

Lower costs, higher revenue: cutting your hotels expenses

By [Bart Bielecki](#) | October 27th, 2017 | Tags: [cutting hotel's expenses](#), [maximizing revenue](#), [staff training](#)



Often times good results can be achieved by simply analyzing and re-thinking the inventory that is already at your disposal. Finding ways to cut on your expenses can help you to increase your revenue.

Position-less Game

Salaries of your employees typically constitute for nearly 50% of all hotel expenses. Firing half of them, however, doesn't mean you will suddenly see an increase in your revenue. Actually, it can be the opposite. Your staff is essential in efficiently running your hotel. The key in finding a right balance between payroll and revenue is cross-training your employees.

Investing in the development of your employees brings a variety of profits, not only for them but also for you. Having a team member who is skilled in multiple areas is great, and having an entire staff being able to do whatever is needed at the moment, brings you a lot of comfort as a hotel manager.

Cross-training certainly helps employees better understand each other's roles in the organization and what it takes to be successful. Additionally, it also allows them to get to know the hotel better, which at times can improve their efficiency. For example,

employees who know more about their work can provide much, much better customer support if needed. When the customer support is on point, your guests are happy and willing to come back, most likely by booking directly, which largely contributes to your revenue.

When the employees have the skills to replace each other, it is so much easier for you to schedule their shifts. On the other hand, your staff will also appreciate being invested in, and changing responsibilities will keep them fresh. Obviously, the more skills they have the more valuable they are, which might make it hard to sustain them in your organization, but if you make sure they feel valued by you, they will feel a bond with your hotel. Gaining expertise in a variety of areas increases their chances of getting promoted within the company, so it also increases your chances of keeping the employees you have invested in.

Going Green

You would probably think that most of the water in your hotel is usually consumed in the bathrooms... and you would be right. But could you tell what ranks second? Actually, it's the laundry (followed by landscaping). How does one go about cutting expenses on laundry? Yes, simply by limiting its frequency.

Some hotel chains have already implemented a solution for this issue – ask your guests to re-use their towels. As much as it is nice to have a fresh towel every morning, it's completely unnecessary. Changing towels every other day really doesn't make a difference for the guests, but it can make a world of a difference for your laundry expenses.

Still, to make sure your customers are completely satisfied with the experience they are getting from your hotel, it would be best to ask them to opt out of the daily towel change, rather than doing it by default. Your guest may interpret it as asking them to agree on something they find sub-par, so it is advised to make this message well-argued. For example, you can leave a note on a bed, reading that opting out of daily towel change is beneficial for the environment, and every little deed like that can make a difference.

A lower frequency of doing the laundry is more than just limiting the water consumption. It is also extending the lifespan of the towels, and thus, further contribute to your savings.

What you might have already done, is changing all your lighting to LEDs. If you haven't done that yet, it should be your next investment. LED lights are more

expensive than the old-fashioned light bulbs, but they consume 75% less energy and their lifespan is incomparably longer.

All these changes will make your hotel more eco-friendly. It's worth exploring other options to go green. Environmentally-aware consumers are likely to choose your accommodation over a hotel which doesn't invest in ecology. Reaching a new group of consumers is really profitable in terms of your revenue.

Take what's yours

So you have a well-trained, versatile staff and your guests are contributing to the environment as well as to your savings. The investments are bringing profits, but there is still a significant leak in your revenue. Online booking platforms traditionally take about 20% of the value of each reservation you receive through them.

Obviously, the ideal solution is to replace these commission-based bookings with direct reservations that bring you a bigger profit. Even though it's still almost impossible to get rid of paid bookings completely, you can make some steps in order to noticeably increase the number of the direct ones, without spending a whole lot of money.

Making changes in your website, so that everything is clear for the consumers, and making sure they can actually make a booking using your website, is fundamental. Don't forget about the mobile devices. The user experience on smartphones has to be as good as on the desktop.

Offering some benefits for direct bookings is another idea. It doesn't even have to be the lower price. Throw in a welcome drink, a bottle of wine or a free spa entrance. Play around with your offer and see what brings you the best results.

Additionally, try thinking out of the box. Online Travel Agency (OTA) should no longer be associated only with Booking.com or Expedia. The market has finally begun to undergo a revolution, and you can already find yourself a [commission-free booking platform](#), which will bring you free bookings while expanding your distribution channels.

Let the knowledge from this article help you maximize your revenue. Try out different ideas and see for yourself how much you can save without spending a fortune on complicated solutions.