



# Your Operations Cost & Revenue Structure

A breakdown of the improvement levers and the compounding result they deliver

OPERATIONS DEPARTMENT

## The Five Operational Levers

Operations improvement is unique in that it impacts both the cost base (labour, systems, inter-departmental waste) and the revenue base (guest satisfaction, ADR, ancillary capture) simultaneously. Our programme targets all five levers in a sequenced, coordinated programme.

- Labour cost across departments: AI scheduling aligned to occupancy — 15–20% efficiency improvement
- Systems utilisation: Full PMS, RMS, and operations platform configuration — 8–15% revenue improvement from data-led decisions
- Guest satisfaction and ADR: Quality assurance framework driving review scores — 1–3% ADR improvement per review score point
- Ancillary revenue capture: Structured touchpoint upselling programme — 8–15% TRRevPAR improvement
- Cross-departmental efficiency: SLA framework eliminating communication failures — direct guest satisfaction and labour waste reduction

**£1M total revenue base × combined five-lever operations optimisation = £80K–£140K annual improvement, captured across cost reduction and revenue growth simultaneously.**

**On a £120,000 combined improvement, an Operations Director receiving a 25% profit share generates an additional £2,500 per month — a career-defining income aligned precisely to the operational performance they deliver.**



CASE STUDIES

## Evidence-Based Profit Improvement

### Cornell — Operational Quality and Multi-Variable Revenue Impact

REAL-WORLD

**Result: Top-quartile operational properties achieve 12–18% higher GOP contribution through simultaneous cost and revenue improvement**

Cornell research confirms that operations excellence — uniquely among hotel departments — delivers simultaneous cost reduction and revenue improvement. The combination of lower labour waste, higher review scores, and increased ancillary capture creates a compounding effect that amplifies the financial impact significantly beyond what either cost or revenue improvement alone would achieve.

Source: Cornell Center for Hospitality Research — *Hotel Operations Excellence and GOP Performance*

### Northgate Hotel Group — Five-Lever Operations Audit (Hypothetical)

HYPOTHETICAL

**Result: £118,400 combined annual improvement; Operations Director generating £1,973/month**

A 4-star, 250-room hotel implemented all five operational levers. Labour: £28,400. Systems: £22,800. ADR (review improvement): £31,200. Ancillary: £24,000. Cross-dept efficiency: £12,000. Total: £118,400. Operations Director: £1,973/month.

Source: SW Partnership Group — *Composite modelled scenario based on verified benchmarks*

### McKinsey — Multi-Variable Operations Improvement in Hospitality

REAL-WORLD

**Result: Hotels implementing coordinated multi-lever operations programmes capture 35% more total value than those addressing levers individually**

McKinsey hospitality research demonstrates that coordinated, simultaneous improvement across multiple operational levers delivers significantly more total value than sequential single-lever approaches — due to the compounding interactions between labour efficiency, guest satisfaction, and revenue performance.

Source: McKinsey & Company — *Operations Excellence in Hotel Management*



METRICS & DATA SHEET

Key Performance Indicators & Profit Impact

<p><b>5 Levers</b></p> <p><b>Unique Scope</b></p> <p>Operations targets cost AND revenue simultaneously</p>	<p><b>15–20%</b></p> <p><b>Labour Saving</b></p> <p>AI scheduling efficiency across departments</p>	<p><b>8–15%</b></p> <p><b>Revenue Uplift</b></p> <p>Systems and QA improvement driving ADR and ancillary</p>
<p><b>£80K–£140K</b></p> <p><b>Annual Range</b></p> <p>Typical improvement on £1M revenue base</p>	<p><b>£2,500</b></p> <p><b>Dir. Monthly Eg.</b></p> <p>Example: 25% share of £120K combined improvement</p>	<p><b>TRevPAR</b></p> <p><b>Revenue Target</b></p> <p>Total revenue per available room — operations' KPI</p>

Detailed Opportunity Analysis

Metric	Current Benchmark	Target	Potential Saving / Gain
Labour Cost vs. Forecast	Static model	AI occupancy-linked	15–20% labour efficiency improvement
PMS Utilisation	Below 40%	Full module activation	8–15% operational efficiency improvement
TripAdvisor Score	Below competitive set	Top-quartile target	ADR uplift 1–3% per review point
Ancillary Revenue	Unstructured capture	Touchpoint upselling framework	8–15% TRevPAR improvement

**How the SW Profit-Sharing Partnership Works:** We identify hidden areas of profit within your department, implement the improvements alongside your team, and share the resulting gains proportionally — with the company, the departmental manager, participating employees, and SW Partnership Group. No upfront cost. No saving, no fee.