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Hotel's Smart Plan Development to Achieve Revenue Budget at Wyndham Garden Kuta Beach Bali

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Abstract
Purpose: This study aims to determine the process of developing hotel's smart plan model for sales and marketing department at Wyndham Garden Kuta Beach Bali, Indonesia. A qualitative descriptive research method uses in this research with an analysis of various written reports and statistical data both internal and external at the Wyndham Garden Kuta Beach Bali hotel from 2021 to 2023.
Research methods: The data collection techniques taken from participatory observation includes focus group discussions (FGD, semi constructed interview, and documentation. The research variables are formulated with a combination of the Business Model Canvas and the Principles of Organizing which produce a hotel's smart plan model.
Findings: The hotel's smart plan consists of 15 data processed including: 1) hotel value proposition, 2) fact of situation and assumption, 3) competitor analysis, 4) hotel's swot analysis, 5) revenue stream analysis, 6) target market analysis, 7) key market sources, 8) market segmentations, 9) sales and marketing strategies, 10) food and beverage strategies, 11) room and guest activities, 12) management structure, 13) financial plan, 14) season/event references and 15) updated information of budget vs actual revenue. The operational of the hotel's smart plan is carried out by implementing Organizational Principles consist of a list tasks and responsibilities, reporting schedule and technical instructions that must be obeyed by every member of Sales and Marketing Department. Those tasks feed the updated information in each of live data section daily as life document.
Implication: The trial results for six consecutive months proving the hotel's smart plan model succeeded in reaching and even exceeding the revenue budget that had been agreed by the management and owner of Wyndham Garden Kuta Beach Bali.

Keywords: sales and marketing planning, smart plan, business model canvas, market segment

INTRODUCTION

Wyndham Garden Kuta Beach Bali is a four-star international hotel chain operated by the world's largest hotel operator, Wyndham Hotel Group. The hotel is located on Jalan Pantai Kuta, precisely a crossroad to the iconic Kuta Beach Bali. Wyndham Hotel Group officially taken over the hotel from the previous management and has been fully managing the 155 rooms since January 1st, 2017. The management transformation has made the hotel into a better level, both managerial and market recognition. However, the covid-19 pandemic in 2020 has devastated the businesses into an unpredictable situation and effect badly to the hotel income. During the struggle period, Wyndham Garden Kuta have never closed their operation and operate the hotel with limited room inventory and employee. Wyndham Garden Kuta was one among many other hospitality businesses that have demonstrated their resilience in facing the global disruption of the Covid-19 virus which lasted almost three years from 2020 to 2022.

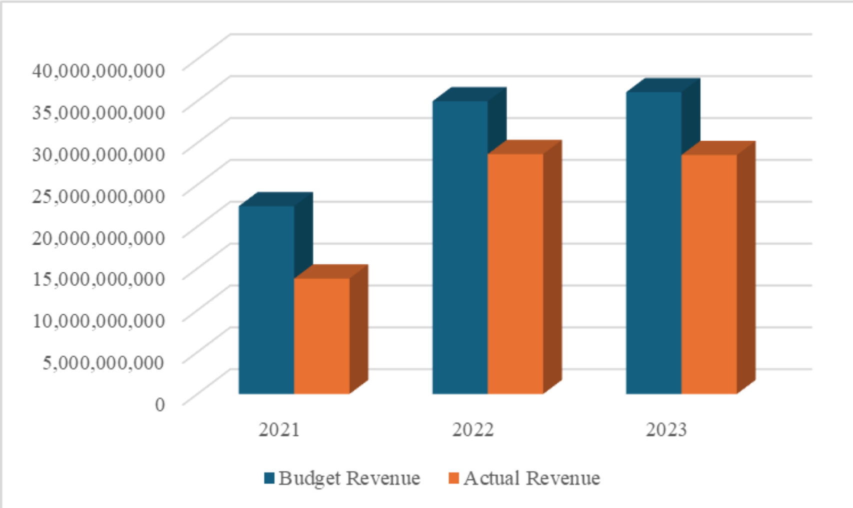
Post of Covid-19 pandemic did not immediately make businesses return to their previous tracks. There were market changes that required a different response than before the pandemic (Austin & Gregory, 2020). This condition was experienced by Wyndham Garden Kuta Beach Bali, where since the gate of Bali Tourism opened in stages to tourists, the hotel has not been able to achieve its yearly budget revenue. Both Table 1 and Figure 1 shows a comparison of the hotel's annual revenue with a budget that was never achieved during the period 2021 to 2023.

Tabel 1. Comparison of the hotel’s budget vs actual revenue at Wyndham Garden Kuta Beach Bali

	2021	2022	2023
Budget revenue	22,441,380,000	34,973,546,458	36,060,513,604
Actual revenue	13,797,278,216	28,665,689,604	28,555,069,825
Variance amount	(8,644,101,784.00)	(6,307,856,854.00)	(7,505,443,779.00)

%	-39%	-18%	-21%

(Source: Wyndham Garden Kuta Beach Bali, 2024)



(Source: Wyndham Garden Kuta Beach Bali, 2024)
Figure 1. Comparison of the hotel's budget vs actual revenue at Wyndham Garden Kuta Beach Bali

The failure of the hotel to achieve revenue budget for three consecutive years, as seen in Figure 1 has negative impacts on the company's financial performance as follows: (1) Low profitability of the company, which affects the ability of owners to fulfill their bank obligations. (2) Unhealthy financial cash flow, which results in late payment of employee service charge, supplier payments, tax obligations, and delays in some hotel programs. (3) The company's reputation has declined resulting in difficulty finding quality employees, high production costs because raw materials must be purchased in cash from supermarkets because hotel do not have credit facilities from suppliers who experience delays in payment.

Responding the situations above, the hotel management examines various factors that cause the gap between budget and actual revenue and uses all available resources to formulate a sales and marketing planning model that is more effective with good accuracy and has flexibility to adapt with market trend, as well as government regulation. The planning model should be formulated in a living document that is used as direction, target focus, control and evaluation tools for the hotel's Sales and Marketing team to achieve revenue budget that has been set by the company (Stoffers *et al.*, 2021). So that any market changes can be responded to proper changing strategy, and avoiding the plan become a static plan that only created in the beginning of year. This requirement leads to comprehensive research that aims at the development of the hotel's smart plan at Wyndham Garden Kuta Beach Bali.

To achieve the main objective of the research to develop a business model that has flexible adjustment so that it can follow market changes or is expected to become a hotel's smart plan, an understanding fundamental theory of business model, planning, strategy, and organizing principle becomes essential.

A business model is a model that describes the basic idea of how an organization creates, delivers, and captures value (Osterwalder, 2010). According to Assauri (2013), a business is a model as a miniature depiction that represents the phenomenon to be developed and is a simplified abstraction of complex reality, while business is an activity carried out by individuals or organizations to gain profit by providing goods and services. Business models in the hospitality industry, emphasizing the importance of customer value creation, innovation in service delivery processes, and relationships with partners and customers (Langvinienė & Daunoravičiūtė, 2015). In fact, there are many types of business model innovations and their implications for the hospitality industry (Gomezelj, 2016). It is a matter of how the hotel management matched it with their company philosophy, target and market condition González *et al*. (2021).

From all of the business model definitions above, it can be concluded that a business model is a miniature depiction of a simplified abstraction of complex reality to explain how an organization creates, delivers, and captures profits by providing goods and services.

A business model is basically born from a plan, therefore, understanding the meaning of planning is very important before the model is made. George R. Terry in Sukarna (2011) stated that "Planning is the selection of facts and the connection of facts and the making and use of estimates or assumptions for the future by describing and formulating the activities needed to achieve the desired results." Planning is a continuous process that includes two aspects, namely the formulation of planning and its implementation. Planning can be used to control and evaluate the course of activities, because the nature of the plan is a guideline for implementing activities (Listyangsih, 2014). Thus, it can be interpreted that planning is a series of decisions made as a guideline that becomes a benchmark in implementing activities to achieve a goal with available resources (Gkliatis & Koufopoulos, 2013).

Furthermore, in a plan there are strategies that support it to make it a reality. Strategy is a comprehensive master plan, which explains how the company will achieve all the goals that have been set based on the previously set mission (Rangkuti, 2013:183). According to David (2011:18-19), strategy is a means together with long-term goals to be achieved. Business strategies include geographic expansion, diversification, acquisition, product development, market penetration, tightening, divestment, liquidation, and joint ventures (Malshe, 2020). Strategy is a potential action that requires top management decisions and large amounts of company resources. In short, it can be concluded that strategy is an action or activity carried out by a person or company to achieve predetermined goals or objectives (Solakis, Peña & Bregoli, 2022). Business Model Development from Planning and Strategy simplification becomes more effective when packaged in an integrated system. Romney (2019) in his book Accounting Management System define a System as a series of two or more interconnected components that interact to achieve a goal. Most systems consist of smaller subsystems that support larger systems (Eriksson *et a*l., 2023). Furthermore, according to McLeod in Yakub (2012:1) defines a system as a group of integrated elements with the same goal to achieve a goal. The system is also a network of interconnected procedures, gathered to carry out an activity or for a specific purpose. The elements contained in the system are marked by the presence of:

1. Purpose - is the motivation that directs the system, because without a clear goal the system becomes undirected and uncontrolled,
2. Input - is everything that enters the system and then becomes material to be processed.
3. Output - is the result of input that has been processed by the system and output can be input for other subsystems,
4. Boundary - is the separator between the system and areas outside the system, determines the configuration, scope, or capabilities of the system,
5. Feedback - is used to control input and processes to regulate the system to run according to its objectives,
6. Environment - is everything that is outside the system.

In short, a system can be defined as a collection of components that are interrelated with each other to achieve goals in carrying out a company's main activities.

To simplify the planning structure of the smart plan model, researchers used a combination of organizing principles and Business Model Canvas (BMC) to describe the Operational Variables and Indicators of the model to be developed. Organizing is the determination, grouping and arrangement of various activities required to achieve goals, the placement of people (employees) for these activities, the provision of physical factors suitable for work needs and the appointment of authority relationships delegated to each person in relation to the implementation of each expected activity, this was expressed by (Terry in Sukarna, 2011). In organizing, a strong foundation is needed as the principle of the organizing action itself, includes: (1) The objective or goal, (2) Departmentation or division of labor, (3) Assign the personnel or placement of workers, (4) Authority and Responsibility, and (5) Delegation of authority or delegation of authority.

The Business Model Canvas (BMC) is a strategic tool used to describe a business model and illustrate the rationale for how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2012). Business Model Canvas (BMC) is one of the strategy tools used to describe a business model and illustrate the rationale for how organizations create, deliver, and capture value (Osterwalder & Pigneur, 2012). BMC provides a simplification that is divided into nine main parts, including: 1) customer segments, 2) value propositions, 3) channels, 4) customer relationships, 5) revenue streams, 6) key resources, 7) key activities, 8) key partnerships, 9) cost structure.

With an understanding of those theory above and mapping of operational variables using a combination of the Principles of Organizing and BMC, researchers have a strong basis to start developing a business model that is expected to have the flexibility to respond to market changes and become a living document, not just a plan made at the beginning of the year and then placed on the shelf to be pursued without being able to make the necessary changes.

RESEARCH METHODS

A qualitative descriptive research method is used to explore each variable that is related to and influences the design of hotel's smart plan model developed. According to Creswell (2010), qualitative descriptive is a research design to provide a comprehensive summary of events in everyday terms. Further, to collect all research data needed, the author uses Participatory observation, in which the researcher is involved with the daily activities of the person being observed or who is used as a source of researchers (Sugiyono, 2014). In this case, the researcher directly observed and participated in the process of making the hotel’s smart plan together with all team members of the hotel’s Sales and Marketing department and supported by other related departments at Wyndham Garden Kuta, includes: 1) General Manager, 2) Financial Controller, 3) Sales and Marketing Manager, 4) Revenue Manager, 5) Food and Beverage Manager, 6) Spa and Recreation Manager, 7) Front Office Manager, and 8) Human Resources Manager.

Those 8 leaders in Wyndham Garden Kuta Beach Bali are directly involved in hotel revenue generation and people management. Each of them represents their respected department and be part of the Focus Group Discussion on the strategy, planning, management, and evaluating all data that will be processed as part of the hotel’s smart plan. The data discussed include written reports and statistical data, both internal and external, covering the Wyndham Garden Kuta Beach Bali hotel report from 2021 to 2023: Guest Satisfaction Index Report, Revenue Streams Report, Profit and Loss Report, and Business Plan. The primary data used is the internal sources that have a direct influence on the development of the hotel’s smart plan system, from human resources with the results of meeting minutes, periodic reports downloaded directly from the hotel system and notes of researchers' direct observations in the process. While secondary data uses the hotel ratings and market responses on various online platforms including Trip Advisor, Google Review and Online Travel Review and STR Report.

The researcher also uses a semi constructive interview with selected key people who are assigned in Live Data Input, includes Ecommerce, Revenue Manager, Sales Administrator and the Night Audit. The interview explores the important role that obliges those key persons assigned, as it requires data accuracy which will produce proper data outcome to be analyzed and become base of further strategy. The foundation of the research is having clear definition of each operational variables by structuring it using the principles of organizing and BMC produces a clear mapping as seen in Table 2.

Table 2. Definition and indicators of operational variables

Variable	Indicator	Definition of operational variables
Business Model Canvas	Customer segments	a. Definition of market segment b. Market segment production last year and current year
	Value propositions	a. Wyndham core value b. Vision, mission, and company goals c. Fact of situation and assumption
	Channel	a. Digital and Online b. Offline
	Customer relationships	Guest Satisfaction Index - Costumer Hub (Tripadvisor rating, Google Review rating, Online Travel Agents rating)
	Revenue streams	Hotel Revenue Stream Report - Last Year (LY) and Current Year (CY)
	Key resources	Individual costumer productions (Wyndham Hotel Global Account, Hotel Key Account, Wholesaler Agents, Online and Offline Travel Agents, Group Costumer Production)
	Key activities	a. Sales & marketing strategy b. Food and beverage strategy c. Front office strategy d. Spa and recreation strategy
	Key partnerships	a. Travel agents (online & offline) b. Wyndham global sister company c. Government and hotel association d. Kuta community
	Cost structure	a. Budget assumption b. Sales and marketing budget projection

Organizing principles	The objective	Clear description of Wyndham Core Values and Company Vision, Mission and Goals
	Departmentation	The Strategy includes an organizational structure consisting of different departments with their respective functions
	Assign the personnel	In each strategy, 1 person is assigned to act as Person in Charge (PIC) and at the same time become KPI for the PIC.
	Authority and Responsibility	The authority and responsibility according to the position of each PIC.
	Delegation of authority	Each PIC that is placed in each strategy has a path of delegation of authority to subordinates/colleagues/partners in accordance with their abilities and functions in the organization. PIC does not always have to be the executor, but is obliged to provide the final report

Source: Wyndham Garden Kuta Beach Bali (2023)

Merging all variables, both primary and secondary data, processing those findings into focus group discussion between Sales and Marketing team members and related department in the hotel require clear research framework to ensure the development of the Smart Plan is properly structured and easy to understand. Although, the framework might change depending to the research findings. Figure 2 is the framework that shows the stages of the research.

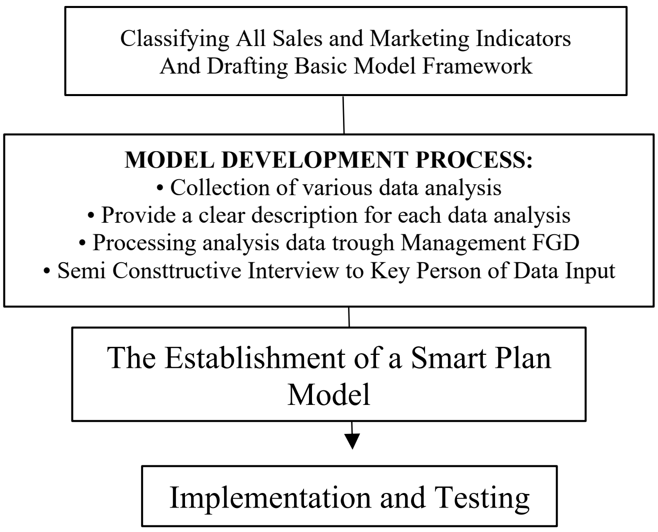


Figure 2. The hotel smart plan research framework
(Sources: Wyndham Garden Kuta Beach Bali, 2024)

FINDINGS

The main objective of the research is to develop the hotel's smart plan Model, that is expected to become a control tool in achieving hotel revenue budget. The hotel's smart plan model consists of various input data into excel spreadsheet pages, most of which are connected to formulas to produce new data resulting in a Comparison of Budget Revenue vs Actual Revenue from each Market Segment. Trought the intensive FGD with 8 Heads of Department including the General Manager of Wyndham Garden Kuta Beach Bali, the researcher establishing a Basic Model Framework as shown in Figure 3.

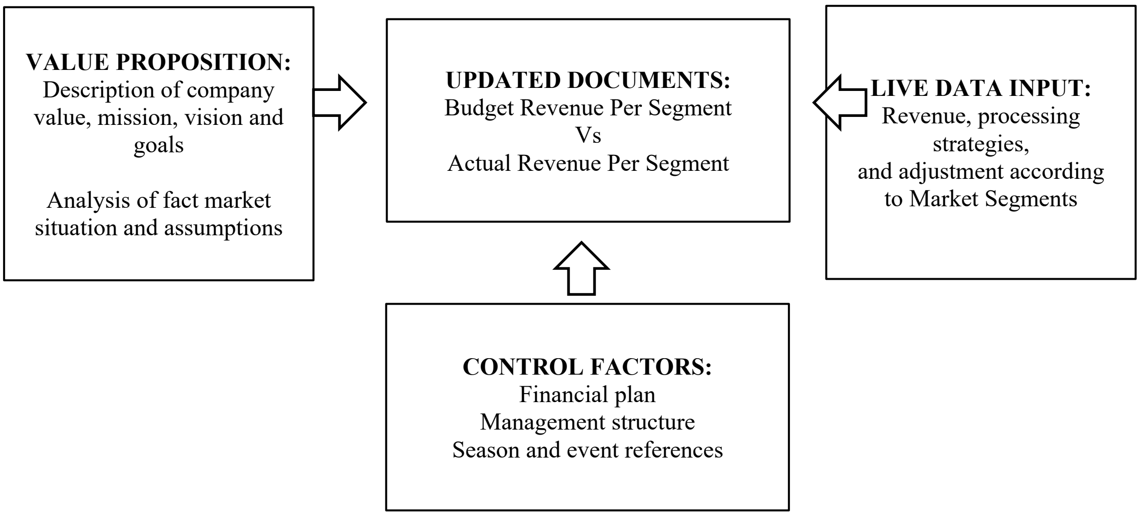
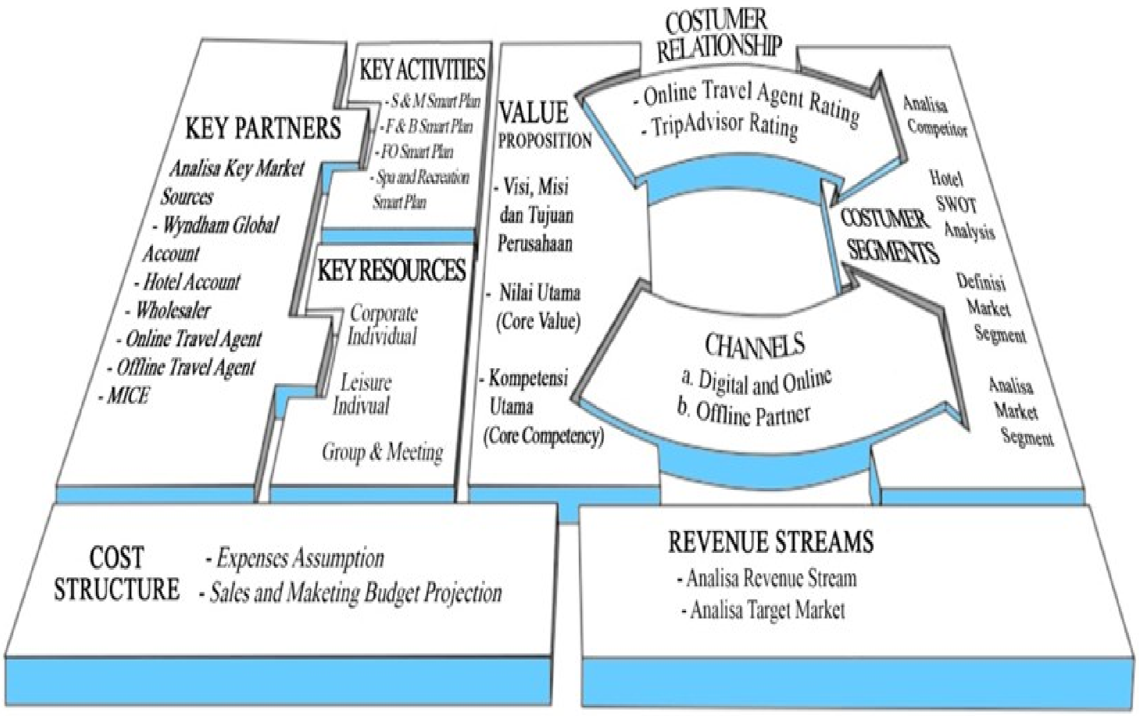


Figure 3. Hotel's smart plan basic model framework
at Wyndham Garden Kuta Beach Bali

The model framework above shows the goal of the hotel's smart plan application is to display an Update Document on how far the Hotel's Actual Revenue has achieved the Budget planned. The update document can be viewed whenever management needs it, so that it is a real time document. The are 3 elements that support the Updated Documents, includes: 1). Value proposition with analysis of fact market situation, 2). Control factors, and 3). Live data input which is routinely uploaded and adjusted to changes in market behavior, including changes in government regulations that affect the market itself. Each element mentioned above consists of more detailed information and data, both static and dynamic data. Value Proposition mostly static data where its decided and stated in the beginning year of business plan development, while data input is a dynamic data that installed based on real achievement (Agustiani, 2023).

To ease the hotel's team understanding the concept of the model, the researcher uses the 9 blocks of BMC to illustrate the flow information of hotel's



smart plan in one page as visualized in Figure 4.

Figure 4. Business Model Canvas of hotel's smart plan visualization
at Wyndham Garden Kuta Beach Bali

From the illustration of BMC above, we can see the basic idea of hotel's smart plan is creating connectivity between elements and influenced each other as a simultaneous process (Alam &Triono, 2023). Once the live data input changes the information, it requires management analysis and followed by changing of strategy. Both above Basic Model Framework and BMC then rediscussed more deeply in FGD with all related Head of Department to develop the final Model of hotel's smart plan that can be used by Wyndham Garden Kuta Beach Bali. Through numbers of FGD and Semi Constructed Interviews, the researcher detailly formulated the whole model of hotel's smart plan as shown in figure 5.

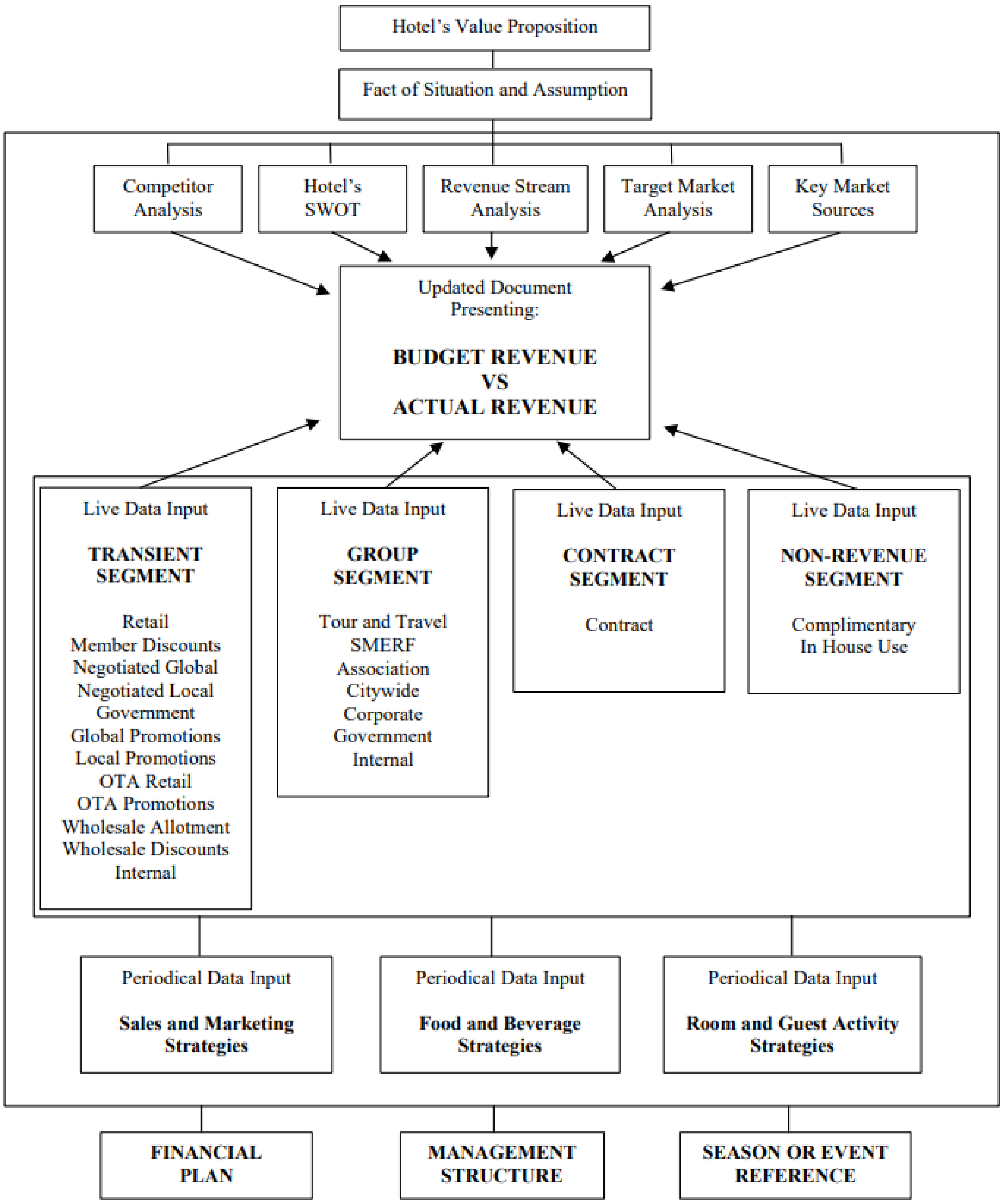


Figure 5. The complete model of hotel's smart plan

The implementation of the hotel's smart plan for six-month period has given proof that the model has successfully guide the hotel's team to monitor, analyze and change their strategy based on current situation to achieve the revenue budgeted as shown in Table 3.

Table 3. Implementation and testing hotel's smart plan
Wyndham Garden Kuta Beach Bali

Jan-24			Feb-24			Mar-24			
Budget Revenue	Actual Revenue	Variance	Budget Revenue	Actual Revenue	Variance	Budget Revenue	Actual Revenue	Variance	
2,470,156,360	2,514,571,421	2%	2,092,628,241	2,246,971,673	7%	2,335,433,590	2,347,381,778	11,948,188	1%

Apr-24			May-24			Jun-24			
Budget Revenue	Actual Revenue	Variance	Budget Revenue	Actual Revenue	Variance	Budget Revenue	Actual Revenue	Variance	
2,457,714,290	2,526,855,647	3%	2,633,175,351	3,115,533,794	18%	2,843,435,258	3,050,280,967	206,845,709	7%

Updating input data, analysis, and strategy that is carried out following changes in market dynamics, makes the Business Plan not only an administrative target at the beginning of the year, then printed in a bound book and pursued for its achievement. The hotel's smart plan helps the Sales and Marketing team to monitor the level of budget achievement, at any time and make changes to strategies that are relevant to the market situation faced by the hotel.

CONCLUSION

The first purpose of this research is to determine the process of hotel's smart plan development, that can be modified following to the market, policy from authority, or any other situation that can happen at any time. In total, there are 15 pieces of data that are processed in the hotel's smart plan, including: 1) hotel value proposition, 2) fact of situation and assumption, 3) competitor analysis, 4) hotel's swot, 5) revenue stream analysis, 6) target market analysis, 7) key market sources, 8) market segmentations, 9) sales and marketing strategies, 10) food and beverage strategies, 11) room and guest activities, 12) management structure, 13) financial plan, 14) season/event references and 15) updated budget vs actual revenue.

The second purpose of this research is to know how the model is implemented, which is carried out by implementing Organizational Principles consist of a list tasks and responsibilities, providing reporting schedule and technical instructions of operating hotel's smart plan that must be obeyed by every member of Sales and Marketing Department. Those tasks feed the updated information in each of Live Data section daily as a live document. The trial results for 6 consecutive months the hotel's smart plan model succeeded in reaching and even exceeding the revenue budget that had been agreed by the management and owner of Wyndham Garden Kuta Beach Bali. The key is that each team assigned to Live Data Input can see how far the actual revenue reaches the budget and at the same time alert Hotel's Management to analyze and quickly raise new strategies that is relevant to the changing of market situation.

The limitation of this research is that the hotel's smart plan model still fully uses Excel Spreadsheet which has the potential for human error, especially when updating live data input. For further research, the transformation of the excel spreadsheet base model into a computer programming form will make this hotel's smart plan safer from input errors or possible formula changes.

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