management companies’ responses that were strategic in nature were by far more focused on responsibilities beyond the normal purview of revenue management, perhaps demonstrating a more entrepreneurial character or decentralized nature of management companies versus brands. The far-ranging strategic responsibilities included:

- Feasibility and asset acquisition and disposition decision making;
- Responsible for all underwriting at my company;
- Strategic planning and new business development;
- Being more involved in market analysis on the development side;
- Oversight in long term planning and performance of our brands or assets from a holistic perspective.

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## About HSMAI

The Hospitality Sales and Marketing Association International (HSMAI) is committed to growing business for hotels and their partners, and is the industry's leading advocate for intelligent, sustainable hotel revenue growth. The association provides hotel professionals & their partners with tools, insights, and expertise to fuel sales, inspire marketing, and optimize revenue. [www.hsmmai.org](http://www.hsmmai.org)

- [Revenue Optimization Conference \(ROC\)](#)
  - AsiaPacific | November 15, 2016 | Bangkok
  - Europe | March 29-30, 2017 | Amsterdam
  - Americas | June 28, 2017 | Toronto, Ontario, Canada
- [HSMAI's ROCET \(Revenue Optimization Continued Education & Training\)](#)
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- [Certified Revenue Management Executive \(CRME\)](#)
- [Chief Revenue Officer Executive Roundtables](#) (by invitation only)
- [The Evolving Dynamics of Revenue Management: A Comprehensive Roadmap for Hotel Owners, Operators, and Practitioners, 2nd Edition](#)

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**Dr. Lalia Rach, Ed.D., Founder and Partner of Rach Enterprises**, is a trusted business consultant, experienced moderator, and professional keynote speaker. Her approach to generating and interpreting trends and strategies makes her not only a trusted advisor to senior level executives at many of America's leading companies but also a source of motivational inspiration to employees searching for originality and reality.

Lalia guides her audience toward achievable success by creating and maintaining an atmosphere that supports creativity, flexibility, and measured risk taking. A proven innovator, she specializes in dynamic leadership strategies and comprehensive team building methods as they relate to socioeconomic and technological trends, and other areas of concern among business professionals.

Her considerable knowledge and experience is evident whether she is working with one or a thousand professionals, but it is her genuine ideas and uncommon sense that make her a respected visionary. With a resume that blends education with an impressive professional background and memberships in some of the most prestigious and well-respected associations her approach to business issues is clearly defined. Rather than rely on hype or hyperbole to create enthusiasm she establishes an environment of cooperation designed to achieve success through pragmatic examples and a forthright clarity that is refreshingly honest and useful.

Lalia's background includes leading some of the world's top hospitality and tourism programs at the university level. Most recently she was Associate Dean of the College of Management and Director of the School of Hospitality Leadership at the University of Wisconsin-Stout in Menomonie, Wisconsin. Previously Lalia was the divisional dean and endowed professor at the New York University Preston Robert Tisch Center for Hospitality, Tourism and Sports Management.