

SOLUTIONS SKB SEMINAR

Q1: SKB profit would be 12600 € at 76 € per room (see worksheet in exhibit) vs a profit of 15668 € forecasted from Individuals. So RM would not accept the 76 € at this stage. Sales department has not started negotiation with SKB yet. So Hotel needs to know at which sales dept should try to sell the seminar in order to match the 15668 € profit from the Indiv.

Q2: Minimum price to sell the seminar to SKB to match the 15668 € profit from Indiv: 86.23 € (see excel worksheet).

Q3: Even though SKB would finally only accept to pay 82.23 €, Hotel should still contract with SKB because:

- SKB would be a done deal vs probable forecast (so not aguaranteed business);
- Profit difference is only 669 € which insignificant compare to the marketing cost that are required to contract new clients;
- You don't want this key company to deal with your competitor. Do you?
- SKB is a huge pharmaceutical company. There is a strong probability that if satisfied they would generate more business for the hotel in the future. You don't leave such a client vanish away!!!
- Etc...