

TRANSFORMING HOSPITALITY SERVICES



LiveBean

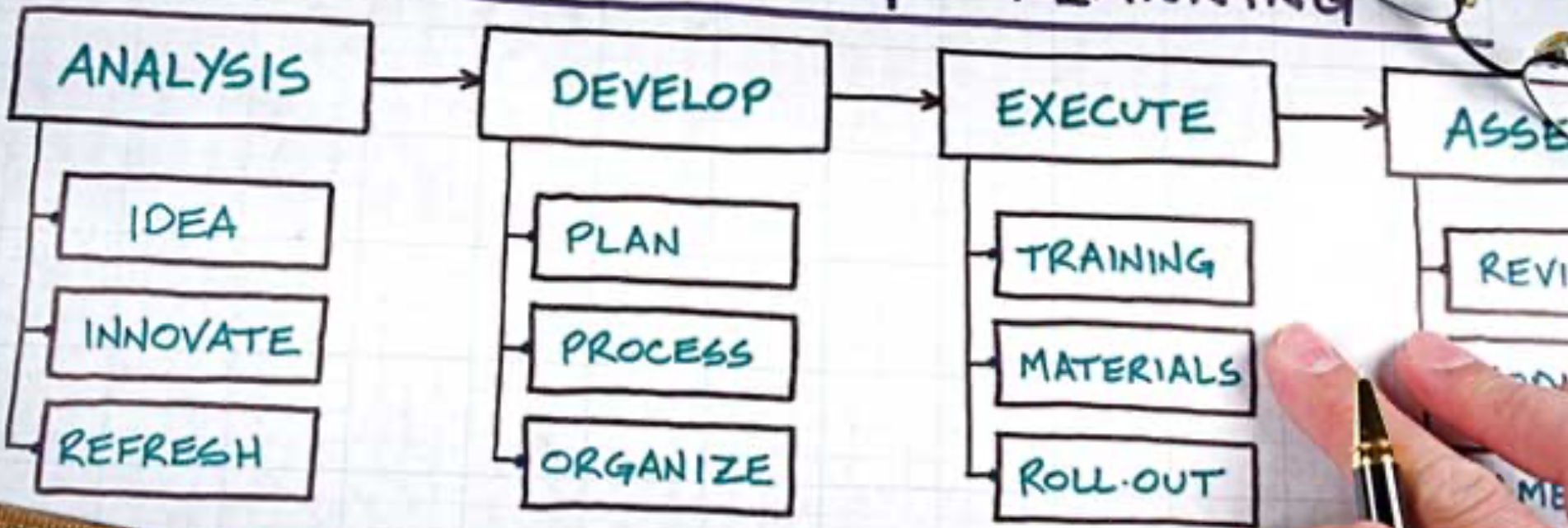
Service Excellence.Enabled

Our Agenda

- What is Asset Management in Hospitality
- COVID 19 some numbers
- Potential measures in hospitality
- Beyond the clouds – what now ?
- The new normal – managing change in asset management

What is Asset Management

STRATEGY & PLANNING



Asset Management

- Evaluation of the asset and its business model
- close look at the day-to-day operations of the business
- analyzing budgets, cash flows, business projections and performance to ensure optimum returns for owners
- providing higher return on investment year on year through stringent business management working closely with owners and property team
- Valuation of the business and asset and re engineering for profitability

Asset Management- types

Asset management in some markets is also referred to as owner representation

- Project Asset Management
 - New construction
 - Renovations

- Operational Asset management
 - There are 4 types of hotel assets
 - Managed
 - Owner operated
 - Franchise
 - Manchise
 - Each type brings with it different challenges....

- Valuation – buy & sell

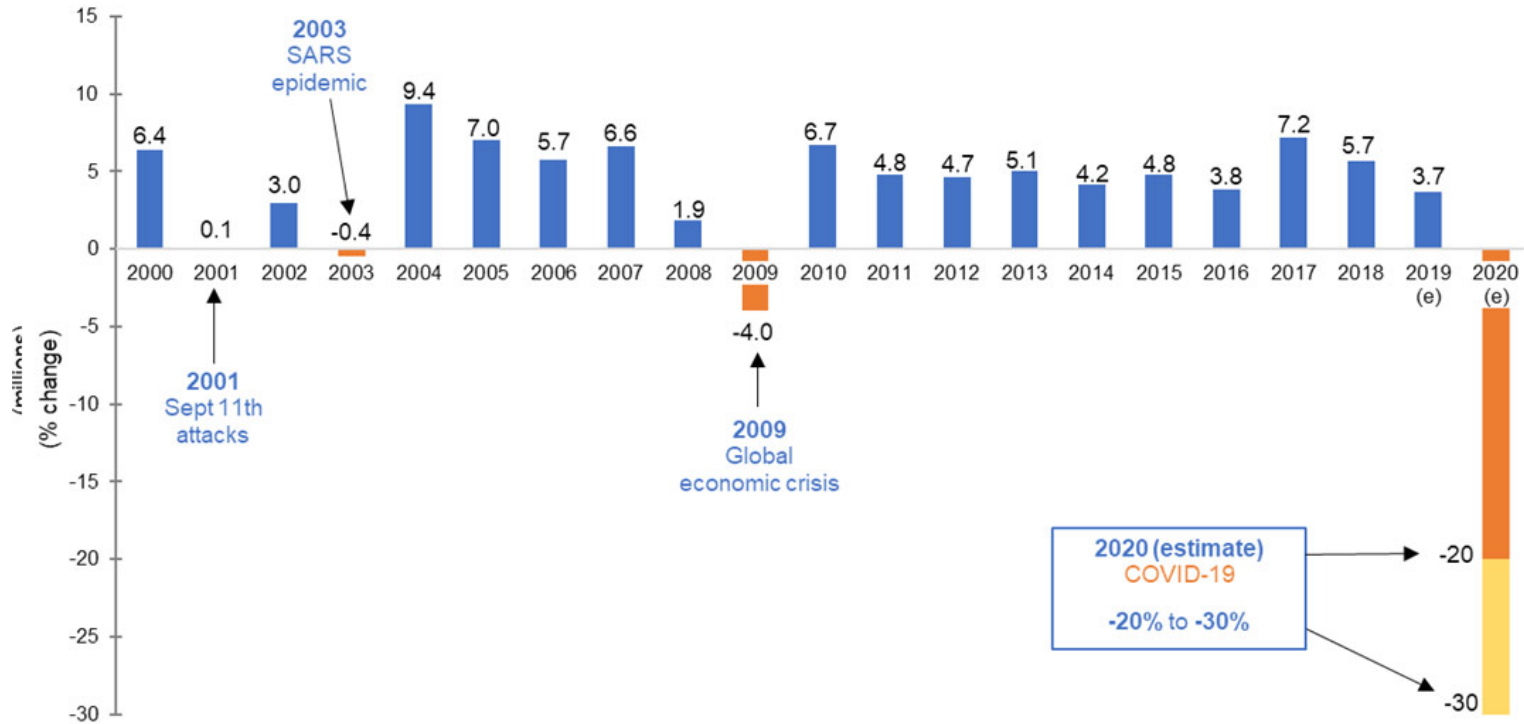


COVID 19 |

COVID 19 for Tourism

- According to UNWTO's Report, as of 6th April, around 96% of all worldwide destinations have introduced travel restrictions in response to the pandemic.
- Livebean projections are that International travel is adversely affected for 5 to 6 months before any sense of normalcy (at least 50 % less travel – IATA Economics)
- This would translate into a loss of 700 to 900 US\$ billion in international tourism receipts – almost a 60% of the US\$ 1.5 trillion generated globally.
- 100 million plus jobs in the industry at risk
- Hotels are presently either shut or operating at minimum occupancies
- Tourism Economics projects that it will take till 2022 before business in travel returns to 2019 levels

COVID 19 for Tourism



Source: UNWTO (e) Estimate

Potential Measures



Potential Measures

First and foremost - Protect the Asset

- The how
 - Reduce Fixed Costs if possible – Internet services , Cable TV etc.
 - Manpower cost
 - Termination
 - Reduced Salaries
 - Leave without Pay
 - Or Hybrid models of the above
 - Control Operational Costs
 - No food cost and ancillary costs
 - Do I maintain the gardens/ lawns ?
 - Look to use reserve funds- FFNE Fund
 - Can I be asking owners to pay in this time
 - Insurance cover
 - Force majeure
 - Business Disruption
 - Renovation
 - Perfect time if cash rich
 - What can be open
 - Restaurants – delivery
 - Government contracts – COVID 19 isolation guests

Beyond the clouds



What now

“LIFE WILL FIND A WAY”

- On a lighter note
 - Baby boom
 - Divorce rates going up

- But seriously , the how of life
 - A vaccine in time soon – 3 months to 18 months away
 - Business already trying to restart as the world is now in deep recession
 - 30 % attendance / manufacturing already back on
 - Masks and hand sanitizers a way of life for a few years
 - Digital technology for business vs travel – zoom , WebEx, skype etc

- The how for tourism and hospitality
 - Discussions are already on – flights leave middle seat empty
 - Sanitized lobby, public areas and guest rooms
 - Limited spaced restaurant seating
 - Temperate checks at various points
 - Social distancing in public areas
 - Bye bye hand shake , welcome elbow bumps and namaste

The new normal



“We Travel Not To Escape Life, But For Life Not To Escape Us”


- Domestic Travel will be bread and butter business and will start first
 - Sitting at home I am already tired, I need a vacation (have you heard this recently)
 - Local businesses in country will start to travel
 - In many parts of the world – domestic business not foreign investment has been as much as 75 % of GDP and growth
- International Flights will gradually resume
- The heroes of the COVID 19
 - medical , govt services will need a holiday , want a break as they are over worked
- Hotels, Restaurants, Spas will reopen with caution, but will reopen
- MICE business will probably be the last to start or may start but with social distancing.

Living with COVID 19

From an Asset management perspective...

- All expenses will be looked at very very closely for reopening and based on Business forecast
- Rehiring will be phased for staff to join back and to restart all operations
- Hotels will open in blocks
 - example one restaurant and 30 % inventory open in phase one
- Guest confidence on health and safety not just service standards - critical
 - This will be the new basic brand and service guideline
- Strong marketing and distribution push – digitally
 - advance booking special offers
- Refinancing of loans with banks and setting repayment plans

All in all - a bounce back in tourism and hospitality will be phased, but a full bounce back to business is expected only by end 2021 and early 2022



**“Life doesn’t get easier or more forgiving;
we get stronger and more resilient.”**
Dr. Steve Maraboli.

LiveBean Hospitality & Asset Management

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