

Questions to Ask Your Hotel Management Company

What happens when you combine a real estate investment with an operating business? You are the lucky owner of a hotel. Hotels are complicated operations, and asking good questions is critical for a hotel owner seeking the right hotel management company. We have put together a concise list of the most pertinent questions you should ask when selecting a third-party management company for your resort or hotel.

Experience and Track Record

- What differentiates your company and what are you known for?
- Can you provide examples of properties you've managed?
- Can you provide references from other hotel owners?

Scope, Fees and Contracts

- What is your fee structure and what does it include? What services are excluded from the management fee and/or require additional fees (such as HR, IT, revenue)?
- Do you offer CAPEX, renovation, and design/construction support and at what cost?
- Are there any performance clauses or exit clauses in the contract?
- When it's time to sell, can you help us find a buyer?
- What incentives do you offer such as key money, sliver equity, JV agreements, etc.?



Communication and Financial Management

- What does the org chart look like? How much above-property support can we expect?
- Who is the contact for our hotel? How much access do we have to executive leadership?
- How do you communicate with owners, and what is included in the reporting package?
- How do you handle budgeting and financial forecasting?
- How do you manage cost control and procurement?

Topline Revenue Strategy

- How do you plan and execute sales and marketing strategies for your properties?
- Do you have partnerships or affiliations that can benefit my hotel's visibility?
- What is your revenue management strategy and staffing?
- What is your process for familiarizing yourself with the local market and competitive set?

Talent and Human Resources

- How do you handle recruitment and retention?
- How do you handle staff training and development?
- How does your turnover rate compare with your competition?
- What initiatives do you have in place for sustainability, social responsibility, and governance?

Given the high stakes, it's crucial that a hotel owner has enough information to make an informed decision. Asking detailed questions allows the owner to assess the expertise, reliability, and cultural fit of potential management companies. It also opens up the opportunity for a dialogue, letting the owner gauge the responsiveness and adaptability of the company. In short, the right questions pave the way for a partnership that aligns with the owner's vision and business objectives, maximizing long-term asset value.

We specialize in complicated projects. To talk through your options with Brittain Resorts & Hotels, contact Chief Development Officer Christy Jernigan at christy.jernigan@brittainresorts.com.