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Don't let increasing labor costs decrease your profitability.

With new government regulations and wage hikes taking effect, labor costs are facing dramatic increases. Find out how Hotel Effectiveness can help manage your labor costs and increase your profitability with real-time labor monitoring, scheduling, and more.

[Schedule a Demo](#)

How you can dramatically increase the profitability of your hotels with labor management.

Introduction



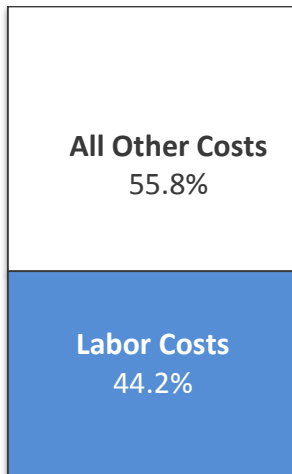
Controlling labor costs is a critical component of maximizing hotel profitability, but the nature of hotel operations makes this a unique challenge. A good labor management system can overcome these challenges, increasing your profit and reducing risk.

Good labor management includes the **development of specific standards, scheduling to these standards, daily monitoring, and corporate accountability.** An automated system like Hotel Effectiveness can drastically simplify implementing labor management principles at a minimal cost.

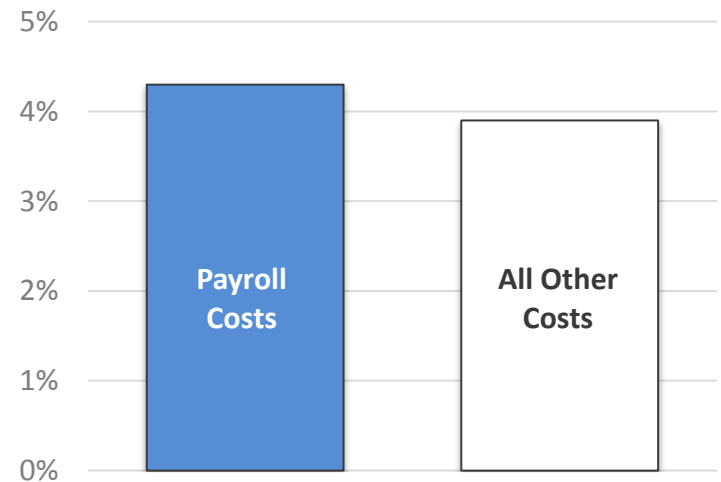
Labor costs are a BIG deal. Here's why:

Hotels are labor intensive. In fact, **44.2% of all costs in hotels is due to labor** – and payroll costs are **increasing faster than all other costs**. Unfortunately for hotel operators, new government regulations on overtime and healthcare, as well as wage increases taking effect will increase labor costs to even higher heights in the very near future.

Labor is the single largest cost in a hotel...



...and it's growing faster than any other cost.



Why don't hotels manage labor effectively?

Labor is the **most difficult expense to control**. Managers are well intentioned, but there are simply too many moving pieces to keep track of because of the nature of operating a hotel. Occupancy levels and other business drivers vary a lot day-to-day, so staffing requirements are always in flux. Trying to juggle the ups and downs of the business along with the needs of customers and an ever-changing workforce means that some tasks get neglected.

Additional factors that make it difficult to manage labor include:

Manual processes don't get done.

Most hotels try spreadsheets or manual tracking methods to keep labor in line. This sounds good in theory, but manual processes almost never get done consistently (or if they do get done, they don't get looked at).

Budgets don't provide enough guidance.

Budgets are really important, but they can be hard for a junior level manager to operationalize into weekly schedules and labor monitoring. A good labor management system will move beyond budgets to specific labor standards for every position.

Accountability must be more real-time.

Many companies look at labor costs on their P&Ls, when they process payroll, sometimes even weekly. That's not frequent enough. Managers must see and be held accountable for over-staffing, overtime, and other issues right away.

Overspending on labor is money you've lost forever.

Unlike supplies or other things you spend money on that you can use later, if you overspend on labor one week, you cannot make up it by economizing later on.

How can a labor management system help you?

A labor management system makes your hotels more profitable and saves your managers time. Here's how:

Assists in the development of labor standards

Helps you cut up your budgets into actionable labor standards for every position in the hotel.

Easy, precise scheduling

Guides your scheduling according to labor standards and forecasted occupancy quickly and efficiently.

Automated labor monitoring

Catches issues before they arise, such as overtime risks and excessive hours.

Identifies trends that will hinder profit, such as housekeeping productivity issues, employees 'riding the clock,' and other time management issues.

Robust reporting

Gives management companies and owners insight as to how hotels are doing and why.

Provides accountability for managers to highlight areas that need adjustments.

Benchmarking

Compares your hotels against similar properties to see how you stack up.

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Did you know hotels typically overspend on labor by 5%? See just how much a good labor management system can help you recover on the next page.

A labor management system increases profits and increases the value of your hotels.

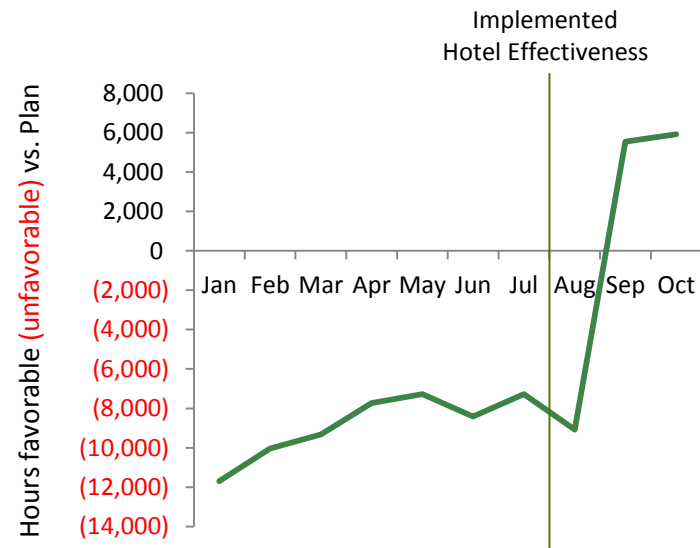
A typical property can expect to reduce its labor cost by 5% when they implement a labor management system. This makes labor management one of the single highest R.O.I. initiatives that a hotel company can take on.

Employee Count	Increase in Profit	1 Year R.O.I.
25	\$20,800	1485%
50	\$41,600	1600%
100	\$83,200	2311%

Think like an owner

For an owner with a 10x cap rate, labor management can increase the value of each property by hundreds of thousands of dollars when they sell.

Below is a real life case study of a portfolio of 20 small limited service hotels that implemented Hotel Effectiveness' labor management system. In a short period of time, labor hours across the portfolio were **reduced by over 10,000, saving them over \$100k each month.**



Hotel Effectiveness' labor management system includes every feature you need to increase profitability:

Defined Labor Standards

The screenshot displays the 'Hotel Plan Manager' interface with a list of labor standards. A clipboard icon with letters A, B, and C is overlaid on the right side of the screen.

Precision Guided Scheduling

The screenshot shows the 'Hotel Labor Scheduler' interface for 'Comfort Suites Southside (demo) for 07/21-07/27'. It features a grid for scheduling labor hours across different departments and dates.

Department	07/21	07/22	07/23	07/24	07/25	07/26	07/27
All Positions	86.86	89.27	84.77	83.47	86.74	86.74	86.74
Executive Director	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Executive Housekeeper	5.71	5.71	5.71	5.71	5.71	5.71	5.71
Front Desk Clerk	8.00	8.00	16.00	16.00	16.00	16.00	16.00
Guest Manager	5.71	5.71	5.71	5.71	5.71	5.71	5.71
House Manager	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Housekeeper	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Housekeeping Supervisor	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Laundry Attendant	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Maintenance Supervisor	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Night Auditor	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Sales Coordinator	5.71	5.71	5.71	5.71	5.71	5.71	5.71

Daily Labor Check-In

The screenshot shows the 'Realtime Hotel Labor Analyzer' interface. A magnifying glass is positioned over a red box containing the value '-67.00' in the 'Daily Hours' table.

Department	Actual	Plan	Variance
Executive Director	11.00	11.00	0.00
Guest Services	40.00	24.00	16.00
Housekeeping	156.00	165.00	-9.00
Front Desk & Mail	15.75	13.75	2.00
Sales & Marketing	15.25	13.75	1.50

Robust Reporting & Alerts

The screenshot displays the 'Realtime Hotel Labor Analyzer' interface for 'Holiday Inn Express City North (demo)'. An envelope icon is overlaid on the right side, symbolizing alerts or reports.

Hours	Actual	Plan	Variance
Holiday Inn Express City North (demo)	194.00	199.25	-5.25

Competitive Benchmarking

The screenshot shows the 'Hotel Plan Manager' interface with a 'Labor Benchmarks Comparison - Comfort Suites Southside (demo)' chart. A line graph on a presentation board displays benchmarking data.

Metric	Actual	Industry Benchmark
Labor Cost %	14.5%	16.7% to 20.0%
Labor Cost / Rev	\$15.22	\$14.74 to \$17.68
Hours PGR	1.00	1.00 to 1.01

In fact, it's the best labor management system for hotels.

Here are just a few reasons why Hotel Effectiveness is the best labor management system for your business:

1 Hotel-Specific

Hotel Effectiveness is the ONLY labor management solution built specifically for hotels and hotel management companies. From select to full service, economy to luxury, our system was designed from the ground up to handle all of the labor challenges hotels (and portfolios) of all shapes and sizes face.

2 Affordable

Our tiered pricing structure is very affordable, with plans as low as \$90 per month. You can pay month to month and cancel anytime. And with the amount you save from using our system, the cost pays for itself in next to no time!

3 Cloud-Based

No need to download software; you can access our system online at any time from anywhere (smartphones included).

4 Better & Better With Time

Not only is our software world-class today, but we are constantly rolling out updates that make our software better and better. No upgrade or support fees.

Increase your profitability with Hotel Effectiveness.

Contact Hotel Effectiveness at answers@hoteffectiveness.com or +1 (678) 325-1150 if you're ready to take control of your labor costs and increase your profitability!

Want to take an inside look at our software?

[Schedule a Demo Today!](#)

Since 2007, Hotel Effectiveness is the only company that provides a complete suite of labor management products designed exclusively for the hotel industry. Their innovative approach and easy-to-use tools have helped hundreds of hotels achieve immediate results and incredible returns. From economy hotels to large convention hotels, their solutions are a fit for all types of properties. Hotel Effectiveness is used across every major hotel brand.



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