

## HOTEL RFP WORKSHOP

# Staying power

A day-long Workshop on Hotel RFPs took place in June and looked at three different perspectives of this category spend

## OPTIMIZING YOUR HOTEL SPEND

Areka Consulting executives Pascal Jungfer, CEO, and Carol Randal kicked off the event and discussed hotel programme management and in doing so identified a number of must-do's that impact the quality of hotel programmes.

"We think that there are ten fundamentals to getting it right," said Jungfer.

## GET THE STRATEGY RIGHT

- Start by answering key, high-gain questions as they touch on your objectives.
- What are your real priorities? Is it about cost savings, consolidation, or traveller comfort?
- How do you measure success?
- What can you realistically achieve, and over what period?
- Do you in-source, outsource or use a combination of both?

## DATA IS KING- INVEST IN IT

Data is typically fragmented, so do not use just one data source. Spend the time to consolidate data from different sources. These numbers will be the backbone of your project, and have a direct relationship with your prices, as well as the suppliers that you will ultimately select. Also obtain market price forecasts to help you understand the relative market and segment strength during negotiations.

## USE A WEB PLATFORM TO SOURCE

Whether you use our own tool, or an off-the-shelf provider, try to automate as much of the sourcing process as possible. Manually managing sourcing - through paper or Excel - is both painful for all involved and out-dated.

## START EARLY

Whatever the scope, leave yourself plenty of



Pascal Jungfer

time to complete the exercise. As a rule, national sourcing can take up to three months and projects involving international markets can run between six and nine months. Adequate time must be left for negotiation and supplier selection - both of which can be protracted.

## INVOLVE LOCAL STAKEHOLDERS

Centralisation of sourcing projects fails more often than not, so local stakeholder engagement and feedback throughout the project is key. The final programme should reflect an overall strategy, with local flavour.

## TRULY ENGAGE WITH YOUR SUPPLIERS

Supplier participation is key to a programme's success so engage with them to ensure that they understand your strategy, goals and the opportunities. Your sales contacts are intermediaries between you and the hotel/chain management, so it is in your interest to help them sell your business internally.

## CHALLENGE THE STATUS QUO

Look for logical alternatives to the incumbents - where it makes sense - so as to understand the competition and to ensure incumbent suppliers' value propositions align with the market.

## CREATE INTERNAL COOPERATION AND ALIGNMENT

Whether the project is led by Procurement or by the Travel Manager, the organisation needs to be aligned to the project's goals and outcomes. Early alignment is critical, so as to avoid re-work and to maximise adoption.

## BE CAUTIOUS

The category is complex and challenging to source. Use of proposal assessment mechanisms that help you gauge the value of supplier proposals is key. Pricing models like dynamic pricing and chain discounts should be examined to help measure the benefits they will truly yield your organisation.

## BE INNOVATIVE!

In today's market, it is only through regular supplier reviews that you can fully optimise your programme and take advantage of new offers and sourcing methods that materialise. ●

## WHO IS AREKA CONSULTING?

Areka is an independent consulting firm providing customised, end-to-end travel management consulting services to organisations worldwide. The company is present worldwide through a team of experts in Brussels, London, Los Angeles, New York, Indianapolis, Paris, and Sydney. Areka brings a unique combination of global skills and independent advice, drawing on specialists in areas including programme strategy, processes and tools, sourcing, policy, data consolidation and reporting.

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