

SKB SEMINAR

Situation:

You are the RM of a 400 rooms hotel.
You received the following proposal from the sales Dept.

Group : SKB

2 groups in BBL (single occupancy)

Group 1:100 rooms: chk IN Sept 15th / will have lunch
chk OUT Sept 17th / No lunch

Group 2:50 rooms: chk IN Sept 18th / will have lunch
chk OUT Sept 20th / NO lunch

Price including room, breakfast and lunch.
SKB Group members will have their diner outside the hotel.

NB:

General sale condition do not authorize the hotel to reallocate Leisure and Business Groups

Capacité hôtel = **400**

	sept 14th SUN	sept 15th MON	sept 16th TUE	sept 17th WED	sept 18th THUR	sept 19th FRI	sept 20th SAT	sept 21st SUN
NBR OF ROOMS BOOKED AND CONFIRMED								
Individuels	11	13	42	60	31	22	7	3
Business Groups	30	165	165	100	80	30	25	20
Leisure Groups	70	65	65	80	25	15	23	21
Total	111	243	272	240	136	67	55	44
Occ. Ratio %	28%	61%	68%	60%	34%	17%	14%	11%

	sept 14th SUN	sept 15th MON	sept 16th TUE	sept 17th WED	sept 18th THUR	sept 19th FRI	sept 20th SAT	sept 21st SUN
FORECASTED OCCUPENCY								
Individuels	50	130	150	220	150	50	45	35
Business Groups	30	165	165	100	100	30	35	35
Leisure Groups	80	65	65	80	90	100	60	50
Total	160	360	380	400	340	180	140	120
Occ. Ratio %	40%	90%	95%	100%	85%	45%	35%	30%

	sept 14th SUN	sept 15th MON	sept 16th TUE	sept 17th WED	sept 18th THUR	sept 19th FRI	sept 20th SAT	sept 21st SUN
AVERAGE RATE FORECASTED								
Individuels	80 €	110 €	120 €	130 €	110 €	80 €	80 €	80 €
Business Groups	80 €	80 €	80 €	80 €	80 €	80 €	80 €	80 €
Leisure Groups	60 €	60 €	60 €	60 €	60 €	60 €	60 €	60 €

Price and cost information	Indiv.	Grps
BREAKFAST PRICE	15	15
AVG MEAL SPEND PER GUEST	27	27
PER MEAL COST	15	10
PER BREAKFAST COST	5	4
PER ROOM COST	20	20
AVG PER ROOM BREAKFAST SERVED	1,2	ns
AVG PER ROOM MEAL SERVED	0,35	ns

Grading TASK

Sales Dept. would like to propose a price of 76 euros (without tax).

1/3 Q1: Do you confirm the rate proposed by the sales dept ?

Based your analysis on nbr of rooms booked and confirmed, the forecast OCC and rates, and relevant prices & costs information.

Knowing that SKB has also sent RFQ to the competition, sales Dept. is asking you :

1/3 Q2: what is the minimum price under which the hotel should NOT go if price negotiation takes place.

1/3 Q3: However after negotiation SKB final offer is 2 euros under the minimum price (of Q2). Do you deal with SKB or Not ? Why ?