

GreenLight Forecasting for Hotels

Getting Started

Before you start you will need to know:

Business name and business type

Year end

VAT quarter end

Details of how many rooms of each type

Details of any discounts that are offered

Seasonal charging structure (if any)

Full details of all tariffs including package rates, special rates, concessions and supplements

Occupancy rates and the types of packages that apply

Previous year detailed trading figures, or estimates of your Profit & Loss account items

The costs of providing food & drink to guests either cost per guest or as a percentage of income

The direct costs of other sources of income such as bar, restaurant or functions

Details of staff numbers and salaries

Bank overdraft interest rate

Details of any bank loans and hire purchase agreements

Details of any movements on directors' or other loans

Debtor and creditor days

Remember, whilst you complete the GreenLight Forecast, you can position the pointer over any object on an input form to see a description of what it is or how it should be used.

The recommended procedure for completing a forecast is as follows:

Firstly, use the Company menu to enter the basic setup information for your hotel business. Enter the room details, discount information and set up seasonality if required. If seasonality is not required, enter all months into the Winter column.

Income

Use the Forecast income menu to enter:

Tariff information – select a tariff option for charging by room or by person, then enter all your tariffs, package rates and any special rates. If seasonal rates are not required, you can enter the tariffs in the winter column only. If weekend rates are not required, you can enter the tariffs in the weekday columns only.

Occupancy rates – enter typical occupancy rates on the global rates tab. You can enter specific weekday or weekend rates seasonally if required. You only need to enter the specific rates if they differ from the global rates. (Note: where specific rates are left blank, the global rates will be used, however if specific rates are set to zero, a zero occupancy rate will be used). Then enter the proportions of rooms or guests to which each package type, special rate, supplement or discount rate applies. Finally, enter the proportion of guest who are account customers and their average debtor days period.

Other income – for each income type, record typical takings in the standard takings section. If any specific variations are required, these can be recorded in the appropriate month. (Note: where specific monthly takings are left blank, the standard takings will be used).

Expenses

Use the Forecast expenses menu to record:

Previous year figures - (if no previous year figures are available, enter estimates for Profit & Loss items only). You can set an inflationary adjustment to be applied to these figures for the forecast.

Direct costs – you can enter direct hotel costs either as an amount per guest or as a percentage of income. Please ensure you only include the cost of food & drink that is paid for as part of a package, not food bought separately in the bar or restaurant – these costs should be recorded on the relevant tab. Use the Bar, Restaurant and Functions tabs to record direct costs for each other income type. Please ensure for on the restaurant tab you only include food & drink that is paid for separately in the restaurant, do not include the cost of food & drink that is paid for as part of a hotel guest's package.

Staff costs – record the number of staff for each department and their monthly salaries. You can also set a pay rise at any time in the year and add bonuses if required. If you anticipate any starters or leavers or any temporary staff during the year, include their details on the relevant tab.

Finance costs – record the overdraft interest rate and details of bank loans and hire purchase agreements. Please ensure the total capital balance of bank loans agrees to the figure you entered on the Previous Year form for bank loans. Then record any movements on directors' or other loans.

Fixed assets – record any anticipated additions to fixed assets, and then set the rate and method of depreciation.

Overheads – Use the general tab in each expense type to make percentage changes to the suggested values of individual expenses. The suggested values are calculated from your previous year actuals or estimates and any inflationary adjustment you set. You can also make specific monthly variations if required or add ad hoc values to any item. (Note: where monthly variations are left blank, the forecast value from the General tab will be used).

Creditor days – set a global creditor days period. You can also specify individual creditor days for any direct costs or overheads. You only need to enter specific creditor days for items which differ from the global creditor days.

This completes the forecast. You can now proceed to the What if? Scenario.

What if? Scenario

The GreenLight What if? Scenario will allow you to illustrate the effects of incremental changes in key business variables.

Use the What if? Scenario menu to make changes to:

Income – you can make changes to the key variables of tariffs and occupancy rates globally or by month, room or package. You can also make changes to your other income streams globally or monthly.

Expenses – you can make price adjustments to all or any direct costs or overheads. You can also make further changes to staff costs at any point in the year.

Then use the Reports menu to print or preview a choice of summary or detailed reports for your Forecast and What if? Scenario.