GUIDANCE NOTE FOR HOTELS & GUESTHOUSES:

USING THE CAPACITY AND COMMERCIAL IMPACT CALCULATOR
It has never been more important to critically assess which parts of your operation can function profitably and where to drive efficiencies. To help you with this Fáilte Ireland have developed a Capacity and Commercial Impact Calculator.

Use of the Calculator will help you determine:

- The effect of reduced capacity in the various areas of your hotel/guesthouse (e.g. rooms, F&B, functions rooms, leisure)

- Which areas risk trading at a loss due to reduced capacity
  If the areas, and the services you provide within them, can function profitability

- The feasibility of new services you introduce (e.g. use of new areas in the hotel/guesthouse for serving food, new boxed breakfast takeaway option, meeting room space at reduced capacity etc)

- Maximise the trading performance of each outlet in your business, reducing the potential for losses during the difficult transition period

- The estimate of additional bedroom sales required to at least break-even

- Where you might need to relook at costs and revenue generation

- Expected performance by day and week for all areas, allowing a high level comparison of:
  • Expected year on year performance
  • Performance with previous years.
Before you start to use the Calculator

Social distancing will require major changes in operations. The first step is to reorganise layouts to maximise capacity while complying with physical social distancing directives.

Remember each room (i.e. restaurant, bar, function room) in each hotel/guesthouse is a different size, fit-out and shape. Therefore you will need to determine your new capacity yourself to input into the calculator.

As a rough guide it could be that your capacity, compared to pre-COVID levels, will be reduced along the following lines:

<table>
<thead>
<tr>
<th>Trading outlet</th>
<th>Potential reduction in capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants and other food outlets (depending on table layout/restaurant size)</td>
<td>50% - 70%</td>
</tr>
<tr>
<td>Bar/lounge areas</td>
<td>50% - 70%</td>
</tr>
<tr>
<td>Meeting rooms – theatre style</td>
<td>80% - 85%</td>
</tr>
<tr>
<td>Meeting rooms – classroom style</td>
<td>66%</td>
</tr>
<tr>
<td>Meeting rooms – U-shaped style</td>
<td>75%</td>
</tr>
</tbody>
</table>

The Calculator

Over the following pages, an explanation of the inputs (the information you need to input to the Excel template) and the outputs (what the template will tell you based on the information you provide) are presented for the following areas of your business:

1. Bedrooms
2. Breakfast
3. Restaurant 1 (your main food outlet)
4. Food outlet 2 (eg café/informal dining room, etc)
5. Outlet 3 (can be beverage only or an F&B outlet)
6. Outlet 4 (perhaps where the business has a second bar, etc)
7. Function rooms
8. Leisure
9. Overall summary

These areas match the sheets in the Excel Template.
INPUTTING DATA

PLEASE NOTE:

When using the Excel Template only input your data into the pink coloured cells. Cells with a small red triangle in the upper right hand corner provide a pop-up descriptive narrative.
The structure of the Calculator - Excel Template

The Excel template is comprised of nine tabbed spreadsheets:

<table>
<thead>
<tr>
<th>Tabs</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bedrooms</td>
</tr>
<tr>
<td>2.</td>
<td>Breakfast</td>
</tr>
<tr>
<td>3. &amp; 4.</td>
<td>Restaurant/food outlet (x2)</td>
</tr>
<tr>
<td>5. &amp; 6.</td>
<td>General outlet (x2), e.g. bar, lounge or similar</td>
</tr>
<tr>
<td>7.</td>
<td>Conference, banqueting &amp; meetings</td>
</tr>
<tr>
<td>8.</td>
<td>Leisure</td>
</tr>
<tr>
<td>9.</td>
<td>Overall summary</td>
</tr>
</tbody>
</table>

Each tab shows a summary of expected daily and weekly performance, with a detailed breakdown by service type within each outlet (i.e. room service versus restaurant service, and so on).

The overall summary provides a snapshot of expected performance by day and week for all areas, allowing a high level comparison of expected year on year performance.

Not all businesses will need to use all of the sections/tabs, but those that you do use will require information to be input (firm/estimated bookings and costs) in order to generate a departmental profit and loss estimate. This can help identify opportunities for cost reduction or income generation. See “Maximising Revenue as You Reopen Your Business” for ideas.

Each spreadsheet will allow forward forecasting for up to 4 weeks (from Monday to Sunday) in any month you choose (up to March 2022). You do not need to populate the model with estimates for up to 31 days each month – it will take the information you have provided and calculate a pro-rated full month estimate if you require it.
Basic Assumptions

The quality and accuracy of information input to the spreadsheets will improve the value of the outputs.

Take the following into account when inputting information to the spreadsheets:

• Staff pay attracts PRSI contributions at either 8% or 11.05%.
• An additional 8% is added to payroll costs to account for holiday pay.
• Prices or average spend estimates can be changed by day, but if no change is required you need enter them once only. All prices, average spend estimates and cost information will be net of VAT.
• You can select the month that you want the calculations to apply to but the Excel template works only on the basis of trading weeks commencing on Monday. It will not allocate dates to each day. The assumption is that estimates for a full trading week are more important than the calculations commencing on the first day of the month. You need only populate the template with information for as many days in that month as you choose to. It will automatically provide estimates for the full month, if required.

Helpful instructions
Within each spreadsheet helpful instructions and explanations are embedded within cells showing a small red triangle in the upper right hand corner. Roll the pointer onto the cell to automatically open the comment box.
1. Bedrooms Calculator

What to enter

- Month: click cell C2 and choose from the drop-down menu.
- Number of bedrooms and the number available to let each day (if different from total): cell C6 and row 12.
- Confirmed room bookings (by day) for the next trading week and up to 4 weeks, expected room sales uplift and projected room rate each day (net of VAT) but before breakfast allocation – rows 14 & 25.
- Expected average number of sleepers per room (a number must be entered for each day and is already in the spreadsheet, but you can change it), the number taking breakfast the next day (if different to the number of sleepers and the allocation deducted from your inclusive room rate for breakfast (per guest) – rows 18, 21 & 26.
- Rooms staff rates of pay and expected hours each day by activity (i.e. reception, concierge, housekeeping supervisor) and by pay rate and job grade; rows 56 to 74.
- Average length of time to service a bedroom and the number of hours worked in a full day by room service staff (the model will automatically estimate the number of hours required) – row 57.
- Individual non-payroll related variable costs (i.e. laundry, commissions, cleaning materials etc.) as a % of revenue or on a cost per room basis – rows 80 to 91.
- Departmental costs that are largely fixed, such as satellite television subscription, contract cleaning and so on – rows 87, 89 & 91.

Outputs from Bedrooms Calculator

Summary department trading results are shown by day and for each of a maximum of 4 weeks in the area highlighted in cream at rows 30 to 38, with weekly averages shown in columns L & M (week 1) AL & AM (week 2), BL and BM (week 3) and so on. Detailed KPIs are shown on a per room basis at rows 42 to 50.

If the department is expected to incur a loss in the week, the model generates an estimate of the additional bedroom sales (in units) required to at least break-even – see cell L39 (week 1), cell AL 39 (week 2), BL39 (week 3 and so on).

In circumstances where profits do not meet expectations, re-assess your projected costs (and opportunities to increase room sales) to help improve prospects.

A summary of trading performance for the full number of days that you have entered data, with a pro-rated full month estimate is shown at cells CP30 to DG39. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC31, 33 & 37) – the calculator will show the year on year projected change in performance.
2. Breakfast Calculator

What this Calculator will tell you

- Calculate the cost of servicing breakfast by each method.
- Identify the most cost effective method.
- Identify whether or not you can generate a surplus.

What to enter

- Pre-COVID 19 capacity and expected reduction in capacity in your breakfast room and the number of times you expect to turn over tables; cells C4 & C5 and K4 & K5.
- Number of A la Carte breakfasts (if offered) and surcharge applied; rows 13 and 28.
- Expected number of breakfast guests to be serviced in your breakfast room - row 16. The model will then determine if there is a capacity shortfall and will allow you to nominate how the additional guests will be served; see rows 19 – 21.
- The surcharge or tray charge for room service breakfast; row 27.
- Staff rates of pay (inc. kitchen) and expected total hours of work by day for each category of staff and each type of breakfast service; rows 73 to 107.
- Food cost of sales % – rows 120 & 121 (for “grab & go” option) and other non-payroll related cost of sales for each breakfast service solution. You can choose to enter these costs as a % of revenues or as a cost per cover; cells C124 to C134.
- Other fixed costs or costs that cannot easily be attributed to one style of service or another. Enter these as the expected cost for the week; cells C137 to C150. These will automatically replicate in subsequent weeks or can change as required.

Outputs from breakfast calculator

- Summary breakfast results are shown (coloured cream) by day and by week at rows B30-L38, with weekly KPIs for week 1 in column M and income, cost and profit/loss per cover at column N (subsequent weeks in shaded areas AB30 to AL38, BB30 to BL30 and so on. Summary results are detailed by service type at rows 40 to 67.
- This allows you to assess which service types are profitable or loss making and to assess the impact of a price change.
- A summary for the days that you have entered data, with a pro-rated full month estimate is at cells CP26 to DG39. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC31, 34 & 37) – the calculator will show the year on year projected change in performance.
3. Restaurant 1 Calculator

What this Calculator will tell you

- The expected performance of your primary restaurant outlet for lunch and dinner.
- Indicate when your number of restaurant guests will exceed restaurant capacity.
- Calculate the cost of servicing lunch and dinner by each service method.
- Identify the most cost effective service method.
- Indicate if a surplus is expected.

What to enter

- Pre-COVID 19 capacity, expected reduction in capacity in your restaurant and the number of times you expect to turn over tables; cells C4 to C6 and K4 to K6.

- Expected no. of lunch guests serviced each day (row 13) and number of take-aways if offered (row 14). The model will determine if there is a capacity shortfall and you nominate how additional guests will be serviced; rows 20 to 22.

- Expected (net of VAT) average spend (food & beverage) for sit-in lunch guests, take-aways and room service (and associated surcharge or tray charge); enter in cells D28 to D35 – these inputs will automatically copy to each other day but you can choose to over-ride them.

- Expected no. of dinner guests to be serviced each day (row 40) and number of take-aways if offered (row 41). The model will determine if there is a capacity shortfall and you nominate how additional guests will be serviced; rows 47 to 49.

- Expected (net of VAT) average spend (food & beverage) for sit-in dinner guests, take-aways and room service (and associated surcharge or tray charge); enter in cells D55 to D62 - these inputs will automatically copy to each other day but you can choose to over-ride them.

- Staff rates of pay (inc. kitchen) and expected total hours of work by day for each staff category and each type of lunch/dinner service; rows 200 to 235 (lunch) and rows 249 to 285 (dinner).

- Lunch food cost of sales % for in-house food (cell C299) and take-away food (cell C200) and beverage cost of sales % (cell C301).

- Dinner food cost of sales % for in-house food (cell C316) and take-away food (cell C317) and beverage cost of sales % (cell C319).

- Other non-payroll related variable costs as a % of revenue for sit-in lunch guests, room service or take-aways (cells C304 to C306) or on a cost per cover basis (cells C310 to C312). Corresponding cells for dinner are C322 to C324 and C328 to C330. And will copy automatically to subsequent weeks but can be changed by you.

- Other fixed departmental costs that cannot easily be attributed to one style of service or another – enter these as the expected cost for the week – Cells C334 to C347. They will copy automatically to subsequent weeks or you can change them.
Outputs from Restaurant 1 Calculator

- Summary department trading results are shown by day and by week in the cream coloured area (rows B65 to L78), with weekly KPIs for week 1 shown in column M and the income, cost and profit or loss per cover at column N (results for subsequent weeks are shown at rows AB65 to AL78 (week 2), BB65 to BL78 (week 3) and so on. The summary results are detailed by lunch and dinner service type at rows 80 to 193.

- This allows you to assess which service types are profitable or loss making and to assess the impact of a price change.

- A summary of trading performance for the full number of days that you have entered data, with a pro-rated full month estimate is shown at cells CP64 to DG79. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC69, 74 & 77) – the calculator will show the year on year projected change in performance.

4. Food Outlet 2 Calculators

This calculator recognises that many businesses may have more than one food outlet (such as an informal dining option) and this can be accommodated by using the ‘Food outlet 2’ Tab in the Excel spreadsheet. Rename the outlet by entering a new name in Cell E2 although the tab name will stay the same.

In terms of populating the spreadsheet with data, the requirements are the same as for Restaurant 1 shown above and the outputs are in the same format and locations.
5. Outlet 3 Calculator; Beverage only or F&B

What this Calculator will tell you
This calculator is for a food and beverage outlet or for a beverage only outlet. It calculates expected trading for lunch/afternoon trade and dinner/evening trade so if it’s for an F&B outlet, it is for most of the day (excl. breakfast). Rename the outlet in Cell E2 although the tab name will not change.

The model indicates when the number of guests will exceed room capacity and allows you to nominate other options to meet demand. It calculates the cost of servicing demand, identifies the most cost effective method and whether a surplus is expected.

What to enter
• Pre-COVID 19 capacity and expected reduction in capacity and the number of times you expect to turn over tables/seats – cells C4 to C6 and K4 to K6.
• Expected number lunch/afternoon guests each day by beverage only customers (row 13), the number of sit-in guests taking food and beverage (row 14) and take-aways if offered (row 15). Regarding guests dining or taking beverages, the model needs you to estimate the number of each that will be hosted in the outlet space (rows 18 & 19) and will then determine if there is expected to be a capacity shortfall. It will allow you to nominate how additional guests will be serviced – rows 23 to 25. Enter the same information for dinner/evening guests in rows 44 to 56.
• The expected (net of VAT) average spend (food & beverage) for sit in lunch/afternoon guests, take-aways and beverage-only guests – cells D31 to D39. The corresponding information for dinner/evening guests goes in rows D62 to D70. The inputs will automatically copy to each other day or you can over-ride them.
• Staff rates of pay (inc. kitchen) and expected total hours of work by day for each category of staff and each type of lunch/afternoon and dinner/evening service – rows 212 to 246 (lunch/afternoon) and rows 261 to 295 (dinner/evening).
• Lunch/afternoon service food cost of sales % for in-house food (cell C31), take-away food (cell C311) and beverage cost of sales % (cell C313). The corresponding percentages for dinner/evening service goes in cells C328, C329 and C331. All entries will copy automatically to subsequent weeks but can be changed by you.
• Non-payroll variable costs as a % of revenue for lunch/afternoon guests or take away food go in cells C316 to C318 or on a cost per cover basis (cells C322 to C324). The dinner service data is at C334 to C336 and C340 to C342. All will copy automatically to subsequent weeks but they can be changed by you.
• Other departmental fixed costs or costs that cannot easily be attributed to one style of service or another – enter as expected cost for the week – Cells C346 to C359. These entries copy automatically to subsequent weeks or you can change them.
Outputs from the outlet 3 calculator

Summary trading results by day and by week in the area highlighted cream at rows B73 to L88, with weekly KPIs for week 1 in column M and income, cost and profit or loss per cover at column N. Results for subsequent weeks are at rows AB73 to AL88 (week 2), BB73 to BL88 (week 3) and so on. Summary results are detailed by lunch/afternoon and dinner/evening service type at rows 90 to 205. This allows you to assess which service types are profitable or loss making and to assess the impact of a price change.

A summary of trading performance for the days that you have entered data, with a pro-rated full month estimate is at cells CP74 to DG90. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC81, 85 & 88) – the calculator will show the year on year projected change in performance.

6. Outlet 4 Calculator

This calculator recognises that some hotels/guesthouses may have more than one bar with/without food outlet and this can be accommodated by using the ‘Outlet 4’ Tab in the Excel spreadsheet. You can rename the outlet by entering a new name in Cell E2.

In terms of populating the spreadsheet with data, the requirements are the same as for Outlet 3 shown above and the outputs are in the same format and locations referenced above.
7. Function Rooms Calculator

What this Calculator will tell you
Although many events and meetings are likely to be cancelled even when hotels/guesthouses re-open, there may still be opportunities to generate income from these facilities even if their capacity is materially reduced. This spreadsheet makes provision for up to 4 function/meeting rooms, assesses whether expected demand might exceed capacity and allows for the servicing of that overspill demand elsewhere. The model also provides for the estimate of income and costs in each room by room layout/style. Rooms can be renamed in Cells C5 to F5.

What to enter

- Pre-COVID 19 capacity of each meeting/function room and revised capacity due to social distancing – rows C6 to F9 & rows I6 to L9 respectively – capacities will automatically transfer to other weeks but you can amend them if restrictions ease.
- Expected number of bookings for each room by day and layout/style and corresponding no. of guests (rows 13 to 127). If the calculator identifies that guest numbers exceed room capacity it will highlight the shortfall (the assumption is that you can service those excess guests in another room – if not, reduce the number of guests to suit the room capacity) – rows 13 to 127;
- Expected (net of VAT) average spend (food & beverage) for each room and event type and total room hire expected by each room each day – rows 13 to 127. In the case of average spend, only enter it in the relevant cells in Column D – the model will automatically transfer the figures to other days unless changed by you.
- Staff rates of pay (inc. kitchen) and expected total hours of work by day for each category of staff for each room – rows 197 to 265.
- Food cost of sales % (cell C281) and beverage cost of sales % (cell C282). Inputs will automatically copy to each subsequent week or you can over-ride them.
- Non-payroll related variable costs as a % of revenue (cells C285) or on a cost per cover basis (cells C289). These inputs will copy automatically to subsequent weeks or you can over-ride them.
- Other outlet/departmental costs that may be largely fixed or which cannot easily be attributed to one room or style of service or another – enter these as the expected cost for the week – Cells C293 to C306. These will copy automatically to subsequent weeks unless you choose to amend them.
Outputs from the Function Room Calculator

Summary department trading results are shown by day and by week in the area highlighted in cream colour at rows B131 to L142, with weekly KPIs for week 1 shown in column M and the income, cost and profit or loss per cover at column N. The results for subsequent weeks are shown at rows AB131 to AL142 (week 2), BB131 to BL142 (week 3) and so on. The summary results are detailed by individual room at rows 145 to 191.

This analysis will allow you to assess the costs of service delivery and should highlight areas that require attention to improve profitability.

A summary of trading performance for the full number of days that you have entered data, with a pro-rated full month estimate is shown at cells CP129 to DG145. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC134, 138 & 141); the calculator will show the year on year projected change in performance.
8. Leisure Calculator

What this Calculator will tell you
Hotels/guesthouses with leisure/spa facilities may see reduced throughput and revenue generation, and enhanced levels of hygiene and cleanliness will materially increase the time taken to clean/sanitise facilities between treatments.
This calculator allows the generation of demand, income and cost of operation projections to enable decisions to be made on the re-opening, or more efficient operation of the facility. Where expected spa treatment bookings exceed capacity, it will also estimate the value of that lost business to the hotel/guesthouse.

What to enter

- Opening hours for the facility (cells C6 to E6) and total no. of treatment rooms (cell C10). This information will carry forward for use in subsequent weeks.
- Pre-COVID 19 cleaning time for spa treatment rooms after each treatment (cell F6), average time per treatment (cell G6) and the new increased cleaning time (cell L6). This information will carry forward for use in weeks 2 to 4.
- Expected number of treatment bookings by day – row 14. The model will calculate if insufficient capacity exists to meet the expected level of demand.
- Average spend per spa user on treatments, retail and other services/facilities (cells D24 to D26). This information will apply to all other days of operation although it can be amended by you.
- Expected number of walk in guests each day for the first week for retail sales (row 22) and expected number of non-treatment leisure facility users each day in the first week (cell D29) and their expected average spend (cell D30). For walk in guest estimates, the model will automatically assume the same pattern of visits in subsequent weeks (or you can over-ride this assumption). For non-treatment users and spend, the model will apply the assumptions as being standard for each day (you can over-ride).
- Weekly membership fee income (cell C94) will be applied to each week (you can revise).
- Staff rates of pay and expected total hours of work by day for each category of staff (management and admin, leisure facility staff, spa staff) – rows 52 to 78.
- Spa treatment cost of sales, retail cost of sales and other services cost of sales as a % of related income (cells C88, C89 & C92) will be applied to each week (but can be amended if necessary).
- Other departmental costs that may be largely fixed or which cannot easily be attributed to one room or service or another – enter these as the expected cost for the week – Cells C97 to C110. These will be applied to each week or can be amended.
Outputs from the Leisure Calculator

Summary department trading results are shown by day and by week in the area highlighted in cream colour at rows B36 to L46, with weekly KPIs for week 1 shown in column M and the income, cost and profit or loss per cover at column N. The results for subsequent weeks are shown at rows AB36 to AL46 (week 2), BB36 to BL46 (week 3) and so on. This analysis will allow you to assess the costs of service delivery and should highlight areas that require attention to improve profitability.

The value of lost income due to capacity constraints is estimated at row 19.

A summary of trading performance for the full number of days that you have entered data, with a pro-rated full month estimate is shown at cells CP31 to DG37. You can also enter actual monthly revenues, payroll costs and departmental profits from the corresponding month last year (cells DC36, 39 & 41) – the calculator will show the year on year projected change in performance.

9. Overall Summary Tab

The tab marked “Overall Summ” collates the departmental/outlet profits by day and by week to provide a quick overview of overall expected performance.

It also analyses sales by type (rooms, food, beverage etc.) for the period for which data has been entered into each calculator and provides a full month estimate of turnover, again by category. By entering your sales information for the corresponding month in the prior year (in cells L65 to L74) and the overall departmental profit for that month (in cell L67), the calculator will show the estimated overall year on year movement in sales by revenue type and the % change in those sales. You may choose to use these results when populating the “Hotels P&L Excel Template” (at rows 28 to 34 under the Trading Input Sheet tab) which is available from Fáilte Ireland.

The template will also show the expected year on year movement in departmental profits for the month.