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A 30 year hospitality veteran, Steve is Complex General Manager for three Wyndham managed hotels in Galveston (Hotel Galvez & Spa, The Tremont House, and Harbor House). Steve works closely with the George Mitchell family, owner of the three hotels on preserving and promoting the rich history of the hotels and in 2011 led the year-long centennial celebration of Hotel Galvez. In 2010 Hotel Galvez was Wyndham Hotels hotel of the year and in 2012 Steve was recognized as Wyndham's General Manager of the year.

Before joining Wyndham, Cunningham was General Manager of Hotel ZaZa in Houston's Museum District. Prior to Hotel ZaZa he spent 19 years with Marriott International where he served in various roles including General Manager, Area General Manager, and Regional Vice President. Cunningham began his Marriott career as part of the development team that created and launched the Fairfield Inn brand, later serving as the brand's first General Manager. He then became Regional Director for Fairfield Inn and Courtyard by Marriott, overseeing as many as 50 hotels. In this role Cunningham was awarded Marriott's Regional Director of the Year Award and the Prestige Award for his work in developing Marriott's relationship with what would become its largest franchise organization. Cunningham also served as Regional Vice President for Marriott Execustay following Marriott's acquisition of the Execustay Corporate Housing business in 2,000.

Cunningham went on to serve as Senior Director of Asset Management for Ashford Hospitality Trust in Dallas where he managed a portfolio of 17 hotels with a total asset value of \$400M. His portfolio included Hilton, Marriott, and Starwood branded hotels.

Mr. Cunningham is Chairman of the Galveston Hotel & Lodging Association, a member of the Galveston Chamber of Commerce's Legislative Committee, and is the Wyndham Hotels representative on the board of directors of the Texas Hotel & Lodging Association.

# REVENUE MANAGEMENT

Presented by  
**Steve Cunningham**

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WHAT IS REVENUE MANAGEMENT?

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Wikipedia defines it as “the process of understanding, anticipating and influencing consumer behavior in order to maximize revenue or profits from a fixed, perishable resource (such as airline seats or hotel room reservations).”

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**THE ORIGINAL HOTEL MODEL**

- Hotels had one rate
- They had a vacancy sign out front
- There were no computers
- The model for setting rates was “set it and forget it”
- There was no revenue management system
- There were no revenue managers

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**OWNERS & OPERATORS HAD QUESTIONS**

- Why do we sell one rate everyday?
- Do discounts always have to be open?
- Should we always book the first reservation that “calls”?
- What can we learn from history and booking patterns?
- How do we track and utilize demand?
- Which is better: Transient or Group?

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**REVENUE MANAGEMENT IS BORN...**

**NEW SYSTEMS AND PROCESSES CREATED**

- To track multiple year history by day
- To measure demand by day
  - History
  - Special Events
  - Transient Pace
  - City Wides
- Group & Special Discount Displacement
- Length of Stay and Arrival Restrictions became daily tools

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**DISPLACEMENT**

Which drives more Revenue?

<p><u>Group</u> Room Revenue + F&amp;B Revenue + Spa, Golf, AV, Other Revenue = Total Revenue</p>	Or	<p><u>Transient</u> Room Revenue + Ancillary Revenue (Outlets, Spa, etc...) = Total Revenue</p>
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**RESTRICTIONS**

- Do you always accept the first reservation?
- If you have a 10 room hotel, what happens if the first 10 reservations are all at the discounted government rate?

Types of Restrictions

- L.O.S by day (General Inventory)
- L.O.S by rate category (Government rate)
- C.T.A by day
- C.T.A by rate category
- Max stay

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**NEXT GENERATION REVENUE MANAGEMENT  
YIELD FORECASTING**

Recommends

- Group Ceilings
- Transient Ceilings
- Restrictions to place
- Rate Category Restrictions
- BAR or Rate change opportunities

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**REVENUE MANAGER FOR THE DAY**

**Yield Management Exercise**  
*If this was your hotel, who would you take?*

	SUN	MON	TUE	WED	THU	FRI	SAU	TOTAL
Forecast Demand	2	2	3	11	2	4	3	
ROOM 1								
ROOM 2								
ROOM 3								
ROOM 4								
ROOM 5								
TOTAL								

Corporate \$189  
 Government \$87  
 Stay for Breakfast \$154  
 P&G \$115  
 Senior \$152

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**RULES AND HINTS**

- Your hotel has 5 rooms
- I will read each reservation just like a call or online inquiry
- You decide whether to take or turn away
- Once turned away there's no going back
- Hint: Place more than one reservation for the week in as many rooms as possible
- Write nightly rate under each day of stay
- There are no restrictions in place
- Demand is likely more than you can accommodate some days so be selective

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**WHO IS THE CHAMPION REVENUE MANAGER?**

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