

Discover How to Get Your Revenue Management and Sales Departments on the Same Page

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In the last couple of years, revenue managers have realized that 'integration' is the key to their success. To succeed, the revenue management department, the data they use and the processes they employ need to be integrated with pricing, sales, marketing and CRM.

Despite the increased awareness of RM within travel organizations, there is still one major hurdle to cross - integrating revenue management with sales. With contradicting business objectives these departments are constantly mired in conflict and tension.

On the one hand resolving this conflict is a management issue. Revenue Managers need to be able to convince senior management to see revenue management as part of the bigger picture. And senior management needs to work to prevent the sales department from overwhelming the overall interests of the company.

On a basic level, RM and sales need to communicate through regular meetings. Through constant communication, these two departments can begin to develop their strategies in concurrence and harmony. The sales team can establish parameters of the RM strategy so it can push for the best deal, and also evaluate if long-term, loyal accounts are really willing to pay the rates set out by the RM strategy. By doing this the sales team can truly work in harmony with RM.

On a more complex level, if your sales team has long-term knowledge of rates they will also be able to generate business within segments that compliment the RM strategy. And rewarding the sales and marketing department during off-peak periods can also go some way in resolving the tension.

Another way to reduce this internal conflict lies with processes and data. These two departments traditionally use different data and forecasting methods. Understanding the flaw in this system goes some way towards resolving the conflict. When RM departments develop their strategy they look at historical variables in order to anticipate demand, so RM and sales need to develop their strategy in tandem, with sales and marketing being awarded accordingly.

In many companies there is no synergy between RM and sales. To overcome their differences, their forecasting and network systems need to be aligned. RM and Sales need to establish complimentary inventory allocations and sales targets based on the same objectives, criteria and revenue maximizing mindset - and most importantly the same data.

Marriott, Outrigger, Virgin America and Carnival Cruises will reveal how they have 'Minimized the discord between their sales and revenue departments' at EyeforTravel's upcoming RM conference, being held on 9-10 October in Las Vegas. Speakers include Lee Jones, VP Pricing and Global Revenue Management, Marriott International, Elizabeth Cambra, Corporate Director, Revenue Optimization, Outrigger Hotels and Resorts, Brian Clark, VP Planning and Sales, Virgin America and Delia Valcarcel, Director of Revenue Planning and Pricing Operations, Carnival Cruise Lines. For more information visit: <http://www.eyefortravel.com/rmusa2007/index.asp>

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