

Connect CHICAGO

Advanced Negotiations,
“From the Hotel Side”



Tom Pasha

Tel: 407-891-2252

tpasha@contactplan.com

Introductions...

■ Tom Pasha...

- Hotels since age 15
- 12 Hyatts over 20 years
- 6-time DOS
- National Sales Director
- Founded CONTACT Planning, a national meeting and golf planning company
- Trains planners from "The Hotel Side..."



Hotels Need Meeting Business!

Hotels Depend on Groups, Meetings and Conventions

Higher rate and Yield revenue

- Better catering, facility use – golf, spa, gaming
- Prime time groups increase revenue
- Off-peak groups increase occupancy
- Convention Hotels are designed with Group Meeting Space to fill rooms!
- With that in mind, what can you Negotiate?
Everything!



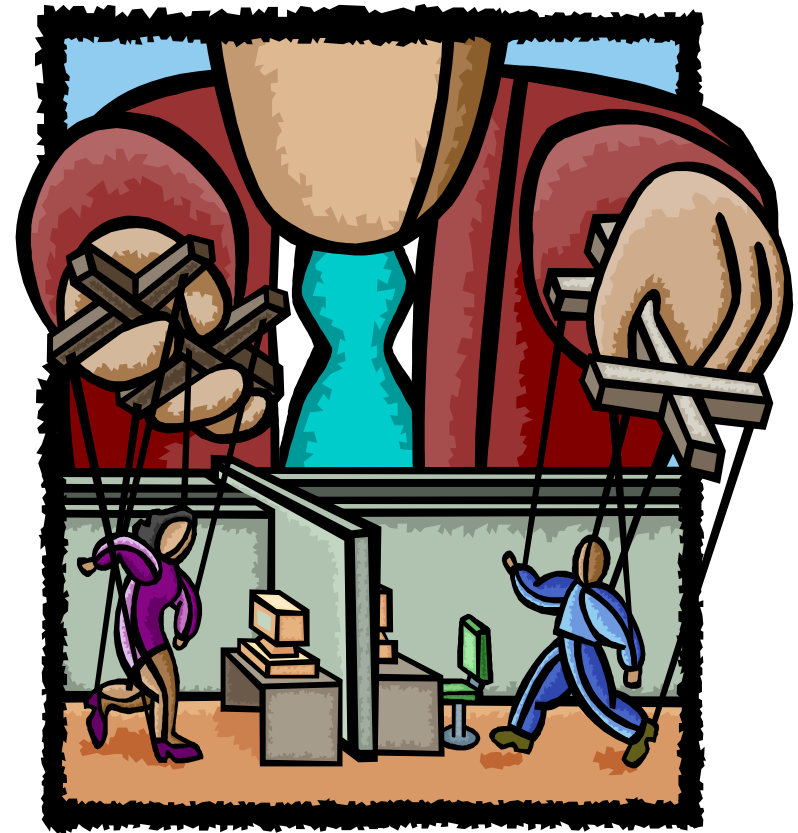


Negotiating from “the Hotel Side,” Starts with Hotel Math

- 100 SF of mtg space per group room
- 80% Rooms profit (Mtg space fills rooms)
- 40% Catered F&B profit
- \$125++ per room per day pace in Catering
- 300 rms x 365 = 109,500 (100% occupancy)
- 1095 roomnights = 1% on the annual;
- 90 roomnights = 1% on monthly;
- Occ. rooms x ADR = Revenue @ 80% profit

Improve Your Booking and You Improve Your Deal...

- Be Flexible to Get hotels to compete for your business
 - Sunday Arrivals
 - Check alternate patterns
 - Rooms and Meeting Space match
 - Rooms match History
 - Stack pre- and post events;
 - Book shoulder times instead of peak
 - Measure your amenity use: Spa, Golf, Casino, Outlets;
 - Hotels Sell **Dates, Rates and Space**, so Planners should think like an Insider...



Dates, Rates and Space

■ Date Essentials:

- Ask the Sales Manager which date can deliver the best deal – it really works!
- Sunday Arrivals, dates before and after holidays; overlapping city-wide conventions;
- Check to see if you can meet the same pattern the week before or after the preferred date.
- See if you can stack events to minimize the “shoulders” on the block; a clean booking has higher value to the hotel.



Negotiating Group Rates

Much more than just Room Rate!

Since everything is negotiable,
be sure to ask for...

- Room Rates (Sgl /dbl / trip / quad)
- Suites Rates (1, 2-bdrm suites?)
- Resort Fees (PP or Per Room?)
- Internet access fees
- Parking Fees (Staff price / comps?)
- Porterage Fees (Optional?)
- Housekeeping Fees (Optional?)
- Room delivery fees



A Space Odyssey

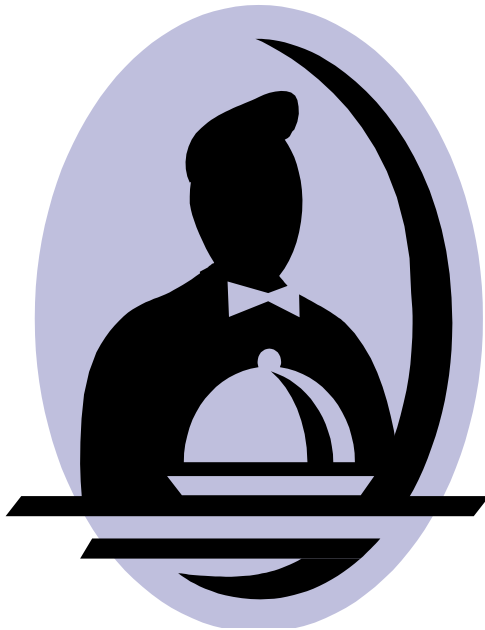
- Check the Contract and Program Addendum for space items:
 - Day, Date, Time (Matches?)
 - 100 sf foot per room?
 - Show all set-up and tear-down days;
 - General Session & Breakouts sets shown
 - Set-up and turn-times shown
 - Bkfst vs Cont. bkfst; roll-in lunch; buffets, etc.- Catering is calculated in Delphi, make sure it's correct.
 - Location and Room names, or guarantee the square footage.





Negotiate “Catering...?”

- Know your attendance, history and F&B “spend,” and you can Negotiate:



- Confirmed prices, menus TBD by mutual agreement
- Negotiate % discounts: 10% - 20% is common
- Current pricing for catering over a year out.
- Menu-matching: See what is already being served that day and order that too – discuss an additional discount
- Ask for a “Non-Profit,” Fund-Raiser, Veteran’s, Senior or Junior menu to be customized.
- Ask for a seasonal special – a summer light lunch?
- Confirm exact menu items and prices on your contract.
- In-house coffee / water stations, no bottled water – Go Green!
- Negotiate the Service Charge: Do you tip 24%?



Great Negotiations Begin With a Great RFP...

Sample Concessions to Request:

- *1 per 40 comp room credit, calculated on a cumulative basis;*
- *Three VIP upgrades to Suites at the Group Rate for the duration of the conference;*
- *One (1) two-bedroom VIP suite complimentary for the duration of the conference;*
- *Complimentary wireless internet in all guest rooms;*
- *Complimentary basic bandwidth wireless internet in all meeting rooms;*
- *Complimentary meeting space, based on the program and pick-up; (OR)*
- *Complimentary meeting space, based on a Catering minimum of: \$ _____ ++*
- *Complimentary Health Club Fitness Center for all attendees*
- *Complimentary attendee parking; if not comp, discounted to \$ _____*
- *Hotel to provide 5 Complimentary validated Parking Passes daily*
- *10% - 20% off Audio Visual*
- *10% - 20% off Catered F&B*
- *Hotel agrees to host 1-hour arrival night reception, to include beer, wine, light hot and cold hors d'oeuvres*
- *Guest rooms accepted after cut-off at group rate based on space availability*
- *All attendee rooms credited towards pick-up, regardless of reservation*
- *Group rate extended three days pre and post, based on availability.*

Insider Steps to Negotiate Your Best Deal...



- On your RFP, clearly show your Rooms, Catering and Amenity spend. Attach a Report of Convention from the year prior. Help the Sales Manager sell your group to the DOS and DORM.
- Don't hesitate to ask for what you need - the hotel needs your business
- Negotiate in person, whenever possible
- Shop several hotels and tell the hotels they are being shopped.
- Tell the hotels your decision date
- Meet the GM and DOS and let them know how important this negotiation will be
- Negotiate at month-end and quarter-end; Agree to sign the contract by month-end
- Have a contract draft e-mailed to you; Word Document with Changes Tracked
- Confirm each point in order; if you get to a sticking point, pass it and return later.



Positive Negotiations, “From the Hotel Side”

- Rooms is 80% profit, Catered F&B is 40%, you can negotiate Rooms more.
- Check your space.. Are you at 100 SF per roomnight?
- What's your Spend in Rooms, F&B and Amenities: Golf, Spa Casino
- Know your business— Help the Sales Manager Sell Your Group to The Boss
- How do Hotels see your business: Good Spend, Sunday Arrivals, Catering
- Let the hotels know your priorities- include them in your RFP
- Be sure everything is signed and countersigned... sales people move frequently in this business!
- And, if you need an assist.....



Call me if I can help!

...Thank You!

Tom Pasha
CONTACT Planning
Tel: 407-891-2252
tpasha@contactplan.com
www.contactplan.com
www.full-contact-training.com
www.tompasha.com



*" And still those voices are calling from far away,
Wake you up in the middle of the night, just to hear them say,
Welcome to the Hotel California."
-- The Eagles, Hotel California, 1979*