



THE STATE OF THE HOTEL SALES DEPARTMENT:

What's Working. What's Not.
And What You Need To Do
To Drive More Revenue.

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OVERVIEW



If you're a member of the hospitality industry — more specifically working in hotel sales — whether you are in management or working as a member of a sales team, we can all agree that we have seen highs, lows, and plenty of areas in between.

WHAT IS WORKING?

We have been fortunate in that the economy continues to be strong, leading to more and more people traveling, and therefore, our industry continues to hit record highs in terms of occupancy and average rate. So far, 2018 is showing no signs of slowing down as RevPAR's are expected to increase once again. The loyalty programs for many brands can be identified as direct contributors to these record-high occupancies. Career opportunities continue to blossom in the hospitality industry as it is still a draw for many graduates who want to enter the business world with a job that has a lot of perceived glamor. And finally, the strongest growth area for the industry is event planning, a career which the Bureau of Labor Statistics estimates will see a 33% job growth. Corporations are once again seeing the value in holding large meetings and events — which usually means meeting space and hotel rooms — and all of this bodes well for the hospitality industry in general, and those of us working in hotel sales in particular.

Our industry is robust and therefore is encouraging for ongoing capital investments. If we are fortunate, the good economic times will continue to roll.

WHAT ISN'T WORKING?

With all of the great things happening in the industry, the wealth of good times isn't being distributed equally. Some properties might be doing better with their own year-over-year growth, while others are steadily shifting market share from their competition resulting in an unparalleled RevPAR Index. The difference between these opposites is often found in how they manage their professional sales departments.

Brand contribution, OTA's, loyalty programs, and improved revenue management practices are all key revenue drivers in the marketplace. Is this a blessing or a curse? There is not a clear answer to this question; however, some hoteliers have become complacent with this strong economy and are not preparing for the next downturn, which will inevitably come, even though we don't have a specific timeline of its arrival.

Those owners excelling in our field have created a sales culture from the top that trickles down to all levels of their operations. These are the same owners who will weather the next downturn successfully.

In which camp does your organization rest? Ask yourself the following questions to get a more clear direction of your own team:

- Are there clear expectations and definitions of what success looks like for your property?
- Is there a high sense of urgency in your Sales Department?
- Is your RevPar Index where you want it to be?
- Are you happy with the turnover ratio in your Sales Department?
- Do you have time to train and coach your salespeople?
- What specific training have you provided your salespeople?
- Do you really know what your sales team focuses on? Do they have a plan?

The truth is that the clear majority in our field have failed to create a sales culture, which sets the stage for peak revenue performance. Too often, salespeople aren't given clear direction as to how to do their job, how to spend their time wisely, and what is defined as a good piece of business or a bad one — to provide just a few instances of communication breakdowns.

We've left this generation of sales people fluttering on their own to find their way without mentoring or developing their skill set. Inadvertently, hoteliers who get it are realizing RevPAR Indexes, which are crushing the competition.

In this whitepaper, we will dive into greater detail as to what separates the average producing property from the exceptionally performing rock stars, and provide some next steps one could take to be in that club of peak performers!

SUCCESS STARTS AT THE TOP



A typical sales person in today's hotel isn't given a strategy. Therefore, we can't expect our sales teams to develop and implement a plan for success. The most effective approach is when they are provided with a strategy outlining a very clear mission on what success looks like and then to be allowed to execute the steps necessary to fulfill their responsibility. Too often, sales people aren't given the direction needed to be successful and therefore, produce inconsistent results.

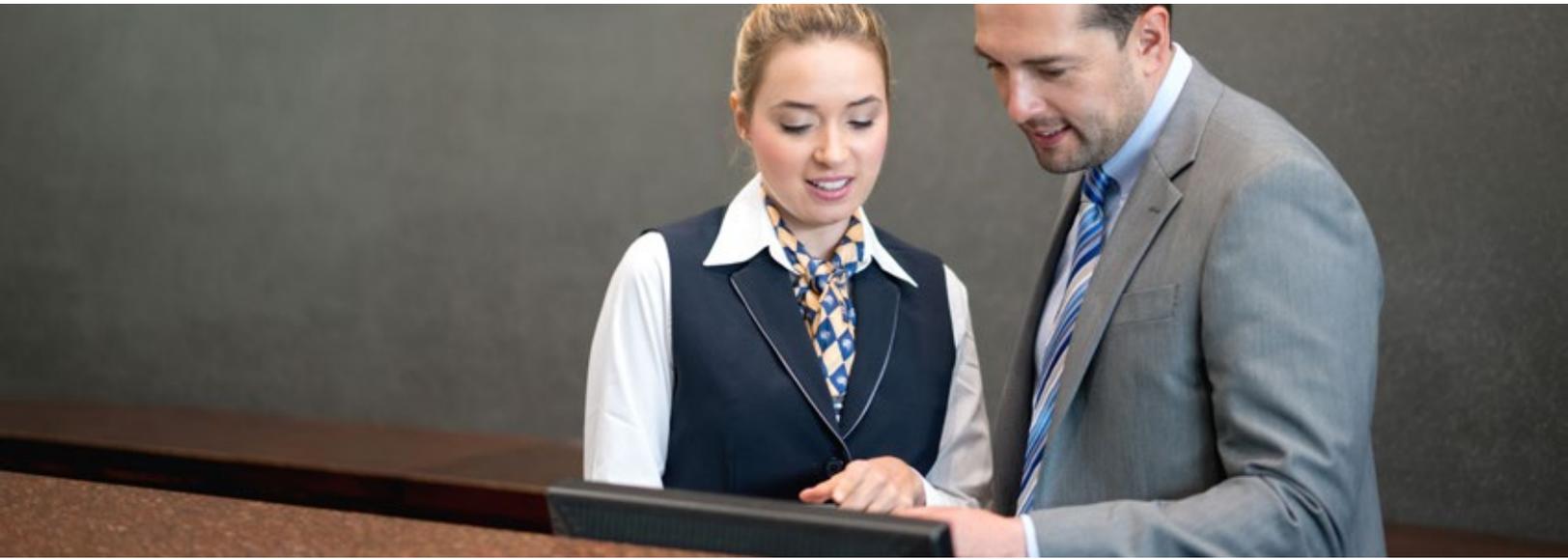
Sales success starts at the top, and the sales culture set by the leaders will determine the outcome of where revenues actualize.

WHAT DOES A PROPER SALES CULTURE LOOK LIKE? THIS QUESTION MIGHT BEST BE ANSWERED IF A LEADER CAN CONFIDENTLY KNOW THAT HIS/HER SALES TEAM CAN POSITIVELY RESPOND, "YES" TO THE FOLLOWING STATEMENTS:

- I know how my boss defines success for my role.
- I understand the parameters of what is defined as a "Good Piece of Business" versus a "Poor Piece of Business".
- My GM and I are on the same page with regard to my role and the expectations of my duties.
- My company respects my position as a professional sales person.
- My leadership will invest in my development to improve my skill set and therefore their revenue.
- I have been given a clear vision as to our pricing model in every segment I represent.
- I am challenged and rewarded in a way that incentivizes me to remain a long-term employee.

It is evident that there is a "disconnect" of sorts when it comes to communication between the top of an organization and those selling ambassadors who represent the property. Oftentimes, sales strategies are frequently changed which causes confusion and results in frustrated salespeople. This outcome, therefore, unfortunately, leads to missed revenue opportunities and costly turnover in the sales department.

SALES SUCCESS DOESN'T HAPPEN BY ACCIDENT



Hotels are not the only businesses suffering with regard to sales. The good news is that we are currently in a good economy, but because our sales teams have forgotten — or may have never experienced a downturn in the travel industry — the question is will they be prepared when that inevitable shift happens?

When the economy does take a dive, automated distribution channels will stop flowing revenue into properties, and this is exactly when some hotels will thrive, and others will perish. Some hotel owners will be wondering why revenue and forecasts have dried up while progressive owners who have established a successful sales culture will experience minimal downturns.

In addition to an appropriate culture for sales, our teams need to be given the right tools, resources, and training to optimize their performance.

Most hotel sales professionals are instructed with ineffective selling techniques, so they have not reached their full potential. Many times, our industry promotes team members into sales roles that they are not quite ready for. When filling a role in a hotel, the hiring criteria have shifted from identifying true selling ability to simply finding an outgoing personality. In addition, more and more companies are trying to save a few dollars on a salary or commission, which shrinks the talent pool. As a result, some very qualified sales professionals are hired by the competition instead.

Developing our teams with effective selling strategies will ensure they are prepared for all economic climates. What does that mean for a progressive owner? The results will be an unparalleled RevPAR Index in both good times as well as down turns.

RECRUIT, HIRE, AND HOLD ON TO TOP PERFORMERS



Just because a person thinks he/she is a great sales person or can be a great sales person, doesn't mean they will be a top performer. The reality is that the leaders in the organization need to identify who is or should be at the top and who won't make the cut. This process starts with the recruiting and hiring of the right person, but also should be evaluated with existing team members. The continual goal is to move existing sales team members into that top performer category.

SALES PEOPLE ARE A SPECIAL GROUP OF INDIVIDUALS WHO REQUIRE A DIFFERENT STYLE OF LEADERSHIP TO EXCEL AT THEIR JOB. TOP PERFORMERS DON'T FALL BACK ON EXCUSES, WHEREAS BELOW-AVERAGE SALES PEOPLE DO ON A REGULAR BASIS:

- Operations isn't doing their job and I am losing new clients due to cleanliness and lack of quality service.
- I need more sales managers, as the workload is too much for my current team.
- My boss only tells me the things I am doing wrong and never pats me on the back for the successes I have.
- I continually lose deals because I can't lower my price enough to meet the prospect's budget.
- I am not paid enough, and I will never make my bonus!
- My competitors have a much, much nicer and newer product than mine!
- My market is different than others. You can't get past the gatekeepers here.
- There is not enough time in the day for me to sell.

Top performers will not make excuses as to why they didn't make a sale, as they will find a way to overcome both internal and external hurdles. All of the training and development invested in the wrong person will not set he/she up for success. Internal drive combined with ongoing training and development will assist a top performer to reach and achieve even higher results.

Top performers crave instruction and information that will make them better. Progressive hoteliers understand this and set up platforms to feed that hunger. Finally, we hear different statistics on the cost of turnover. Without diving into specific dollar amounts, let's agree that there are not only costs involved with recruiting and training, but also a cost in missed revenue opportunities.

THE PROSPECT'S APPROACH



Why isn't selling easy? Simply put, every prospect is a unique individual who sees his own world from his own perspective. Prospects view a sales person with a different set of rules than they apply to other social interactions.

In other words, some prospects are very honest people when it comes to their other roles in life. When it comes to a sales person, however, some are not so honest. These prospects see sales as an arena in which they can mislead, just so they can get a better deal for themselves or their organization.

Many times, a prospect will also make a sales person feel inferior just because they are in sales and "you need them" and they are "in charge" of the transaction. For example, how many times can one not get a prospect to return a call or email? It doesn't have to be that way. In today's market place, prospects are trained on how to avoid a sales person.

The examples above are just a few of the reasons why sales people who are placed in the marketplace without the proper tools, will not consistently book profitable business.

Sales professionals who are not properly trained continue to fail with even the basics of selling. One example includes setting time aside each day for prospecting along with proper prospecting techniques to differentiate oneself from a competitor and move closer to building a profitable relationship with a prospect.

TRADITIONAL SELLING STRATEGIES



All major hotel brands have a selling training program or model. Too often, they are all preaching the same method, which has become ineffective over the years. Using this standard brand model, we have trained our prospects on what to expect next in our selling process. The prospect has learned how to stay in control of the sales process as a result.

QUITE FREQUENTLY, THE BRAND TRAINING MODELS LOOK SOMETHING LIKE THIS:

- Research your prospect
- Build trust and rapport
- Deliver features and benefits
- Primary close
- Secondary close
- Decision making process
- Maintain account

Following a flow of traditional brand sales training is ineffective. It may cover all of the areas a sales person needs to address (budget, decision making process, what is important to the client, and so forth), but it does these in the wrong order and it does not do a complete job of identifying or uncovering other important factors which will lead to a successful sale.

Plus, so many components are left untouched such as proper techniques of lead generation, prospecting, handling objections, and negotiation to name a few.

More importantly, the training received by sales teams is not reinforced with ongoing support. Typically, when a sales person returns from a multi-day sales training, he/she is extremely motivated and excited. Unfortunately, those feelings soon subside and they fall back into their selling habits and routines of the past.

Take a Major League Baseball player who is paid millions of dollars each season to play. Generally, even the best and highest paid player doesn't bat above 350. What does that mean? In short, he has a successful hit 35% of the time. Do you think he tries a new technique each time he comes up to bat or do you think he continues to fine tune his batting strategy to improve his results? The latter is the correct answer.

In fact, the baseball profession has batting coaches who are constantly working with each player to improve their batting average. Baseball players don't go to a "batting conference" once a year and expect to make it all season long. These Major League ball players have been batting since they were toddlers, yet they still require daily coaching.

The same approach should be taken for the hotel sales professional. Sure, training workshops are great. Attending an industry training session or annual conference is also helpful. But who is their coach when they get back home? Wouldn't it make more sense to implement a proven model for improving one's "batting average" in the hotel sales world that will consistently deliver results?

THE SOLUTION AND THE RESULTS



How do hoteliers set themselves up for maximized revenue?

THERE ARE SEVERAL ANSWERS TO THAT QUESTION:

1. Establish and/or realign the sales culture in their organization.
2. Look at the cost of training and developing a sales force as an investment and not an expense.
3. Act by introducing one's sales team to an effective selling model and selling approach — a model that will at the same time help the team unlearn the selling methods of the past.
4. Create a step-by-step plan for the sales team to master a new selling model with reinforcement in place.
5. Keep an ongoing line of communication between top leadership, the GM, and the sales team to ensure strategies from the top are crystal clear at all times.

The results of adopting and implementing the above will result in maximized market share, increased revenue, decreased turnover, and happy people at all levels of the organization.

HOW YOU CAN DRIVE MORE REVENUE?



This white paper has identified areas where poor performance and weak strategies can be impacting your hotel's revenue. These are all opportunities to disrupt what hasn't been working for you in the past and make a new plan for going forward.

If you would like to learn more about how to drive more revenue for your hotel and experience much greater results, Jay Hartz's experience and his proven Hartz Hotel Selling Model may be an effective approach for your organization to cost-effectively develop a more productive sales team, which consistently drives higher revenue.

Visit www.nextgenRevPAR.com to check out The Hartz Hotel Selling Model, along with other products and services offered by Jay Hartz. You can also email him at jay@nextgenRevPAR.com

