

National HOTEL EXECUTIVE

The Publication for Hotel Owners, Operators, Senior Executives, and General Managers

Industry News
Hospitality Forum
Newswire
Classified Real Estate
Events Calendar
Executive Profiles
Editorial Board
Media Kit
Subscription
Reprints
Archives
Contact Us
Home
Editorial Calendar
Research Library

Sales & Marketing Issues

Direct Sales: What to expect from your sales people and how to get results



Ms. Brenda Fields

By Brenda Fields, President, Fields and Company

Hotels across every segment of the industry today are faced with the challenge of delivering profits in an ever-changing environment of declining revenues and profitability. Independently owned and operated hotels have the added challenge of limited marketing resources. As a result, owners and managers of independent properties, now, more than ever, have to ensure that each marketing expense is justified and that it produces the best return on investment.

Case in point: Direct Sales typically represents 40-50% of the entire marketing expense budget. As a result, with up to 50% of the marketing budget devoted to this one line item, it is critical to ensure that each sales person is effective and productive in achieving short term results and in laying the foundation for success in the long term.

Out of all the elements of the marketing plan, Direct Sales is the most controllable and quantifiable element. In order to achieve maximum production, it is critical to:

- Hire, train, and expertly direct the best sales people.
- Implement systems to ensure optimal productivity and individual accountability.
- Develop and maintain action plans and goals which are targeted, specific, and proactive.

Success in today's market is accomplished by a different game plan than when demand was at its peak. Therefore, in order to ensure effectiveness, it is useful to start with several key concepts:

Sales is a SKILL, not a personality trait

How many times have we hired personable and attractive people only to find out that they are not effective in booking business? We discover that tentative bookings rarely become definites and that any client complaint can send the sales person over the moon!

Skills are required in any other profession and in any other department in the hotel in order to perform the job. Many times, we look to hire a sales person with a "rolodex" without considering his/her ability to sell, i.e., identifying business for the property and moving that business from another hotel. Client contacts can quickly come and go, resulting in an obsolete rolodex, but effective sales skills will result in constant business and on-going client relationships.

Expert sales skills can produce business despite product deficiencies, rate structure, or market

conditions. Since most owners and operators do not have perfect properties, it is even more critical to ensure that each sales person is highly skilled to generate business and to deal with client objections and problems effectively. A dedication to expert sales skills is the best insurance for market share and profitability.

Direct Sales is responsible for MAXIMIZING RATE AND OCCUPANCY

Who would argue with that statement? But without properly structuring and organizing the sales department, and without establishing all elements of the rooms business, rate and occupancy will more often than not be compromised. Unlike many other industries, our product is perishable and is constant. The room we do not sell today is forever gone and conversely, in high demand, we cannot sell more rooms than we have. We have to make the most of what we have. Therefore, with proper planning and through expertise, we can let strong market conditions fill our rooms during certain, days, weeks, or months without incurring any costs or wasting valuable sales time and resources. By understanding market segmentation and supply/demand dynamics, the sales effort can be maximized by focusing on impacting business for gap periods, not during peak periods which require no effort or resources to fill.

The hotel, as part of its planning and over-all strategy, must determine what segments of the market will produce the best mix of business on a daily basis and translate that information into sales action plans and sales goals. Working with and understanding each market segment will determine those for which direct sales is responsible. A detailed plan or rooms budget will provide the basis for an effective sales plan.

One responsibility of direct sales is to create an account base by prospecting for new business and maintaining existing business. Production of this quantified business will fluctuate so it is important that new accounts are opened and non-producing ones are closed, ensuring that targeted goals are continuously reached.

Incentive programs are a great way to motivate and get better results. But in order to ensure that all bookings represent the hotel's best financial interest, it is important to incorporate the cycle of demand periods. Otherwise, the incentive program is ineffective if sales people can achieve their individual goals at the expense of the hotel's revenue potential.

Above-average leadership will produce above-average results

All world-class athletes recognize the importance of leadership and coaching in order to achieve top performances. Therefore, to ensure maximum results, effective sales and marketing leadership is required. At the hotel level, a leader is one who understands the big picture and can plan and organize as well as understand and implement the details to consistently accomplish the goals, despite market conditions. In small boutique hotels, there may not be a director of sales. In that case, leadership is still important and can be fulfilled by a general manager (who is skilled in sales), a corporate sales person, or an outside sales specialist.

Sales plans are devised after a well thought-out marketing plan is established. Sales accountability is important to ensure results. As part of the planning, it is important for hotel leadership to establish and maintain systems and procedures to monitor productivity of each sales person on an on-going and timely basis.

Setting goals and keeping score is important. We all know that a golf game and a tennis match are much more interesting when we keep score; and we all perform better when our competitive juices are challenged. Even the Weight Watchers Program has determined that weight loss is more effective with the weekly "weigh-in" to measure the results of the individual's efforts.

To maximize the sales person's performance, it is important to establish specific and meaningful goals, broken down on a monthly and weekly basis; and to establish a culture where the actual performance vs. goals is critical for job performance. Set goals which include activities to produce booked and consumed business (such as weekly sales call targets, new accounts opened, and client entertainment goals) as well as booking and consumed rooms goals. On-going and consistent monitoring and evaluation will foster performance and will quickly help identify non-performers.

With the above components in place and a true understanding and dedication to the elements of Direct Sales, every owner and manager is well positioned to achieve targeted financial results, efficiently and

cost effectively.

In her more than 20 years as a marketing and sales pro in the hospitality industry, Brenda G. Fields has emerged as the “go to” consultant and seasoned sales trainer for independent and/or privately owned hotels and resorts seeking real-world solutions for today’s market challenges. From small boutique hotels to large convention properties, Brenda has created and implemented highly successful marketing and yield management programs that enable owners to achieve target results despite market conditions. With a “who’s who” roster of clients, Brenda has worked with a number of industry leaders and real estate investment companies including Starwood Lodging Corporation, Vornado Realty Trust and Planet Hollywood, John Hancock Mutual Life Insurance Company, Olympus Real Estate Corporation, Gorham Hotels and Apple Core Hotels, among others. Her growing consulting practice for independent properties includes clients such as The Kitano Hotel, New York; Founders Inn and Conference Center in Virginia Beach, VA; Bel Age Hotel, Los Angeles, CA; Mandarin Hotel, West Hollywood, CA; Woodlands Resort and Inn, Summerset, South Carolina, and many others. A native of Kentucky, Brenda holds a B.S. in Psychology and English from Murray State University. She lives on Manhattan’s Upper East Side and enjoys cooking and entertaining in her cottage in upstate New York. Fields & Company is located at 500 East 77th Street, Suite 1101, New York, NY 10162; 212-734-2152; 212-734-1617 / fax; brenda.g.fields@verizon.net

For more news visit www.hotelexecutive.com