



Commercial Strategy Insights 101

Rising Leaders
COUNCIL

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Overview

We surveyed approximately 67 Marketing, Sales, and Revenue Management experts to understand how to build a successful Commercial Strategy team. Commercial Strategy is defined as the integration of revenue optimization, marketing, sales, distribution, and analytics all focused on enhancing profitability. Below are our findings.

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**What is the Commercial Strategy structure at your property/company?
What is the hierarchy within the commercial team?**

Based on survey responses, 39.2% have adopted commercial strategies ranging from simple to more complex structures as illustrated below.

Director of Commercial Strategy		
Revenue Manager	Sales Manager	Marketing Manager

Chief Commercial Officer		
VP of Rev Management	VP of Sales	VP of Marketing
Director of Rev Management	Director of Sales	Director of Marketing
Rev Manager	Sales Manager	Marketing Manager

17.9% of the companies in the survey respondents have a Commercial Strategy where either the Revenue and Sales Manager report to the General Manager, or a Director of Sales & Marketing is in charge of all elements, i.e., sales, marketing, and revenue.

42.9% of companies simply did not have a Commercial Strategy structure or did not point it out in the survey.

The spread throughout independent, chain, or management/ownership companies is evenly split across adoption vs. not, with more chains having yet to adopt Commercial Strategy (see the table below).

Adoption of Commercial Strategy by type of company

	Chains	Independent	Ownership/Management
Adopted	1	3	7
Not adopted	3	6	5

What are your department's goals?

Summarized below are common goals detailed by department.

What is your department's goal?		
Sales	Marketing	Revenue
RevPar / TRevPar / RevPar Index (RPI)	RevPar / TRevPar / RevPar Index (RPI)	RevPar / TRevPar / RevPar Index (RPI)
Occupancy Growth Occupancy Consistency	Brand Awareness Brand Excellence	Optimize (maximize) Revenue <ul style="list-style-type: none"> - Ancillary Revenue (F&B, spa, etc.) - Exploring Revenue generating initiatives (ideation)
Driving ADR	Generating Leads / Acquiring New Customers	Optimize distribution channels
Increasing Revenue Segments <ul style="list-style-type: none"> - Group Business - Return Business 	Driving Revenue & Bookings	Increasing bottom-line profit Hitting Budget/Forecast
Hitting Budget/Forecast	Developing Customer Loyalty	

Do you have a different plan when working with other departments?

Are there Different Goals when working with other Departments?		
Sales	Marketing	Revenue
Aligned Goals (topline performance)	TRevPar, RGI, RevPar Index (RPI)	Objectives change depending on the area <ul style="list-style-type: none"> - sustainability efforts - expense reduction - efficiency improvements - driving productivity - exploring new revenue generation initiatives
RevPar / RevPar Index (RPI) / RGI	Meet and Exceed Total Revenue Budget	Unified Company KPIs <ul style="list-style-type: none"> - Budget - Forecast - RPI - ROAS - Booking Goals
Maintaining Occupancy Levels	Goals are the same throughout, with different strategies and tactics for deployments	Same Goals - maximize revenue and overall profitability
Total Revenue	Align with Operational needs	Targeted RGI indexes
"Renewed commitment to align with Operational needs"		

What are your biggest challenges when working with your peers within the scope of Sales, Marketing, and Revenue?

Collaboration! Working together as one rather than in specific teams or silos.

- Understanding other departments' perspective and incorporating it into training.
- Learn what's new in the market to stay ahead of your competition.
- Work together to create the ultimate timeline (priorities, amount of effort, timeliness)
- Better communication from the top down.
- Too many leaders - there is a need to centralize into one common team.

Different Goals - Often, department leaders work towards their own goals and forget to collaborate with the entire hotel to be successful. This also includes having a holistic view of the organization to understand the distribution landscape.

- Sales is looking to secure and maintain business/relationships.
- Revenue is focused on RevPAR and how to ensure the best profitable business for the hotel.
- Marketing is focused on driving bookings, loyalty and acquiring new customers through personalized campaigns.
- Improve communication and explanation of marketing initiatives/campaigns to Revenue Management (promotions for specific audiences)
- Work together to drive personalized and attractive language/images in marketing.
- Increase understanding of how each task is related to the big picture within departments. Plus, reevaluate priorities when working together.

Lack of Understanding with Rates/Numbers = Improved communication.

- Understanding of KPIs, revenue vs. profit.
- Increased understanding of what type of rate/discount to offer. Making sure we offer competitive rates with revenue.
- Keeping track of data – logging key activity data for interpretation, strategy implementation, or adjustments.
- Incorporating the right message to the right audience based on CRM data

Follow through with what is discussed (lack of follow-through and ongoing communication) -

- Improve the development and execution of strategy in an organized, strategic, and timely manner.

Working on putting together personalized campaigns

- Not having enough collateral or time
- Implementing and prioritizing good ideas
- Being agile in changing strategy. Keeping current with different trends in the market yet holding our own identity in the industry.
- Ensuring constant analysis of efforts to drive revenue.
- Breaking free from the "if it ain't broke, don't fix it mentality." Dramatic changes are happening, especially in group sales, and few are talking about them yet.
- Operational/tech roadblocks.

Lack of staff.

- Individual empowerment/continued education to accelerate progress.
- Bandwidth restrictions.
- Economic challenges in certain markets.

Does your company cross-train within the Sales, Marketing & Revenue department? If so, what training tools do they provide?

We found that from 67 surveyed hospitality experts, 27 responses informed us that no form of cross-training is done within departments. Some departments' only form of cross-training comes through collaboration or 1:1 meetings with each team member through onboarding.

From those experts that cross-train here are some helpful tools that they use:

- Online learning/Training Webinars/Videos/Documents/Workshops
 - Weekly, Monthly, and Quarterly training sessions
 - From brand training to external training curriculums
 - eCommerce training
- Task Force Opportunities/Reporting
- Monthly Meetings, Industry Events
 - Share best practices and new ideas
- Shadowing/Mentoring/Coaching
 - Create Case Studies and Guides from these
- Cross-training within Departments for development
 - Joining different department calls
- Cross Department Committees
- Cross-training with certain tools/platforms:
 - RMSs, CRM, IDEAS revenue management platform, Duetto, Opera, SFDC, LinkedIn Sales Navigator
- Certifications within each department (Revenue, Marketing, and Sales)
 - HSMAI Provides great tools for this
 - Make one certificate a year an annual goal
 - Micro-Credentials
- Other great collaboration tools include:
 - Digital Learning Suite
 - Teachers
 - Jasper
 - SharpSpring CRM
- Tip: Have a defined structure of what each department should complete each year to stay cross trained

What do you wish to accomplish when working across departments in Commercial Strategy?

- It is vital to oversubscribe at the start of any project. The cross-discipline approach is best in the beginning, as nothing is missed, the right decision-makers are in place, and it ensures correct alignment.
 - Look at projects from a 360-degree perspective.
 - Common vision from the start = Common focus
 - It is difficult to succeed unless there is a collaborative mindset from the beginning.
- Best Practices:
 - Core working teams layered with representatives to align and keep all groups informed. This gives peers insight into all aspects of the project, increasing efficiency and cross-functionality.
 - Work hand-in-hand towards common goals:
 - Alignment of strategic objectives, business goals and how the teams work together to achieve those objectives
 - Have action items for each department to be working on weekly
 - Don't take things for granted; not everyone understands what is happening in other business aspects. Ensure key points are extracted, and all departments are aware and on the same page.
 - Work closely with property teams from the above property group
- Balance of communication:
 - Maximize each other's knowledge and ideas
 - Communication aligned towards common goal
- Have all disciplines report under one umbrella of Commercial Strategy, if possible. This keeps everyone in the same lane and allows for one unified goal.
- Certificate programs in partnership with universities.
 - ie. Hyatt partnered with NYU. Select individuals went through the program and learned about other areas within the Hyatt organization. There was high interest in this program.
- Translating insights across the disciplines.
 - What do you think about how a marketer needs to consume rev data?
 - Information is provided to sales to align the organization's goals.
 - Key metrics that are assessed in different ways. Education on what the metric means (occupancy, ADR).
- Keeping all teams focused on top-line revenue generation. Do not have a sales meeting vs. a marketing meeting vs. a revenue meeting. Instead, have one commercial council meeting with sales, revenue, and marketing disciplines. Stay focused on learning, sharing, and adopting. Divide + Conquer.
 - Having meetings together encourages communication and accountability. If all commercial team members are aware of the goals, then it is easier to adopt and work together to achieve those goals.
 - ie. No slides/PowerPoint/etc. Just sharing and communication. Each discipline is tasked with sharing for 3 minutes each on a topic to share.
- Focus on profitability
 - Common goal of driving profitability and hitting our financial goals as a team
 - Have total engagement on revenue-driving strategies
 - Focus on growing revenue and profitability across all strategies

- Incorporate operational leaders into the group – Operations needs to be involved in what we are designing to bring those designs to fruition.
- Breaking down silos
 - Focus on coming together holistically – Everyone on the commercial team should be able to verbalize our strategy
 - Effectively work together as a unified team
 - Understanding common goals & revenue strategy
- Example provided by Scott Pusillo: once a month, a different member of the commercial team will lead the RevMax meeting. This removes the “myth” of the revenue role and allows everyone to invest and play the role.

Does your organization put Commercial Strategy first? If so, what are the successes? If not, what are the challenges?

Responses appear to be evenly divided between yes and no. Many companies do have great practices and tips, but some are still struggling with the concept of Commercial Strategy:

Many hotels do have success to share. Here are the top tips:

- **Collaborative Communication = Increased Understanding**
 - Allow each team member to have the chance to voice their opinion.
 - Use Commercial Strategy to drive decisions in areas such as hotel operations more.
 - Commercial Strategy conversations should be at the heart of everything from hotel design/construction all the way to asset sales. That's where the greatest opportunities lie.
 - Have progressive conversations to better sell your properties.
 - Understanding struggles for each department (Knowing what challenges each department faces can bring about solutions and better teamwork)
 - Understanding operational struggles
 - Understanding revenue - if you don't have revenue, you have nothing to operate.
- **Meetings throughout the year, which brings all departments together.**
 - Discussions and breakouts within different groups.
- **Put people first.**
 - Work together as a team with an aligned strategy and contingency plans
 - Work towards aligned goals and plans.
 - Be aligned as ONE team that has three expertise. Team dynamics will always be a challenge, but a good leader will overcome them.
 - Support one another to achieve goals.
- **Focus on building and adapting data and tools to support Commercial Strategy.**
 - The success for us is the consistent need for higher quality data.
 - Invest in technologies that enable us to be more nimble.
- **Focus on high revenue generation from all market segments whether that be group, catering, or leisure.**
 - Optimizing commercial revenue for our partners is a top focus.
 - Be a top line driven company and focus on driving the most profitable revenue to our hotels. Topline Revenue is the priority, and that culture is within all departments.
 - Focus on revenue driving campaigns and elevating the brand.
- **Effectively follow and execute the strategies.**
 - Evaluate trends and make decisions.
 - Remain nimble and dynamic as adjustments and changes are implemented daily.
- **Focus on guest service as well as Commercial Strategy.**
 - Reputation is key.
 - If you lead with strategy, guest satisfaction will follow.

Challenges– Fairly new concept for many. Here is what may be holding some hotels back:

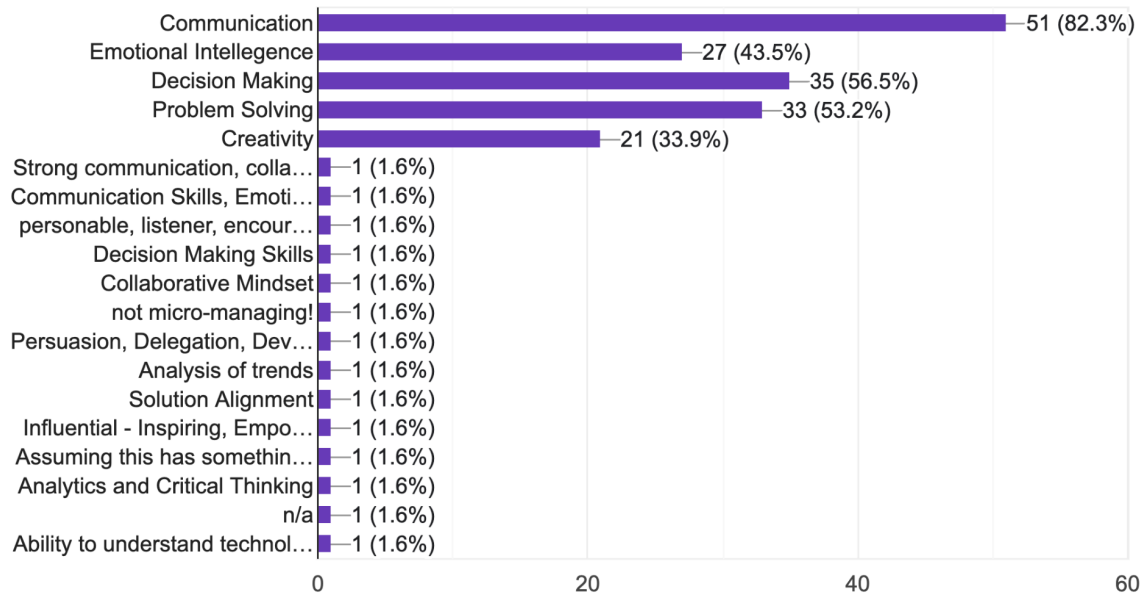
- **Lack of communication and teamwork.**
 - Different departments do not work together enough to create and achieve common goals.

- Still Siloed among departments.
- Getting caught up in reactive behavior vs. proactive behavior.
- Putting certain departments first rather than prioritizing as a team.
- **Job shortages/Lack of staffing**
 - Housekeeping and culinary have struggled to keep up with the demand
 - It is difficult in an independent property with a lack of resources and having to rely on each other for brainstorming, collaboration and execution.
- **Understanding Data/Cost/Revenue**
 - Maximize revenue capture while maintaining product value.
 - The varying opinions of what data is more important to execute a successful strategy.
 - Significant cost pressures exist where we are driving more revenue, but it doesn't flow for cash.
 - The greatest challenges are creating mindsets focused on analytics, stimulating critical thinking, and cultivating data-driven decision making.
- **Technology**
 - New systems and processes to implement.
 - Old systems are not getting updated frequently.
- **Economy**
 - The market has not fully recovered from covid with group and Business travel.

What do you see as top for a Commercial Strategy Leader?

What do you see as top qualities for a Commercial Strategy Leader? (Select top 2)

62 responses



- The top three qualities of a Commercial Strategy Leader are Communication, Decision Making, and Problem-Solving.
- Commercial Strategy leaders play a critical role in driving business success. Effective communication, decision making, and problem solving are essential qualities for leaders.

Communication:

- Strong communication skills are vital for leaders. They must clearly articulate their vision, goals, and strategies to their team and stakeholders.
- Effective communication involves listening, empathy, and adapting communication styles to different audiences.
- Strong and successful communication styles enable leaders to inspire, influence, and align individuals toward a shared purpose.
- By fostering open and transparent communication, leaders can build trust, facilitate collaboration, and promote a culture of innovation.

Decision Making:

- Commercial Strategy leaders are regularly confronted with complex and high-stakes decisions.
- Effective decision-making involves gathering relevant information, evaluating alternatives, considering potential risks, and selecting the best action. It requires thinking critically, analyzing data, and balancing short-term and long-term considerations.

- A good leader incorporates input from diverse perspectives, seeks out expert advice, and exercises sound judgment. Decision-making skills enable leaders to navigate uncertainty, seize opportunities and direct the organization to success.

Problem Solving:

- Commercial Strategy leaders are often tasked with solving complex business problems and overcoming challenges. They must identify root causes, analyze situations, and devise effective solutions.
- Problem solving skills involve thinking creatively, generating innovative ideas, and evaluating potential outcomes. Leaders should encourage a culture of continuous improvement and empower their team members to contribute their ideas.
- By fostering a problem solving mindset, leaders can address obstacles, adapt to changing market conditions, and capitalize on emerging trends and changes in the industry.

Conclusion:

- Communication, decision making, and problem solving are interconnected and reinforce a role of a Commercial Strategy leader.
- Effective communication ensures that relevant information and perspectives are shared, enabling better decision making.
- Gathering valuable insights from team members and stakeholders enhances problem solving efforts.
- Decision making helps leaders communicate clear direction and make informed decisions to address issues.
- Effective problem-solving skills enable leaders to identify opportunities and make well informed decisions.
- Together these qualities strengthen leaders to execute successful commercial strategies. These qualities work together, allowing leaders to inspire and align their teams, make well informed decisions, and overcome complex challenges.
- Commercial Strategy leaders can drive organizational growth and achieve long-term success by integrating these skills into a leadership approach.

What are the differences between a Director of Sales & Marketing and a Commercial Strategy Director?

Based on the survey responses, below is a summary of the common grounds and disagreements regarding the roles of Director of Sales & Marketing (DOSM) and Commercial Strategy Director (CSD):

Common Grounds:

- Both roles involve aspects of sales and marketing.
- Both roles contribute to the organization's Commercial Strategy and growth.
- Both roles require strategic thinking and an understanding of the broader picture.
- Both roles involve managing teams and building client relationships.
- Both roles encompass revenue generation and profitability considerations.

Key differences:

- The DOSM role focuses more on sales and marketing
- Some respondents perceive the DOSM role as narrower and more focused on specific goals (especially top-line revenue and sales targets).
- Some respondents, particularly those from the marketing, corporate marketing, and brand marketing fields, believe that the role of DOSM has shifted away from traditional marketing responsibilities. They perceive the DOSM role as more focused on sales (DOS) than marketing, attributing this change to the growing importance of digital marketing and corporate-driven strategies in the present business landscape.
- The CSD role takes a broader view of the entire organization and its strategy.
- The CSD role has more responsibility for revenue generation across multiple departments.
- The CSD role requires a deeper understanding of market and industry trends beyond the hotel industry.
- The CSD role has a stronger emphasis on profitability and bottom-line impact.

*Several respondents mentioned that they were unfamiliar with the difference between the two roles or had not heard of the term "Commercial Strategy Director" before the survey.

What are some ideas to cross-train between disciplines and begin to break down barriers?

- **Cross Training and Shadowing**
 - Involve cross-training during the onboarding process
 - Job Shadowing and task force - open to all departments
 - “Day in the life” in commercial and ops departments
 - Trap between staying on top of your expertise and being cross-trained. This may not always be a reality, but having base knowledge in all departments is a good start.
- **Increase Communication between departments**
 - Establish a regular cadence of cross-department calls
 - Always explain the “why.” Thought process and data.
 - Collaborate during goal setting
 - Include Sales Managers and Marketing Managers in forecast meetings.
 - Bring revenue and marketing managers to sales calls
 - More social outings/ discussions as a team.
 - Share articles with colleagues (constant sharing)
 - Review performance together
 - Lunch & Learn opportunities.
 - Partnering with consultants/education opportunities.
 - 20% projects, projects that require cross-department participation/is more aligned with a different department that you contribute 20% of your time toward within your regular work hours
- **Platforms and recourse**
 - Ensure the same platforms and resources are used across relevant commercial teams.
 - Use the same data set when making decisions
 - Train on all platforms.
 - Team classes/ learning (ex:hsmai)
 - Creating programs like Bungies at Google that allow individuals to move to another discipline for six months and then go back to their original position
- **Salary**
 - Address salary gap
 - Tie director of sales bonus plan to profit and market share

Helpful Resources:

- A KPIs Guide for the Commercial Strategist:
<https://global.hsmi.org/insight/a-kpis-guide-for-the-commercial-strategist/>

Key Take-Aways:

Key Take-Aways: We surveyed approximately 67 Marketing, Sales, and Revenue Management experts to understand how to build a successful Commercial Strategy team. Below are our key findings:

- Our survey results indicate significant participation from Independent/Lifestyle hotels (15 responses), Chain hotels (11 replies), and Hotel Management Companies (10 replies).
- There is consistency among the responses indicating all hotel types face similar challenges with Commercial Strategy.
- The two predominant themes that emerged from the surveys are the importance of communication and the need to break down silos, suggesting a need for improvement in these areas.
- Departmental silos are often the result of each department having its own goals and priorities, hindering effective collaboration.
- While cross-training initiatives exist in some hotels, there is a need to further explore how they are implemented and their impact on overall operations.
- Main challenges to overcome when working with your peers in Sales, Marketing and Revenue include communication, different goals, lack of understanding, follow-through, and lack of staff.
- Tools to help cross-train include any type of online learning i.e. training webinars, workshops or documents along with mentoring/shadowing, monthly meetings, cross department committees and more.
- Tips for working across departments include:
 - Over subscribe at the start of each project
 - Create core working teams layered with representatives
 - Balance communication
 - Report under one umbrella
 - Keep all teams focused on top-line revenue generation, profitability and outcome
- Successes of putting Commercial Strategy first include collaborative communication, increased understanding, people first attitude, department-wide meetings throughout the year to come together, a common goal, improved guest service
- Communication, decision making, and problem solving are interconnected and reinforce a role of a Commercial Strategy leader.