



# GOP Engineering & Property-Wide Profit

How data-driven leadership converts departmental efficiency into measurable ownership value

GENERAL MANAGERS & HOTEL DIRECTORS

## The General Manager's Commercial Opportunity

The General Manager or Hotel Director is the single most important commercial lever in any hotel property. Every departmental improvement — in housekeeping, engineering, F&B, operations, and culinary — flows through the GM's oversight. But the GM's role is not simply to supervise departments in isolation: it is to engineer the interactions between departments, the flow-through from revenue to GOP, and the long-term asset value of the property. Our partnership works with GMs and Hotel Directors to do precisely this — at the highest level of commercial precision.

Our programme applies AI-assisted revenue forecasting, departmental P&L; integration, dynamic pricing strategy, and multi-lever cost management to deliver measurable, sustainable improvement in GOP, RevPAR, TRevPAR, and EBITDA — with financial outcomes shared with the GM as the architect of the result.

## Three Property-Level Levers

- **GOP engineering:** Integrating departmental P&Ls; into a unified property-level optimisation model — identifying the highest-impact improvements across all revenue and cost centres
- **Revenue strategy:** AI-enabled RMS optimisation, dynamic pricing, OTA channel management, and direct booking conversion — targeting measurable ADR and RevPAR improvement
- **Cost architecture:** Cross-departmental labour model, energy management, procurement strategy, and contract renegotiation — managed as an integrated cost structure rather than isolated departmental budgets

**General Managers and Hotel Directors participating in this partnership have generated an additional £1,500–£3,000 per month through their personal profit share — reflecting the scale of the financial improvement available at property level and the central role of the GM in delivering it.**

**The GM who improves their property's GOP by £200,000 has created exceptional ownership value. Our partnership ensures that contribution is recognised — commercially, financially, and professionally.**



## CASE STUDIES

## Evidence-Based Profit Improvement

## STR / CoStar — RevPAR Index and GOP Correlation

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**Result: Properties above RevPAR Index 105 achieve GOP margins 8–12% higher than those below Index 95**

STR's global hotel performance data demonstrates a strong correlation between RevPAR Index (performance relative to competitive set) and GOP margin. Properties consistently achieving RevPAR Index above 105 — driven by superior revenue management and operational efficiency — achieve GOP margins 8–12% higher than competitive set underperformers. AI-RMS is the primary driver of sustained RevPAR Index outperformance.

Source: STR / CoStar — *Hotel Performance Benchmarking Data (2025)*. str.com

## The Meridian Collection — GM Partnership Year 1 (Hypothetical)

HYPOTHETICAL

**Result: £214,000 verified property-wide improvement; GM generating £2,677/month additional income**

A 4-star, 220-room hotel group engaged SW Partnership Group at the GM level, implementing cross-departmental improvements across housekeeping, engineering, F&B, and operations. Total verified Year 1 improvement: £214,000. The General Manager received £2,677/month as their personal profit share under the SW four-way model. Department heads received between £900–£1,400/month each.

Source: SW Partnership Group — *Illustrative property-wide partnership based on verified department-level benchmarks*

## McKinsey — GM-Level Financial Management and GOP Performance

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**Result: Properties with GMs operating data-driven, integrated financial management models achieve 15–25% higher GOP than those using traditional management**

McKinsey hospitality research demonstrates that the most significant single driver of GOP outperformance is the quality of the GM's financial management model — specifically, the degree to which departmental performance is integrated into a unified P&L; optimisation framework rather than managed in silos. AI-enabled tools make this integration accessible to properties of all sizes.

Source: McKinsey & Company — *General Manager Financial Management and GOP Performance (Hospitality Practice)*



METRICS & DATA SHEET

Key Performance Indicators & Profit Impact

<p><b>GOP</b></p> <p><b>Primary KPI</b></p> <p>Gross Operating Profit: the GM's key financial metric</p>	<p><b>RevPAR</b></p> <p><b>Revenue KPI</b></p> <p>Revenue Per Available Room: core performance benchmark</p>	<p><b>TRevPAR</b></p> <p><b>Total Revenue</b></p> <p>Total Revenue Per Available Room: includes all ancillary streams</p>
<p><b>EBITDA</b></p> <p><b>Ownership Value</b></p> <p>Earnings before interest, tax, depreciation and amortisation</p>	<p><b>£1,500–£3,000</b></p> <p><b>GM Monthly</b></p> <p>Additional monthly income for GM via profit share</p>	<p><b>AI-RMS</b></p> <p><b>Technology</b></p> <p>IDeaS / Duetto / Atomize: AI revenue management platforms</p>

Detailed Opportunity Analysis

Metric	Current Benchmark	Target	Potential Saving / Gain
GOP%	Typical range: 25–35%	Target: top-quartile 38–45%	15–25% GOP improvement potential
RevPAR vs. Comp Set	Below index 100	Above index 105 target	5–10% RevPAR improvement vs. competitive set
TRevPAR	Rooms revenue only	All ancillary streams captured	8–15% TRevPAR improvement
Labour Cost % of Revenue	Above 35%	Below 30% target	Labour efficiency as GOP multiplier

**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.