Show Me the Money! Notes (Key)

Complete the graphic organizers with the correct answers.

Why is Revenue Management Important?

- It is the key to maximizing profit

Factors of Influence on Revenue Management

- Average Daily Revenue or ADR
- Demand
- Room Rates
- Inventory or Supply
- Length of Stay or LOS
- Occupancy Rate

Revenue Manager Responsibilities

1. Devise and implement pricing strategies
   - Approve flexible room rates
   - Approve discounts to a variety of groups
   - Approve exclusive rates to select guests
2. Meet revenue goals
3. Bring value to guests
4. Forecast future room sales
Show Me the Money! Notes (Key)

Complete the graphic organizers with the correct answers.

Room revenue forecasting should include:

- Rooms available to sell
- Estimated rooms to be sold
- Estimated occupancy rate
- Estimated ADR

Budgets

- Long-range budget
  - Scheduling large expenditures
- Annual budget
  - Estimated spending for one year, often divided by department
- Monthly budget
  - Used to operate the business daily. Especially important for seasonal hotels.