

The Revenue Manager

Section Objective:

- Understand the key skills required for a Revenue Manager

Revenue Management is a rewarding discipline that requires strong leadership, analytical and strategic skills. Good revenue managers are interested in the whole commercial aspect of the hotel and how the hotel operates and functions. We look for people that have an interest and desire to drive change in the hotel – people who are innovative, creative and passionate.

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THE REVENUE MANAGER

Increasingly employers and professionals within hospitality operations are recognising the importance of revenue management and its impact on the success of their organisation. Considering the constantly changing and competitive environment that organisations operate in, it is surprising that it has taken so long to introduce the full-time role of 'Revenue Manager'. Unlike many well established roles within the hospitality industry, due to its recent introduction, the path for career development for those working in this role is still evolving. It may be argued that every employee has a part in revenue management within their organisation, but the specific role of revenue manager provides the catalyst for formalising and coordinating the revenue management activity with specialist analytical skills.

A successful revenue manager must be a well-rounded individual, with multiple skills. Typically, the core skills are perceived to be:

- Attention to detail
- Numerical skills
- Computer literate
- Strong Excel capabilities
- Understanding of distribution channels
- Ability to make decisions from multiple data sources
- Understands P&L
- Ability to work under pressure in changing environments

As the discipline encompasses a vast array of focus areas (to be covered later in this section), the above skills are only the foundations. In addition, the following traits and capabilities are also now essential:

Relationship skills: The most effective revenue managers spend a considerable amount of their time managing people and building relationships – almost as much as they do managing revenue!

Creative thinking: Effective revenue managers are long term strategists and often responsible for corporate change. Therefore, they rely on innovative thinking to develop and implement new ideas.

Effective sales ability: Revenue managers inevitably spend a part of their day “selling” rate and yield recommendations to their colleagues who will need to adopt their pricing strategies before they can have an impact.

On-property experience: It is beneficial to have an on-property background and understand the impacts of RM decisions at a hotel level, with a consideration for all operating areas.

Training ability: Because of high property turnover, good training and development skills are critical to the successful implementation of revenue management recommendations. If hotel teams do not understand the factors that go into recommendations, they may disregard the pricing, yield and distribution guidelines and therefore fail to optimise revenue opportunities.

Strong communication skills: Good revenue managers need to be excellent communicators (and listeners) who are as effective at presenting their ideas as they are at using a computer.

Technically confident: Revenue managers need to embrace current technology and distribution techniques, to ensure these systems are profit enhancing and not labour consuming!

Revenue managers need to have a good understanding of reservations, marketing channels and pricing strategies. In addition to these attributes the revenue manager should have an understanding of the legal issues associated with pricing. Specific job descriptions for revenue managers vary quite considerably from one organisation to the next. To review a large number of different revenue management positions go to www.hcareers.com

The revenue manager should be an integral part of the decision-making process in a hotel and provide direction and strategy based on facts, data and analysis. The revenue manager should have expertise in managing the various systems (Central Reservation Systems, Property Management Systems, Revenue Management Systems, third-party extranets, etc.) and be capable of synthesising data and making sound business decisions to positively affect results.

Interestingly there is little agreement in the hospitality industry as to who the revenue manager should report to. A study undertaken by the HSMAI found that in response to the question “to whom do you directly report”

- 36 per cent said to the general manager

- 23 per cent to ‘other’ on property
- 16 per cent to the Corporate VP
- 16 per cent to the Regional Director of Revenue Management
- 9 per cent to the owner / CEO