



HOTEL OPERATIONS, KPIs & MANAGEMENT CONTROL

Hotel Operations Handbook

A practical handbook for running and reviewing a hotel

For owners, general managers and department leaders running a hotel.

A clear guide to collecting reliable figures, interpreting performance, reviewing procedures and checking whether changes work.

Start: review.sat.cy

Support: info@sat.cy

Examples are fictional. Targets are management assumptions, not universal hotel benchmarks. This manual does not certify compliance or replace your property's approved safety procedures.

A practical monthly operating rhythm

Check the figures. Understand the cause. Trial a change.

Protect service quality. Measure the result.

How to use this manual

Use the KPI chapters to interpret your figures, then the operating chapters to review your hotel's controls. Finish each review with a short, owned improvement plan. No software subscription is needed to use this handbook.

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3	Input definitions and data quality
4-7	Room, cost, guest and additional hotel KPIs
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Using the handbook

Use the KPI definitions and operating chapters with your own records. Select measures suited to your hotel, agree their definitions and record who will review the results.

Room performance KPIs

Read occupancy and rate together. RevPAR is a room-revenue measure; it is not hotel profit.

Occupancy (%)

Formula: $\text{Sold room nights} \div \text{available room nights} \times 100$.

Worked example: $540 \div 900 \times 100 = 60.0\%$.

Interpretation: Shows the share of available room inventory sold. A higher result can reflect better demand, but also a changed availability denominator.

Review: Check booking pace, day of week, segment, channel, cancellations and legitimate room closures before discounting.

Average daily rate (ADR)

Formula: $\text{Room revenue} \div \text{sold room nights}$.

Worked example: $\text{€}62,100 \div 540 = \text{€}115.00$.

Interpretation: Shows the average room revenue per sold room night. A rise may reflect pricing or a different room/segment mix.

Review: Review room types, package allocation, negotiated rates and channel mix. Separate revenue changes from changes in mix.

Revenue per available room (RevPAR)

Formula: $\text{Room revenue} \div \text{available room nights}$. Also $\text{ADR} \times \text{occupancy as a decimal}$.

Worked example: $\text{€}62,100 \div 900 = \text{€}69.00$; $\text{€}115 \times 0.60 = \text{€}69$.

Interpretation: Combines room demand and average rate into revenue per available room night. It excludes F&B and other operating revenue.

Review: Separate rate and occupancy effects. Check whether a rate reduction added profitable demand or simply displaced higher-value business.

Keep the inventory basis honest

A hotel with 30 rooms does not automatically have 900 available room nights every month. Count the actual period length and document exclusions. For external comparisons, align room availability, complimentary rooms and revenue reporting with the benchmark provider.

06 / GUEST EXPERIENCE MEASURES

Guest experience measures

Complaints are an operational signal, not a complete measure of satisfaction. A low rate can also mean that feedback is difficult to give or poorly recorded.

Complaints per 100 guests

Formula: Complaint cases ÷ agreed guest count × 100.

Worked example: $36 \div 900 \times 100 = 4.0$ cases per 100 guests.

Interpretation: This is not necessarily the percentage of people who complained: one person can generate multiple cases, depending on your counting policy.

Review: Use one complaint log. Review category, department, timing, recovery, recurrence and whether reporting has improved.

Track separately	Practical use
Time to first response	Check whether guests receive a timely acknowledgement. Set a realistic service standard and identify urgent cases.
Time to resolution	Measure the time from logging to agreed closure. Use a median alongside the oldest unresolved case.
Repeat complaint causes	Count recurring categories such as cleanliness, arrival delays, noise or billing errors.
Post-recovery feedback	Check whether the guest considers the issue resolved; a closed internal ticket does not establish satisfaction.
Review scores and response patterns	Review trends within the same platform and rating scale. Avoid averaging incompatible scales or treating a few reviews as representative.

A useful recovery workflow

Log the issue, assess urgency, assign a responsible role, agree the next update, record the response and confirm closure. Review unresolved cases at each handover. Escalate safety, security or serious welfare issues through approved procedures immediately; do not wait for the monthly review.

Make the denominator match

If complaint cases include restaurant-only visitors, a denominator containing only overnight arrivals may be misleading. Define the population, document it and avoid double-counting people or visits.

Operating leadership and standards

A hotel works well when responsibilities, service promises and escalation routes are clear. The general manager coordinates departments; each department leader owns delivery and evidence.

Build a simple operating structure

- Define the property's guests, service level, opening pattern and commercial priorities. Make the guest promise specific enough to deliver on every shift.
- Assign responsibilities for arrivals, room release, complaints, stock, cash, safety escalation and out-of-hours decisions. Name roles and deputies.
- Document standard operating procedures (SOPs) for frequent or high-risk work. Include the purpose, steps, owner, exceptions, required records and review date.
- Maintain a handover log: unresolved issues, room status, special arrangements, incidents, expected workload and decisions awaiting approval.
- Agree spending and compensation authority. Staff should know what they can resolve immediately and when to escalate.

Management layer	Routine	Evidence
Each shift	Brief the team on demand, readiness and open issues.	Handover log and named accountable roles.
Daily	Review trading, guest recovery and operational risks.	Daily dashboard, exception list and duty manager checks.
Weekly	Review pace, rotas, waste, defects and action progress.	Department scorecards and short action updates.
Monthly	Review reconciled KPIs, P&L, procedures and trial outcomes.	Approved management report and improvement plan.

Balance the scorecard

Use a small set of measures across revenue, cost, guest experience, people and asset care. A labour saving that creates room delays or safety gaps is not an operating improvement. Avoid rewarding a single ratio while ignoring its effect elsewhere.

Leadership habit

Ask three questions: What happened? What evidence supports the explanation? What will we do, who owns it and when will we check the result? Make reporting safe: hidden complaints and defects are harder to manage than recorded ones.