

Budget Process

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Learning outcome:

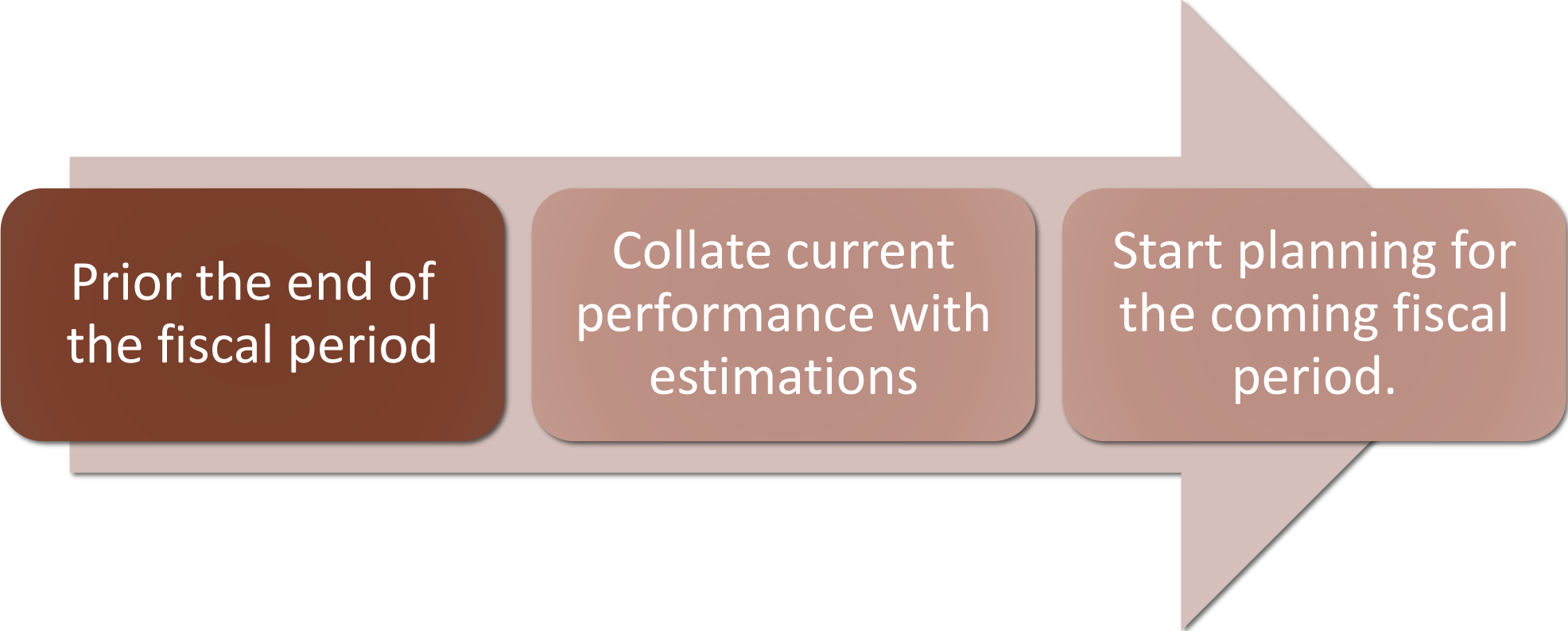
To understand what is a budget;

To highlight the importance of a budget process;

To understand the importance of the

To

Budgeting process



Prior the end of the fiscal period

Collate current performance with estimations

Start planning for the coming fiscal period.

Estimation

Actual figures

- The actual occupancy;
- The actual room rate;

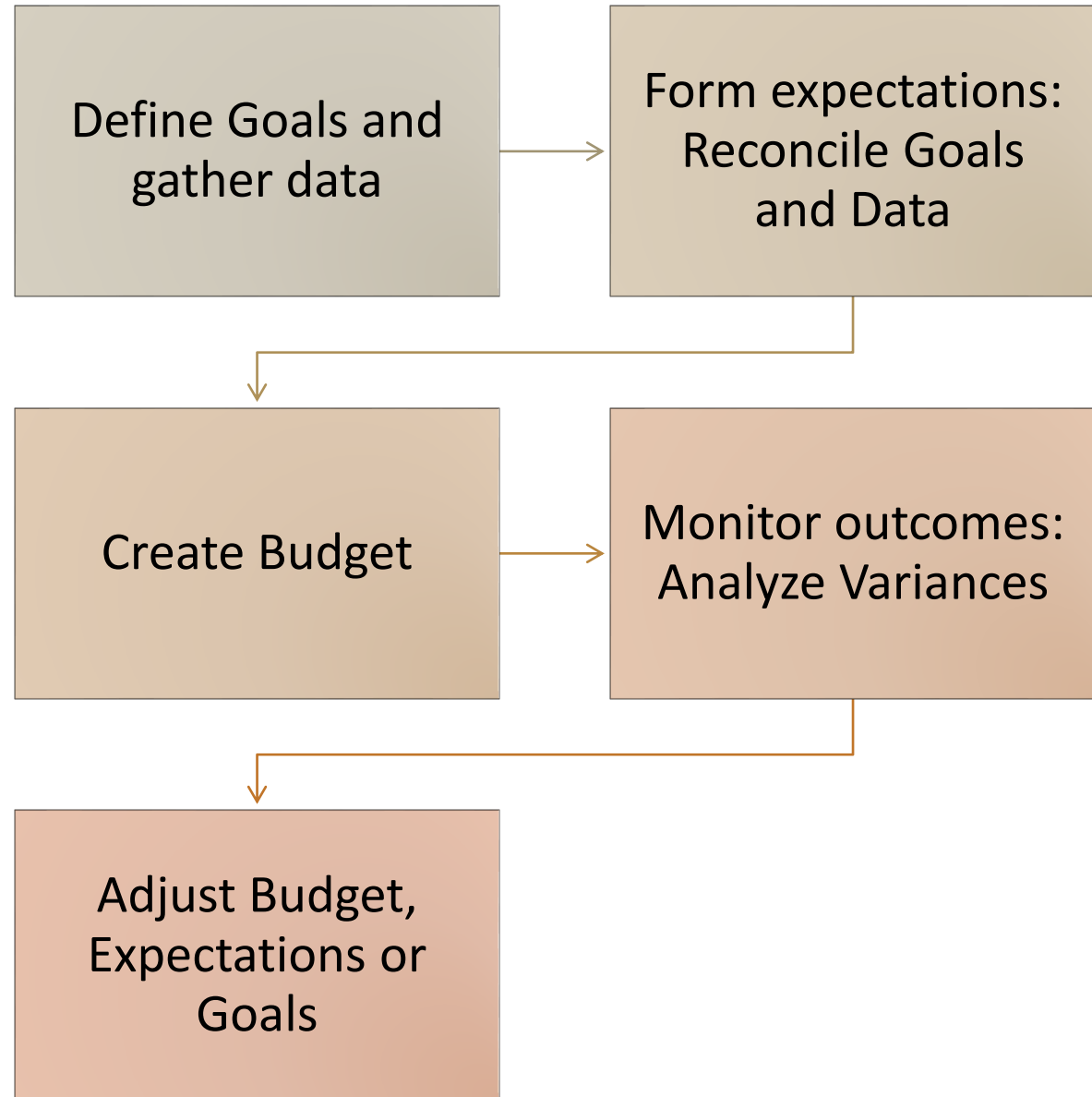
Remaining
period adjusted

- The adjusted occupancy;
- The adjusted room rate;

Hotels with a calendar year...



In August – kick off the budget process:



Rooms Budget

Gather performance of the tour operators;

Establish how much was there take up of the inventory;

Look out for flags that might be necessary to be incorporated into the budget, such as other hotels being out of operation;

Flag out for works nearby, which will make your operation unsaleable.

Keep in the loop all key rooms personnel;

Understand what are the expectations from the owners;

Compare to previous periods to see if such expectations are reasonable.

Remember once the budget is approved, it becomes a management order!

Understand the rooms inventory:

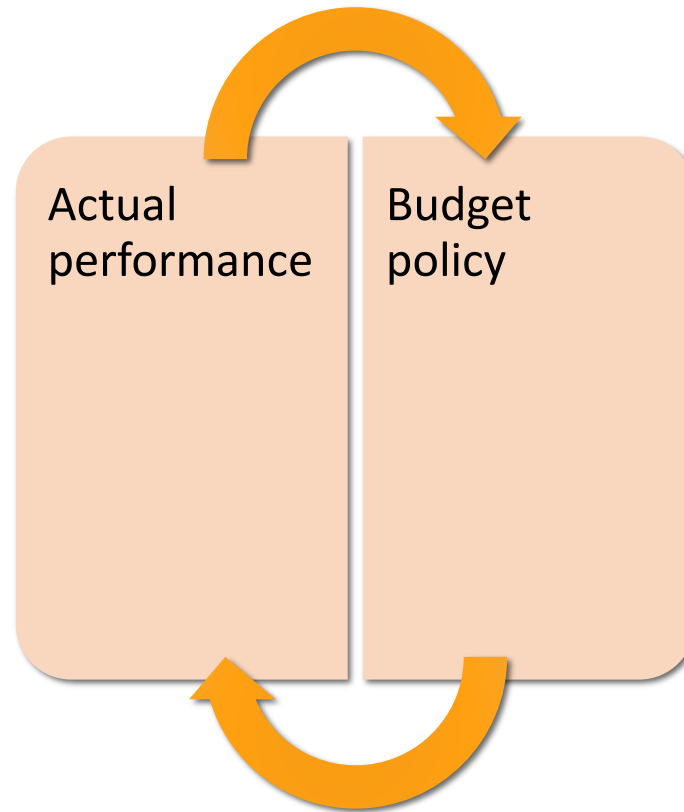
The perishable nature of the rooms;

The requirements accompanying the rooms;

The stock of amenities; guest supplies, and guest literature;

The manpower required to keep the product up and running;

Budget relationship:



Thank you.
