

# The Revenue Management Simulation

## Introduction

- This is a Simulation to show how much opportunity can be lost by not practicing revenue management
- You are the Revenue Manager of a 5 room hotel

# The Revenue Management Simulation Rates

➤ Rates at your hotel are as follows:

- *Corporate rate \$115.00*
- *AAA rate \$85.00*
- *IBM rate \$90.00*
- *Government rate \$75.00*
- *Weekend rate \$70.00*

# The Revenue Management Simulation How it Works

- I will read off a series of reservation opportunities
- You must either accept the reservation or turn it down.
- At the end, you will total up the revenue you have made for the week



# The Rules

- You can back reservations up to each other, but you can not occupy a room with more than one reservation
  - Example: 2 night corporate rate arriving on Monday and a 2 night Weekend rate arriving on Thursday *could* be placed in one room.
  - Example: 2 night corporate rate arriving on Monday *could not* be in the same room as a 3 night corporate rate arriving on Monday.
- Just Like a Real Hotel:
  - *Once you turn a reservation down, you can not take it back*
  - *You never know when the opportunities will stop*

# Let's Get Started

- Corporate Rate arriving Tuesday for 2 nights

# Call 2

- Government Rate arriving Sunday for 4 Nights

# Call 3

- Weekend Rate arriving Wednesday for 4 Nights

# Call 4

- IBM Rate arriving Tuesday for 3 Nights

# Call 5

- Corporate Rate arriving Monday for 2 nights

# Call 6

- IBM Rate arriving Tuesday for 2 nights



# Call 7

- Corporate Rate arriving Wednesday for 1 night

# Call 8

- AAA rate arriving Sunday for 5 nights

# Call 9

- Weekend rate arriving Saturday for 1 night



# Call 10

- AAA rate arriving Saturday for 1 night

# Call 11

- Government rate arriving Tuesday for 4 nights

# Call 12

- Corporate rate arriving Monday for 3 nights

# Call 13

- IBM rate arriving on Wednesday for 2 nights

# Call 14

- Weekend rate arriving on Thursday for 2 nights

# Call 15

- Government rate arriving Monday for 5 nights

➤ Reservations Office is now closed



# How Did You Do????

- A Perfect Score is \$2250.00

