This is a template for the Operational sections of the Lodging Project. Feel free to use this template in current form, modify it, and add the other sections to it. When submitting your final project at the end of the semester, please ensure that the different sections are merged together and are presented as a single document. Include a TOC, Headings, Page Numbers, and transitions so that the paper flows. The table of contents provided in this template should be used with your final project submission.
Your Company Name Here
Hotel Project Proposal

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List of Appendices

Tip: No major section within the body of your plan should exceed 6-8 pages. Use appendices to present detailed or additional information. Suggestions on possible appendices follow.

1. **Market Review and Results of Market Research**
   – Include tables explaining size of market, segmentation, growth patterns, distribution channels, price/quality segments, customer categories, future trends, market share/segmentation projections etc. You have likely printed or found Census and Market data. Complete referenced materials should be placed here.

2. **Market Projections & Sales Forecasts (Year 1 – Year 4)**
   – Use tables and charts. Clearly state all key assumptions on market size and shares, volumes and prices. Explain the marketing plan – resources, costs etc. You should feed the revenue projections here into your financial projections.

3. **Assumptions for Financial Projections (Year 1 – Year 4)**
   – The assumptions should be consistent with and derived from the earlier sections in the plan. Use text bullets to describe key assumptions and place the detail in tables.

4. **Financial Projections (Year 1 – Year 4)**
   – Offer tables showing projections for first year in a fair amount of detail – P&Ls projections by month. Round all financial information to the dollar. Be sure to include appropriate percentages in these tables. Use quarterly & annual projections for subsequent years.

5. **Promotional Material**
   - Place marketing and promotional materials that would be used to sell the property. Such catering materials, hotel information brochures, menus

The use of Appendices is for those supporting materials that were references and/or summarized in the text portion of your proposal. These are some examples of material you may find should be placed as appendices. This is not meant to be an exhaustive list.
Your Hotel Name Here

Hotel Project Proposal

Introduction

Introduce the entity (company, and the developers of this proposal to which the plan refers and indicate the scope and structure of this document. **Do not summarise the plan here** – write the plan's summary once finalised in the next main section.

Explain here who wrote the plan, when and for what purpose/reason (as a commercial hotel proposal). Give contact details (address, phone, fax and e-mail) for each project member.

Give brief business formation/incorporation details and list professional advisers (auditors, legal, tax, intellectual property, marketing/business, technical, patents etc.) and principal bankers/investors. Put the list in an appendix if lengthy.

These types of proposals are generally confidential, therefore it is important to use a confidentiality statement. For example, include paragraphs like:

*This document is confidential and has been made available to the individual to whom it is addressed strictly on the understanding that its contents will not be disclosed or discussed with any third parties except for the individual's own professional advisers. Investment in new and small businesses carries high risks as well as the possibility of high rewards. It is highly speculative and potential investors should be aware that no established market exists for the trading of shares in private companies. Prospective investors are advised to verify all material facts and to take advice from a professional adviser before entering into any commitments. This plan is strictly for information only and does not constitute a prospectus nor an invitation to subscribe for shares. Projections in the plan have been compiled by the promoters for illustrative purposes and do not constitute profit forecasts. The eventual outcome may be more or less favourable than that portrayed.*

This entire section should not exceed two pages.
Executive Summary

Write the summary when your plan is at the very final draft stage.

Hit the highlights and key issues. Avoid detail. If desired, cross reference the reader to sections containing detailed text.

Address the needs and interest of the reader (A corporate executive who is evaluating project proposals) – what information does the reader want to get orientated. Allocate one paragraph to summarise the contents of each main section.

The executive summary should consider the following

What is the product, process, or new business model?
What is being sold and to whom?

What is the value proposition?
Why will customers buy this product or service?
What needs does your product / process / new business model satisfy?
Is it faster, less expensive, of better quality, or what?

What is the competitive advantage?
What does your product / service offer that is better than competitors’ or substitutes?

What is the size of the target market?
What is the expected competitive set share?
Who are the existing / expected competitors?
Who are the existing / expected customers?
How concentrated are the customers?
What are the switching costs for customers?
How long will it take to gain the expected market share?
What assumptions have you made?

What is the revenue and profit model?
Will revenues be derived from rooms, food and beverage, catering etc?
How much profit will be earned and when?
What is the amount of funding that will be needed to develop the hotel project?

♦ Keep the length of this section below two pages.
♦ This is one of the most important sections in the entire plan so give it plenty of thought and time.
♦ Give a draft to an honest, critical outsider to review.
♦ Executive summary should grab the attention of the reader.
Mission, Strategies etc.

Limit this section to about two pages by focusing on major and long-term issues. Use succinct, affirmative statements making every noun, adjective and verb important.

**Vision**

Envision how the business will develop over the time. What is the target market and how will services change or be improved.

**Mission**

In one short paragraph, describe the central purposes and activities ("mission") of the proposed hotel product?

**Values**

Describe the business's values and the standards it will apply in dealings with the home office, stockholders, customers and suppliers.

**Objectives**

What is the property’s underlying long-term objectives? Sales Growth? Target a new and emerging market? Support local community? Develop employees? Create safe and encouraging work environment?

**Strengths, Weaknesses, Opportunities, Threats**

What are its real SWOTs (strengths, weaknesses, threats and opportunities)? Be very honest about any major weaknesses and threats in the proposal and explain how you will respond to them.

**Strategies**

Use bullets to highlight up to eight key strategies (actions, operating methods etc.) in relation to key functional areas - markets, sales, products/services, technology, finance, management, operations etc.

**Goals**

Quantify prime goals/targets. Remember to use SMART Goals.
Franchise Comparison

An introduction paragraph is needed that summarizes your market analysis and why you are proposing this type of hotel product. Also include why you have selected these two franchise options from a list of other potential options.

Background of Franchise Options

Review the strategy used to select the franchise organization. What factors influenced the decision. What are the benefits of choosing a franchised flag to operate in your market.

Selected Franchise

Explain the development of the business this franchise to its present status.

Use simple tables to summarise sales growth and royalty fees over 10 years etc.

Here's a simple table: You will need to replace the numbers in the table to reflect the actual numbers for your franchise analysis. Annualized figures are the total cost of these franchise fees over the four years that are used in this proposal. It is likely that your franchise comparison will have more costs associated with the franchise such as reservation fees, marketing etc. Additionally franchises offer other services that must be considered that add value to the franchise but are not charged to the franchisee, such as training, consultants, operational manuals etc. These should be identified and listed below the cost lines.

<table>
<thead>
<tr>
<th>Costs/Service</th>
<th>Franchise A</th>
<th>Annualized</th>
<th>Franchise B</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee</td>
<td>200</td>
<td>200</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td>Initial/Start-up Fee</td>
<td>28,000</td>
<td>28,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Royalty</td>
<td>15,000</td>
<td>60,000</td>
<td>12,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Total</td>
<td>43,200</td>
<td>88,200</td>
<td>47,302</td>
<td>83,302</td>
</tr>
<tr>
<td>Training</td>
<td>no</td>
<td>yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Include all of the costs associated with the selection of the franchise as well as any additional services that are provided by the franchisor.

Provide a graphical representation of this comparison analysis over the four years of the proposal. Remember you sales will change over this time period so franchise fees will likely be different for each year.
Projected Revenue and Occupancy

Present the expected revenue based on occupancy and average rates. Indicate revenue by room type and type of group business for 4 years. This should be done by market. Data should be presented in tabular and graph form. Make sure that you explain key elements of the projection.

For example:

Business Type:
Transient
Special Discount (AAA, AARP)
Group: (Associations)
Corporate
Government
Product/Service Description

Keep descriptions relatively short and confine them to broad groups.

Explain briefly what types of services and product does your property offer and who will use them. What advantages do they offer or needs do they meet for you customer. How you’re your product and service compare and compete with the local market.

Include in the Appendix promotional brochures, menus and marketing pieces developed.

Two or three pages should suffice for this section. Try to add a few pictures to the text and, if practicable, include a sample product room floor plan. Consider augmenting this section with a good-quality video or computer-based slide presentation. The information presented in this section should go beyond information provided on the franchised website. Do some research and include new trends that are emerging in hotels, for example, upgraded bathrooms, spas, fitness rooms, interactive guest room technology etc.
Operational Plans

Cover all aspects of the services that you will offer at the proposed property

Specify initial investments and any future plans. Include or append maps, charts, pictures etc.

Highlight major elements of operations such as health club, business center, meeting facilities, restaurants, room service. Use simple diagrams to illustrate processes or complex relationships.

Indicate organization, human resources (manpower levels, skills, training etc.), product costs, quality control, production systems, maintenance, customer support etc. that will be used for staff development, QA and Guest Satisfaction
Management & Operations

A short introduction of key management staffing and strategies.

Management

Introduce the executive level that will run the property and their roles. Include short profiles of the skills required in each position. You will not include actual person’s names since this is a business proposal. Titles Only. Identify the management levels and departments appropriate to you proposed property. Additionally list the number of staff members for each department that are expected to be needed to meet you occupancy and revenue projections.

Use a simple organisation chart to illustrate the structure. Summarise management remuneration.

NewCo

2. Click the Organization Chart diagram, and then click OK.
3. Do one or more of the following:
   o If you want to add text to a shape, right-click the shape, click Edit Text, and type the text.
     Text cannot be added to lines or connectors in organization charts.
   o If you want to add a shape, select the shape you want to add the new shape under or next to, click the arrow on the Insert Shape button on the Organization Chart toolbar, and then click one or more of the following:
     Coworker— to place the shape next to the selected shape and connect it to the same superior shape.
     Subordinate — to place the new shape below and connect it to the selected shape.
     Assistant— to place the new shape below the selected shape with an elbow connector.
Conclusion

Review what the business expects to achieve. Indicate why it will succeed and why it should be supported by investors etc. Be very positive and confident.

Confine this section to a page or two and write it when the plan is almost complete.