

Direct Sales: Getting the biggest bang for your buck

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By Brenda Fields

The past decade has been unprecedented in the hotel industry. All success indicators (occupancy, average rate, and RevPAR) have climbed steadily year after year and owners have enjoyed record profits. So what are your sales people doing? During these "feast" periods in full service hotels, it is likely that the sales person is turning away more business than is booked. And in limited service hotels, is it likely that the sales person is filing in at the front desk and has little or no, direct sales activity.

When we know that the supply/demand dynamics will always change, then why be complacent with a sales person or sales team that is not proactively generating business for the future? A consistent, strategic, and proactive approach will offset any negative trends in a downturn and will protect an owner's investment.

What better time, than when business is strong, to step back, and set up a plan that lays the foundation for generating and maintaining business? This article will address the importance of creating a great sales force during the good times and some tips on how to do it.

Establish a Strategic Plan:

Staying true to the property's position is important as it is the foundation from which all plans stem. The position determines what services and amenities are offered; the type of business the property caters to; and the rates given. With the positioning in place, determine the most realistic mix of business on any given day for a year as the patterns and demand for business change daily based on season, day of the week, holidays, and local factors. That level of detail will provide the basis of the sales plan as it will provide the guidelines for which market segments the sales department solicits, at what rate, when the business is to be consumed, and the volume of business, broken down on a daily basis.

Create and Maintain a Database of Accounts:

We know that a function of marketing is to establish an identity or market presence in order to generate business. Typically those efforts impact business "indirectly", such as thru GDS bookings, rack rated transient business, or weekend business. The sales team's function is to impact business "directly". Therefore, to ensure that the sales department is functioning to accomplish this effort, it is important to create and maintain a database of existing and potential accounts. This is done once the strategic plan is established which incorporates the volume of business per segment to be consumed on an annual basis. For example, if the annual plan calls for corporate group business at 25,000 nights, at an average rate of \$250.00, then the sales department is responsible for soliciting that volume on an annual basis. That is done through an on-going process of each sales person managing his/her accounts. The management is based on a systematic account trace system which allows a sales person to adjust the potential volume of an account. If an account drops its volume potential, then new accounts are identified and opened in order to maintain the desired goal of business.

Qualify, Qualify, Qualify

We know that *location, location, location* is a key ingredient to a property's success. But that is just the starting point. Obviously, the right product needs to be created for the targeted markets and pricing should be set correctly. But to ensure that the sales team is successful in booking business and establishing a good database of business, the best approach is to *qualify, qualify, qualify*. A person who sells shoes would not be successful if he/she did not first fully understand what the customer wanted i.e. size, color, style. But how many times does a hotel sales person try to make a sale without a good understanding of who the customer is and what the customer wants in a property? A sales person is more successful in closing business if he/she takes control of a call and understands the customer's needs and "buy decision". The successful sales person is one who asks questions. Identifying all the needs of the customer will place the sales person in a greater position to book business in the most cost efficient manner and will produce an account base of real potential business, quantified on roomnight/meeting potential. An effective sales person will fully address a customer's needs. Even if your property has the greatest fitness center in the world, it is important to allow the customer to express those needs. Asking questions will help the sales person understand what is important to the potential customers and will help them understand the level of importance. The information collected will once again place the sales person in a position of strength in closing the business. Taking the time to fully uncover needs and to understand the level of their importance will allow the sales person to keep the customer focused on those stated needs. If the property cannot fulfill the customer's primary needs, then the sales person can just gracefully move on.

Accountability

Accountability is an important element to keep the sales person working efficiently and productively. Plan ahead by creating and implementing a well thought-out marketing plan. That is the basis for establishing sales goals. Sales accountability is important to ensure results. It is equally important to establish and maintain systems and procedures to monitor productivity of each sales person on on-going and consistent basis.

Therefore, 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. But it is also important to ensure that steps are continuously in place to generate business. Set goals which include activities to produce booked and consumed business (such as weekly sales call target, 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.

Maintain Excellent Work and Customer Interaction Habits

One of the strongest attributes of a top sales person is that of inspiring confidence. Who wouldn't want to conduct business with a sales person who is eager to help, conscientious in attending to your needs, and does what he says he will do? Reliability and good communication develops trust. It is that trust that will inspire clients to book with a sales person over and over, even if the air conditioning breaks down or construction is going on across the street. Trust that the sales person has done his or her best and will honestly address every situation can inspire loyalty and help overcome any potential hard feelings if problems arise that the sales person has no control over. Additionally, the great sales person will return calls/emails, send out correspondence promptly and will always follow up. Those great habits will translate to revenues for the owners/managers in the good times as well as the bad.

So, with a few processes in place, the owner/manager is in a better position to ensure that he is getting the "biggest bang for his buck" with a focused, proactive, and accountable sales force and is protecting the property from any downturn in the market place.

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About Brenda Fields

As founder of Fields & Company, Brenda has applied the formulas for success she developed over the years to assist owners and operators in achieving target revenues through cost effective, well-founded strategic plans and through creating and sustaining strong brands.

She brings a unique perspective and an ability to fully understand each client's challenges, honed from over a two decade-long record of unparalleled success in the hospitality industry.

Industry leaders and innovators ranging from Ian Schrager to real estate developer Harry Macklowe have benefited from Brenda's distinctive combination of strengths: to analyze and manage every detail of an assignment while never taking her eye off the bigger picture.

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, Choice Hotels International, John Hancock Mutual Life Insurance Company, Olympus Real Estate Corporation, Pew Charitable Trust Foundation and Apple Core Hotels among others. Her consulting practice for independent properties has included a wide range of clients such as The Kitano Hotel, New York; Woodlands Resort and Inn, Summerville, South Carolina; Founders Inn and Conference Center in Virginia Beach, VA; The Addison, Boca Raton, FL, Bel Age Hotel, Los Angeles, CA; Mondrian Hotel, West Hollywood, CA; and as well as clients in international locations, i.e. Costa Rica, England, and Germany.

Brenda is President of the Hospitality Sales and Marketing Association International in NYC; was named one of "The Top 25 Most Extraordinary Minds in Sales and Marketing" by HSMAI for 2007; awarded the "Best of the Best" by HSMAI in 2006 as Chair of the Awards and Recognition committee; is a member of the Editorial Board of *Hotel Executive.com*; contributes regularly to international publications *Hotels Online*, *Hotel Resource Weekly Network News*, *eHoteliers*, and *4Hoteliers*; and is a member of the Real Estate Board of New York.

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