

Maximizing Your Success

We have all heard the term “Space Maximization” in sales discussions. Most software programs in our industry provide something equivalent to a “space maximization report” that can be a very useful tool in maximizing space and revenues when used effectively.

The concept of space maximization provides you the opportunity to evaluate how well you are utilizing your products, service or time related to your business in relation to the revenue you are producing from that product, service or time. For example, if your business in a location or venue, you need to determine which rooms are being booked more frequently and which rooms need to be utilized more often. Evaluating your space maximization will show what percentage of the maximum allowable time a room is booked. It makes it very easy to then pin point which rooms have the lowest percentages, and are not being maximized.

Once the areas of opportunity have been identified, it is then a matter of determining all the possible type events that would be suited for that particular size room. For example, if you see that a conference room which accommodates 20-25 people is only at 30% occupancy for lunch, then we can determine that we could possibly target events such as small business meetings, bridal and baby showers, children’s birthday parties, sales training seminars, etc. Targeted marketing programs can focus on this time period to increase this type of booking.

The second vital factor when maximizing space is maximizing revenue at the same time. If we are booking our ballroom 95% of the time, but are not booking appropriate size quality events in the space, then we are not maximizing our revenues. Appropriate food & beverage minimums should be in place at all times. We must ensure that by booking the appropriate room minimums, it will get us to the goal of achieving our desired financial result. If you cannot possibly reach your financial goals in a given time period with the minimums and pricing currently in place, then you must evaluate your minimums and pricing. Sometimes it is just a matter of raising prices and leaving minimums alone which will give you that extra revenue needed to make plan. Be cautious when establishing your minimums so that you do not intimidate anyone early in the sales process. Sky high minimums can scare prospects away, especially in this economic environment.

The last factor is the seasonality of our business, and how minimums and pricing should vary at certain times of year. The holiday season is definitely a time for higher prices. Goods and services typically cost more at this time of year, and if we do not increase prices to cover these costs, we are decreasing our profit margin at the most profitable time of year.

The constant theme to space and revenue maximization is to “book smart”, allocate the correct amount of time to each event, place events in appropriate size rooms and be competitive in pricing and policy. Then, watch your revenues soar!

For more information on the **Beverly Clark Hospitality Training Programs**, please contact **Lynne LaFond DeLuca** at lynne@beverlyclarkenterprises.com and visit our website at www.beverlyclarktraining.com

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