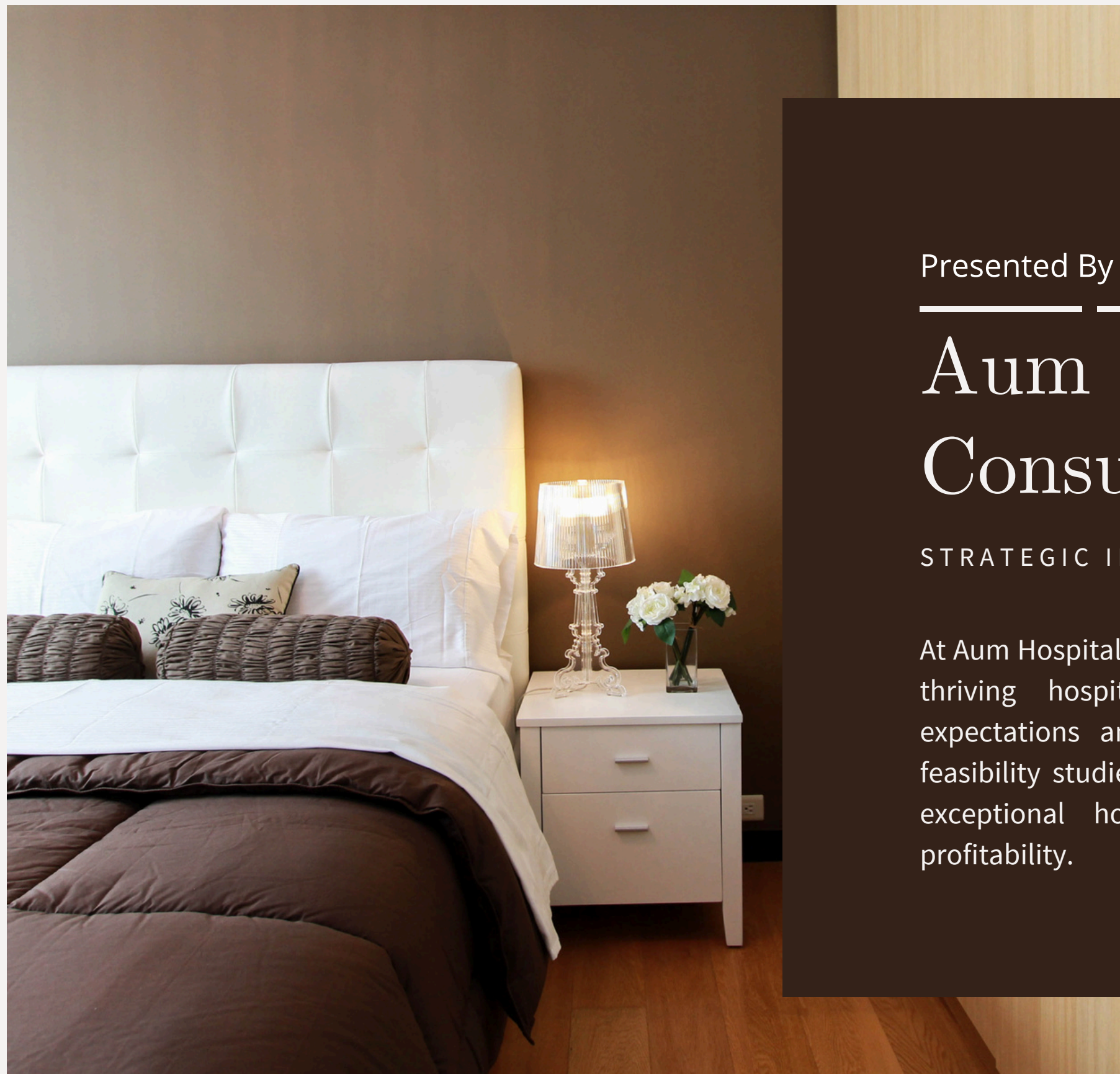

BRANDED HOTEL OPERATOR SEARCH CRITERIA

AUM HOSPITALITY CONSULTANTS





Presented By

Aum Hospitality Consultants



STRATEGIC INSIGTS, SEAMLESS EXECUTION

At Aum Hospitality Consultants, we believe that the foundation of a thriving hospitality business lies in understanding guest expectations and exceeding them at every touchpoint. From feasibility studies to hotel operations, we help businesses create exceptional hospitality experiences that drive loyalty and profitability.



Why Collaborate with a branded Hotel Operator?

Finding the Right Hospitality Partner for Long-Term Success!

At Aum Hospitality Consultants, we understand that selecting the right national or international branded hospitality operator is crucial for the long-term success of any hotel or resort project. A strong brand not only enhances the market positioning but also ensures operational efficiency, optimized revenue streams, and long-term profitability.

Our comprehensive selection criteria focus on key factors that align with the project's vision, location, and business objectives:

1

Brand Strength & Market Positioning

- The operator should have a well-established reputation and a strong presence in the domestic or international market.
- The brand positioning should align with the target audience, whether it is luxury, upscale, midscale, or economy.
- The ability to enhance the property's visibility and appeal through brand recall and recognition.

2

Operational Expertise & Management Capabilities

- Proven experience in managing hotels and resorts of a similar category, size, and market positioning.
- Strong financial performance and operational efficiency in previously managed properties.
- Expertise in implementing standardized SOPs (Standard Operating Procedures) for seamless operations.
- Ability to attract, train, and retain high-quality hospitality professionals for service excellence.

Guest Experience Prioritization:

- Anticipating guest needs and responding promptly to requests, such as room service or special accommodations.
- Regularly reviewing guest feedback to address common concerns and improve service quality.

Process Optimization

- Streamlining workflows, such as housekeeping schedules and front desk procedures, to enhance efficiency.
- Regularly reviewing and updating processes to maintain high operational standards.



3

Sales, Marketing & Distribution Network

- Strong global, regional, and local sales networks to drive occupancy and revenue.
- Robust digital marketing strategies, including online reputation management, website presence, and social media engagement.
- Well-established loyalty programs that provide access to a large customer base and repeat guests.
- Efficient GDS (Global Distribution System) and OTA (Online Travel Agency) partnerships for enhanced market reach.





4 Revenue Management & Financial Terms

- A dynamic revenue management system to optimize ADR (Average Daily Rate) and RevPAR (Revenue Per Available Room).
- Transparent and flexible commercial terms with a well-defined management contract.
- Performance-linked incentives ensuring both operator and owner interests are aligned.
- Clear policies regarding management fees, incentive fees, marketing contributions, and brand-related costs.



5

Sustainability, Innovation & Guest Experience Enhancement

- Commitment to sustainable hospitality with eco-friendly initiatives and green certifications.
- Integration of cutting-edge technology solutions for guest experience, including contactless check-ins, smart room automation, and AI-driven personalization.
- Implementation of guest-centric service innovations to ensure high levels of customer satisfaction and positive online reviews.



6 Legal, Compliance & Risk Management

- Strong adherence to local and international hospitality laws and regulations.
- Clear exit strategies and contract termination clauses that protect the interests of property owners.
- Compliance with safety, security, and hygiene standards to mitigate operational risks.



Conclusion

The right branded hotel operator will not only bring a recognized name to the property but also ensure operational efficiency, financial growth, and sustainable market positioning. At Aum Hospitality Consultants, we specialize in identifying and negotiating with leading hotel brands to create successful, long-term partnerships for our clients.

✉ *If you are looking for a hospitality operator for your project, connect with us today!*



Scope of Services

1. Pre-Marketing & Briefing Document
2. Operator or Brand Search
3. Operator/Brand Final Selection & Contract Negotiation





Pre-Marketing Briefing Document

- **Review Plans and Documents:**
- Thoroughly assess architectural plans, market positioning strategies, budgets, and any existing trading or business plans for the hotel.
- **Define Key Selection Criteria:**
- Collaborate with the client to identify and finalize the criteria that will be used to evaluate and select potential hotel operators.
- **Prepare Information Memorandum:**
- Create a comprehensive document detailing relevant information about the hotel project. This will serve as a guide for potential operators during the selection process.
- **Compile Target List:**
- Identify and list potential hotel operators or brands that align with the project's goals. This list should be based on the agreed-upon criteria and the client's preferences.



Hotel Operator/Brand Search

- **Distribute Information Memorandum:**
- Share the information memorandum with the identified operators or brands, gauging their interest in managing the hotel.
- **Organize Site Visits:**
- Facilitate site visits for interested parties, allowing them to familiarize themselves with the property and gather information necessary for their proposals.
- **Evaluate Proposals:**
- Review and analyse the proposals received from interested parties, considering factors such as experience, financial capability, and proposed management strategies.
- **Coordinate Presentations:**
- Organize presentations and pitches from shortlisted operators, providing an opportunity for them to showcase their plans and capabilities.

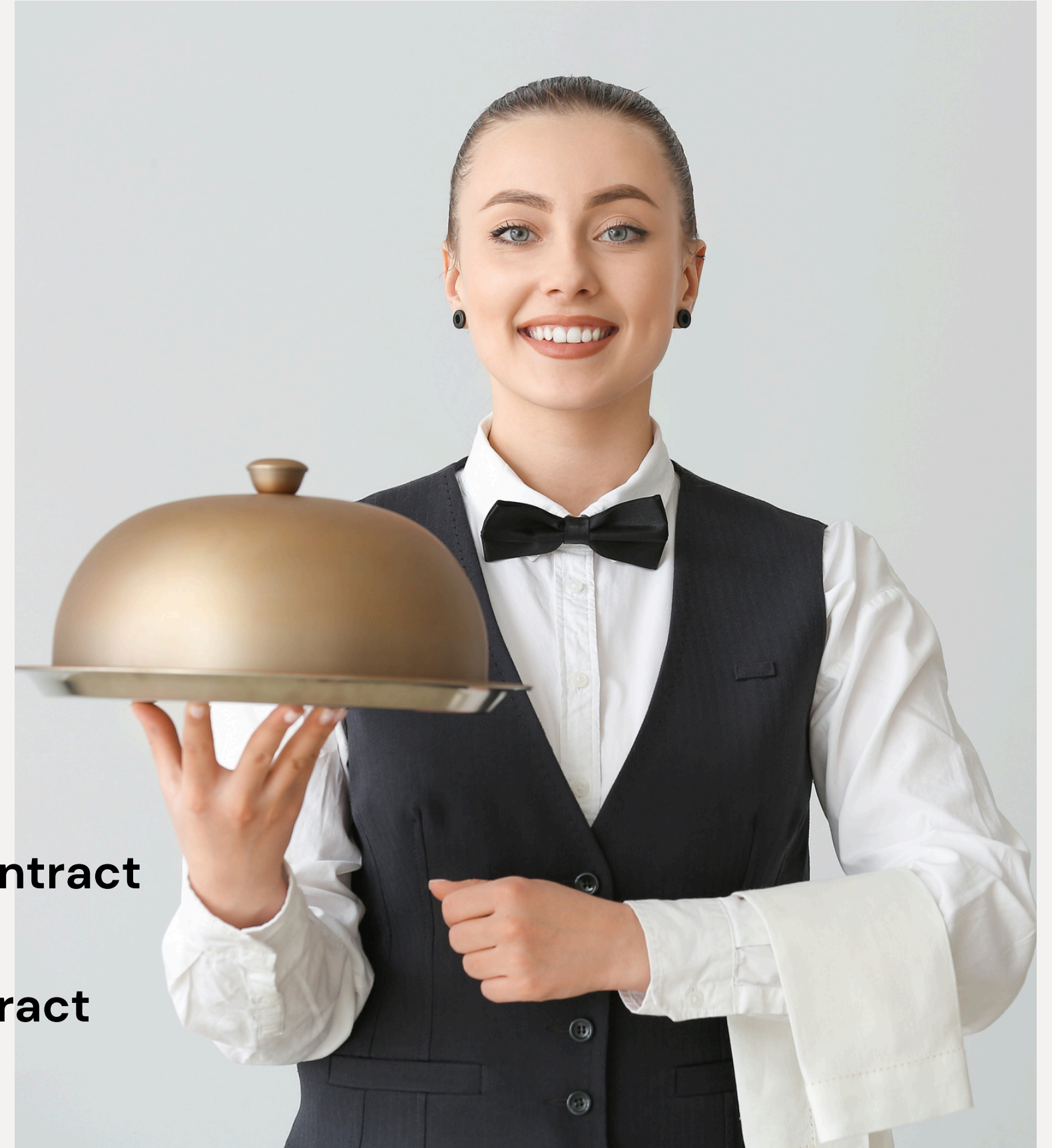


OPERATOR/BRAND SELECTION & CONTRACT NEGOTIATION:

- **Select Preferred Bidder:**
 - Based on the evaluation of proposals and presentations, choose the preferred hotel operator that best aligns with the client's goals and criteria.
- **Negotiate Commercial Terms:**
 - Engage in negotiations with the preferred bidder to finalize the commercial terms of the management contract. This includes discussing fees, revenue-sharing arrangements, and other financial aspects.
- **Liaise with Legal Team:**
 - Collaborate with the client's legal team to ensure that all legal aspects of the contract, including terms and conditions, are thoroughly reviewed and addressed.
- **Finalize and Sign Contract:**
 - Once negotiations are complete and both parties agree, finalize the contract and facilitate the signing process.
 - This structured approach ensures a thorough and systematic process for selecting a hotel operator, from the initial planning stages to the finalization of a mutually beneficial contract.

Types of Hotel Management Contracts

1. Full Service Management Contract
2. Franchise Management Agreement
3. Hybrid or White-Label Management Contract
4. Revenue-Share or Profit-Sharing Management Contract
5. Lease-Based Management Contract
6. Joint Venture or Equity-Based Management Contract



1 Full Service Management Contract

- A Full-Service Management Contract is a comprehensive agreement where a management company takes over the complete operational control of a business or property. This type of contract is common in industries like hospitality, real estate, and retail. Here are its key features:
- Comprehensive Management: The management company handles all aspects, including staffing, operations, marketing, and financial management.
- Expertise: The owner benefits from the expertise and resources of the management company, ensuring professional handling of operations.
- Revenue Sharing: The management company is often compensated through a percentage of the revenue or profits, aligning their interests with the owner's success.
- Long-Term Agreement: These contracts are typically long-term, ensuring stability and continuity in management.
- This model is ideal for owners who prefer to delegate operational responsibilities to experts while focusing on other priorities.



2 Franchise Management Agreement

- A Franchise Management Agreement is a legal contract that defines the relationship between a franchisor (the brand owner) and a franchisee (the operator). Here's a breakdown of its key components:
- **Roles and Responsibilities:** The franchisor provides the business model, branding, training, and operational guidelines.
- The franchisee operates the business according to the franchisor's standards.
- **Financial Terms:** Includes details about initial franchise fees, ongoing royalties, and other financial obligations.
- **Operational Standards:** Ensures consistency in quality, customer experience, and brand representation across all franchise locations.
- **Duration and Renewal:** Specifies the length of the agreement and conditions for renewal or termination.
- **Legal Protections:** Protects the franchisor's intellectual property and ensures compliance with local laws and regulations.
- This agreement is crucial for maintaining the integrity of the brand while allowing franchisees to benefit from an established business model.



- This approach involves partnering with a professional management company that operates the hotel under the owner's branding. Key features include:
- Brand Independence: Owners retain their unique identity and branding.
- Flexibility: Contracts are tailored to the owner's needs, ensuring operational and financial alignment.
- Cost Efficiency: Lower management fees compared to traditional branded operators, with performance-based incentives⁴.
- Both models cater to different needs. Hybrid contracts are ideal for owners seeking a balance between control and brand support, while white-label contracts suit those prioritizing individuality and cost efficiency. Which one aligns with your vision?



3

Hybrid or White-Label Management Contract

4

Revenue–Share or Profit–Sharing Management Contract

- Revenue-Share Management Contract and a Profit-Sharing Management Contract are agreements where parties collaborate and share financial outcomes, but they differ in focus:
- **Revenue-Share Management Contract**
 - Definition: This agreement outlines how revenue generated from a business or project is distributed among the involved parties.
 - Key Features:
 - Revenue is shared before deducting expenses.
 - Often used in partnerships, joint ventures, or licensing deals.
 - Encourages collaboration by aligning interests of all parties.
 - Example: A hotel management company might receive a percentage of the total revenue generated by the property.
- **Profit-Sharing Management Contract**
 - Definition: This agreement specifies how profits (revenue minus expenses) are divided among stakeholders.
 - Key Features:
 - Focuses on net profits after all costs are accounted for.
 - Common in employee incentive programs or business partnerships.
 - Encourages cost efficiency and profitability.
 - Example: A business partnership where profits are split based on ownership percentages.
- Both models aim to align incentives and foster collaboration, but the choice depends on the nature of the business and the goals of the parties involved.

5

Lease-Based Management Contract

- A Lease-Based Management Contract is an agreement where the management company leases the property or business from the owner and operates it independently. Here's how it works:
- Key Features:
- Fixed Lease Payment: The management company pays a predetermined lease amount to the owner, regardless of the business's performance.
- Operational Control: The management company assumes full control of operations, including staffing, marketing, and day-to-day management.
- Risk and Reward: The management company bears the operational risks but also enjoys the profits generated from the business.
- Owner's Role: The owner typically has minimal involvement in the business's operations, focusing instead on receiving the lease payments.




6

Joint Venture or Equity-Based Management Contract

- A Joint Venture Management Contract and an Equity-Based Management Contract for hotels are collaborative approaches where ownership and management responsibilities are shared. Here's a breakdown:
- Joint Venture Management Contract: Two or more parties come together to jointly own and operate a hotel, sharing resources, risks, and rewards.
- Key Features:
 - A new legal entity is often created for the venture.
 - Each party contributes capital, expertise, or other resources.
 - Profits and losses are shared based on the agreed terms.
- Equity-Based Management Contract: The management company takes an equity stake in the hotel, aligning its interests with the owner's success.
- Key Features:
 - The management company invests capital in the hotel.
 - Compensation is tied to the hotel's performance, often through profit-sharing.
 - The management company may have a say in strategic decisions.
- Both models foster collaboration and shared success.



Choosing the right management contract

- Choosing the Right Management Contract
- The best contract depends on:
 - The owner's level of control and risk appetite
 - The operator's brand strength and experience
 - The financial structure and expected ROI
 - The long-term vision for the property
- At Aum Hospitality Consultants, we help hotel owners evaluate, negotiate, and finalize the right management contract to maximize profitability and operational efficiency.
-  Looking for a hotel operator for your project? Let's connect!



Why Should You Hire a Hotel Consultant for Brand Search?

Selecting the right branded hotel operator is one of the most critical decisions for any hotel investor or property owner. A well-matched brand can significantly enhance revenue potential, operational efficiency, and guest experience. However, navigating the complexities of brand selection, negotiations, and contract structuring requires expert guidance. Here's why hiring a hotel consultant for your brand search is essential:



1 In-Depth Market Knowledge & Brand Positioning

- Hotel consultants have extensive knowledge of the hospitality industry, market trends, and brand positioning.
- They understand which brands are best suited for luxury, upscale, midscale, or budget segments, ensuring alignment with your project's vision and location.
- Consultants assess brand reputation, guest demographics, and competitive advantages to maximize market potential.
- Example: A consultant can help determine whether your property would benefit more from a Hilton Garden Inn or a Courtyard by Marriott, based on market demand and location.

2 Extensive Network & Access to Top Hotel Brands

- Hotel consultants have direct relationships with national and international hotel chains.
- They know which brands are expanding and can facilitate introductions to decision-makers.
- They help negotiate better commercial terms by leveraging industry connections.



3 Strategic Brand Selection & Feasibility Assessment

- Consultants conduct a detailed feasibility study to match your project with the most suitable brand.
- They analyze factors such as brand fees, franchise models, revenue expectations, and operational requirements.
- They ensure the selected brand aligns with your investment goals and local market demand.
- Example: A feasibility study might reveal that a midscale or upscale brand will generate higher ROI than a luxury brand in your location.

4 Expert Negotiation of Management & Franchise Agreements

- Hotel contracts can be complex, with multiple layers of management fees, incentive fees, and performance clauses.
- A consultant ensures favorable commercial terms, reducing unnecessary costs and risks.
- They help negotiate flexible contract structures, including exit clauses, branding requirements, and performance benchmarks.
- Example: A consultant might negotiate lower brand royalty fees or reduce marketing contributions, improving your bottom line.



5 Independent & Unbiased Recommendations

- Unlike hotel brands, which promote their own interests, consultants provide unbiased guidance.
- They present multiple brand options and compare them objectively.
- They help owners make informed decisions based on data-driven insights rather than brand marketing.

6 Time & Cost Efficiency

- Finding and negotiating with a hotel brand can be time-consuming and complex.
- A consultant streamlines the process, ensuring a faster and smoother brand selection.
- They prevent costly mistakes that could lead to unfavorable contracts or operational inefficiencies.
- Example: A consultant ensures that brand agreements are structured for long-term profitability, avoiding hidden costs.

7 Maximizing Return on Investment (ROI)

- With the right brand selection and negotiation, property owners can achieve higher RevPAR (Revenue Per Available Room) and profitability.
- Consultants help structure contracts that align brand success with property performance, ensuring mutual benefit.
- They ensure the brand's marketing, sales, and distribution strengths are fully leveraged.
- Example: A properly negotiated franchise agreement could result in higher ADR (Average Daily Rate) and occupancy rates, maximizing revenue.



Final Thoughts

- Selecting the right branded hotel operator requires expertise, industry connections, and strategic negotiations. A hotel consultant ensures that you secure the best brand fit, negotiate favorable terms, and optimize profitability.
- At Aum Hospitality Consultants, we specialize in:
 - Brand Search & Selection
 - Hotel Management & Franchise Contract Negotiation
 - Feasibility Studies & ROI Analysis
 - Operator Shortlisting & Evaluation
- Looking for the right hotel brand for your project? Let's discuss how we can help!



Aum Hospitality Consultants

Thank You

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