



HSMAI is committed to growing business for hotels and their partners by **fueling sales**, **inspiring marketing**, & **optimizing revenue**.

Close the Knowledge Gap for Hotel Sales Effectiveness

May 25, 2017

A recent *Harvard Business Review* article asserts that “**Executives and Salespeople Are Misaligned – and the Effects Are Costly.**” The strategic knowledge gap that exists between the executive level and members of the sales force in most corporations - including hotels and hotel companies - results in the misalignment of high level strategy and property level tactics...which results in missed opportunities, dissatisfied employees (and customers), friction in the buying-selling process, and decreased productivity.

From the top down, communicating strategy all the way to the boots-on-the-ground sales force is tremendously important. If sales people don't fully understand their role in the long-term plan, it is difficult for them to drive the right results. Inversely, having those who are closest to the customer share with strategy makers their valuable insights about the nature of the market, and the skills and techniques required to sell in that environment is essential.

The first step in understanding your hotel's knowledge gap problem is admitting that you have a problem. Don't worry - you are not alone. HSMAI's Sales Advisory Board recently surveyed unit-level sales managers and directors at branded and independent properties. The results of that survey are eye-opening.

What do you wish your executives knew/did in order to close the strategic knowledge gap between the executive level and the sales force?

- A basic explanation of P&L's and STR reports and their influence on performance
- More communication, back and forth, so that management could see/learn sales philosophy and visa versa.
- Communication and explanation of property positioning; who are we, what are we, and what are we *not*
- Review and explanation of property Mission Statement; why does it matter and what does it mean?
- Stay current on prospecting methods and realize the importance of technology. Most execs in the hotel industry have come through the ranks and stay at the level of “I remember when I was in sales.”
- The differences between full service and select service sales strategies - the requirements/process for sales of each type of hotel.
- Relationship building in today's environment, the time spent prospecting, sales demands of the brands, and sales contribution and market segmentation.
- The job function of an on-property sales professional, general knowledge of my personal property, and the management/ownership of our properties.
- Focus longer-term, not month-by-month. Public companies and REITs get caught up in the whirlwind of daily operations and achieving monthly budgets for short-term gains, but jeopardize long-term sustainability.
- Listen to what we are facing to obtain business and new market share. Do our team members truly understand market share?
- How difficult it is to sell a property that is run down and has received so many negative reviews on Yelp, Facebook, etc.
- How difficult it can be to keep repeat business especially if they have a problem on the operations side.
- When creating new reports, remember that YOU have administrative staff that can spend time compiling data, but I don't! It typically takes me longer to gather the data that you're looking for, and get it into your format, than you think it will be.
- Sales has changed since they were in our position. We only get 'credit' for the number of calls we make if we talk to someone. Clients these days do not want to be called! I had one client tell me that if her phone rings that it means there's an emergency so don't ever call her again. While prospecting is still very important, we have to change the way we do things.
- Understanding that meeting budget is not the ultimate goal - rather maximizing revenue is.
- Understanding the market and the challenges that are unique to the hotel's particular area.
- Better understand what clients are looking for and the objections we receive.
- Understand the local talent market - it's often tough to hire the “right” people with the budgets they give us.
- Share information about high level decisions, upcoming decisions, and/or direction of the hotel/company.
- I simply wish we were given information sooner or quicker. It always seems the property is last to know.
- How sales walks a fine line between maximizing profit for the hotel, and constructing a worthwhile and reasonable proposal for a client.

- That Directors of Sales spend a lot of time on administrative duties/meetings/projects and less on selling.
- Given the varying dynamics of one property to another, it's always a good thing to realize what a typical day looks like, demands, etc.
- That there is no time for the micromanagement of excessive weekly corporate calls and corporate mandated meetings that slow down the day-to-day operation and remove the joy and enthusiasm from what are supposed to be the happy and positive revenue generators/relationship builders.
- The strong correlation between guest satisfaction and market share/profitability.

What do you wish hotel executives would tell their managerial (or sales & revenue) teams more about to make them more effective in their jobs?

- More about the bottom line. What makes one sale far more valuable than another? How do we determine profitability?
- Most of my colleagues do not see the P&L. I think it is important to see.
- The hotel's monthly revenues per department, and actions other departments are taking to increase revenues and support each department.
- Actual market for the hotel and the area.
- Long term goals, how budgets and cash flow directly affect the hotel (specifically the sales department), and what is being done by operations to meet customer service goals and exceed guests expectations as this will ultimately lead to better sales results.
- Share other hotels' sales successes with us.
- How important service is to sales results.
- Be more honest when it comes to money being spent on improvements. If money isn't going to be spent, let us know so we can communicate truthfully to our clients.
- I'd like to know on a regular basis what's going on in the hotels - what's being approved for capital, what the company is looking for in terms of new acquisitions, etc. By knowing these things, it helps us to sell with knowledge and authority.
- When property improvements are occurring so we can more effectively sell our property.
- The vision/mission or direction and positioning of the property in the short and long term.
- Their goals, and the challenges that they face.
- I would like to better understand what specific activities of my work THEY believe most affect their decisions. I can only make assumptions. For example, I assume certain required corporate protocols which I believe hamper my productivity, most likely have great impact on executive planning. If that assumption is wrong, then revenue is being lost. Yet, I feel uncomfortable discussing such issues with executives when they do arrive, as those issues are most often not relevant to the matters of the VIP visit.
- I'd like to know that they have confidence in their processes and abilities to effectively manage the revenue generation process and that they appreciate the competitive environment.
- Goals and strategies need to be clear and concrete.

If you owned your hotel, what knowledge or information would you want your sales team to have?

- More performance data, and much more training on how to use the data.
- The financial state of the property and the capital budget.
- I'd want the sales team to know what potential future acquisitions are taking place (company growth) and the overall goals of the company.
- Financials and the why's - so many times the sales team is just selling and they do not know or understand the whole picture, in particular profitability
- I would want my sales team to be well informed on all hotel operations. I would want my hotel sales team to play a pivotal role in all hotel revenue management. I would want my sales team to have access to all revenue reporting including monthly and annual P&L's. I would want my sales team to have all tools needed to better prospect and access potential accounts in local markets.
- As much information as we can give them. Knowledge is power. Keep the communication lines open at all times.
- I would keep my team informed on plans for renovation, upgrades, and anything that can affect the sales process.
- I would want them to know that we stand behind them and support their efforts when dealing with difficult clients.
- How the hotel fits into the corporate portfolio.
- Items being added/updated that will improve our guest's experience.
- Understand all the love and money that is invested in the property.
- I would give them information so they understand the changes that are being made, or not being made, and why.
- I would have entire sales team sit in on weekly revenue calls so they would understand the link between group base and driving transient rate.
- I would want the IBT Manager to have knowledge of what companies the agencies listed on Hotelligence are booking. I had this info deciphered by a Revenue Director 6 years ago, but not since. IT WAS VERY HELPFUL!
- Specifically why any activity or required SOP that is not clearly and immediately relevant to the purpose of the position is required. I would want my team to fully understand the purpose of each activity they do and how it fits into the final product.
- More cross training between departments.
- The sales team needs to know how important they are to the success of the hotel -- that they are staying focused and generating revenue is critical

- Open access to cost and profit, to increase the awareness of their responsibility.
- I would make certain that the entire sales team knew it was their job not just to book business, but to book PROFITABLE business. I would also make sure they were taught how to do so.

Closing the knowledge gap between sales execs and sales people may only be the beginning. Take the time to look at these relationships as well:

- Operations - Sales
- Marketing - Sales
- Revenue Management - Sales

About HSMAI's Sales Advisory Board

HSMAI's Sales Advisory Board leverages insights, emerging trends, and industry innovations to fuel sales for hotels. Members include:

- CHAIR: Ed Skapinok, Vice President of Sales & Marketing, Hostmark Hospitality Group
- C. Becker, Principal, Titan Group of New York, LLC
- Brian Burton, CHSE, CRME, Vice President Revenue Strategy & Optimization, White Lodging
- Michelle Crosby, CMP, National Sales Manager, Allied PRA Dallas/Fort Worth
- Katie Davin, CHSE, Associate Professor, Johnson & Wales University-Providence
- Lisa Giaimo, VP of Sales & Marketing, OTO Development LLC
- Linda Gulrajani, CRME, Vice President, Revenue Strategy & Distribution, Marcus Hotels & Resorts
- Kaaren Hamilton, CMP, CMM, VP, Global Sales, Carlson Rezidor Hotel Group
- Melissa Kouvelas, Senior Manager, Worldwide Sales, Best Western Hotels & Resorts
- Joel Pyser, Senior Vice President, Sales, Newmarket, an Amadeus Company
- Larry Silman, Director of Strategic Sales, Americas, IDEaS - A SAS COMPANY
- Ronald Taylor, Vice President of Sales and Development, WCG Hotels
- Jim Vandevender, Chief Marketing Officer, The Knowland Group
- Christine Wight, Director of Resort & Conference Sales, Angel Fire Resort
- Tony Yeung, Principal, ZS Associates

