Crunching Numbers Notes (Key)

Complete each section with the correct answer.

Types of budgets

- Annual budget
  - Estimated spending for one year, often divided by department.

- Long-range budget
  - Scheduling large expenditures

- Monthly budget
  - Used to operate the business daily. Especially important for seasonal businesses.

Revenue Manager

Devises and implements pricing strategies

Approves:
- discounts to a variety of groups (AAA or AARP)
- exclusive rates to select guests
- flexible rates

Meets revenue goals

Brings value to guests

Forecasts future sales
Factors of Influence on Revenue Management

- Average Rate or AR
- Demand
- Inventory or Supply
- Room or Seat Price
- Occupancy Rate

Room revenue forecasting should include:

- Rooms or seats available to sell
- Estimated rooms or seats to be sold
- Estimated occupancy rate
- Estimated average rate