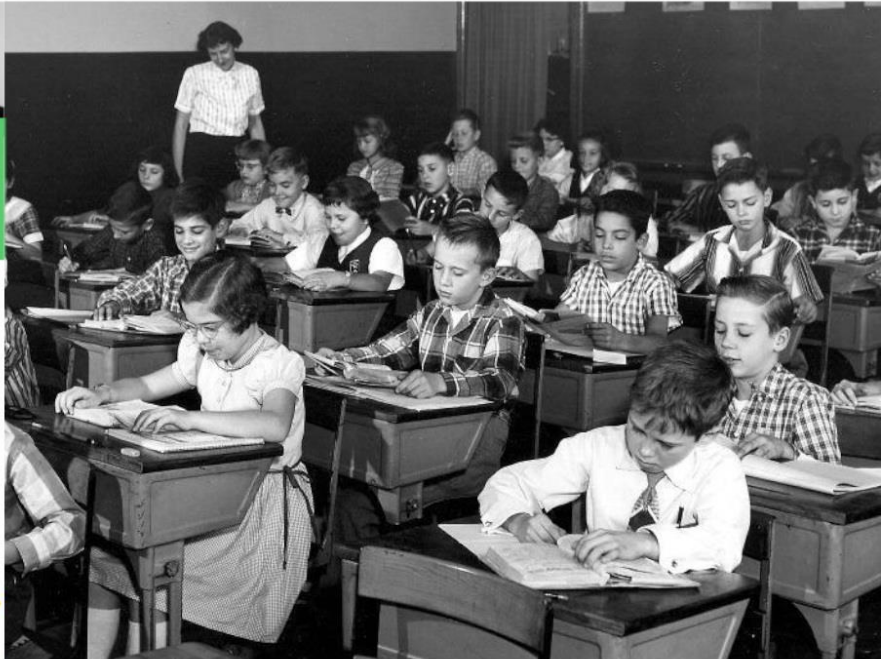




Professor Dr. Detlev Remy
Peter Russell
Janel Clark

Does Current Education & Training Support Revenue Manager Evolution?



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In today's video we are joined by:

Peter Russell, Operations Director at [Russell Partnership Technology](#)

Janel Clark, Founder of NextGen Revenue

Professor Dr Detlev Remy of the [Singapore Institute of Technology](#).

We look at Revenue Management from the viewpoint of Education, Training and Mentorship. We explore how much time is dedicated to teaching Revenue Management at a University or Hotel School and what depth does the course go into. We then discuss attitudes towards investing in Revenue Management. And finally we consider, with so few leaders coming from a Revenue Management background how are those starting out in their revenue career being mentored.

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Here are some key comments taken from the interview

(Our videos and podcasts are produced as an audio resource. Transcripts are generated using speech recognition software and human editing and may contain some intentional errors.)

How much time is dedicated to teaching Revenue Management

Dr. Detlev Remy

It's one semester out of six semesters, I have to say, we are a new university. So we are doing things differently and that's good. So so we are quite innovative. Yes, it's just one semester for revenue management and distribution. But of course, as I was involved in the curriculum design I was fighting. So a second semester is dedicated for the analytics, and analytics is very much linked to revenue management. So I got some spare time. I have a bit more time it is in the last year, the first year, and it makes sense because then the students have a solid understanding of operations and management and can end up with this knowledge.

Janel Clark

I would say similar to what Detlev is saying there's not enough, I don't think. But what I would say in a positive is that in the last five years of working more with universities, I've seen an improvement. I remember speaking to university with a very strong hospitality background and they didn't even two years ago, they didn't even have revenue management module at all. So it really does depend on the school

Peter Russell

I think that the pace of change and revenue management in the industry is obviously very quick. And as we just said, curriculum changes take time because it has to take time to get that right. And so, I would echo those comments, I think, certainly, we see revenue management being taught as part of hotel operations courses, and then also being delivered as an elective as well. So of course, then with it being elective that requires students to have an interest and to want to do it

How many studying a Hotel Degree will consider a career in Revenue

Dr. Detlev Remy

I would think if I look at my universities as now the third University and Students in the hospitality business programme, I would say 5%. Something between five maybe 10% very optimistic are indicating their interest in revenue management they want to go further on to work in revenue management. That's the bad news. The good news, I still

have contact with many alumni students from these universities and many more end up in revenue management via reservations, via front office, via marketing and sales for a couple of reasons. Once we are in the job, they realise opportunities for career opportunities, but also responsibilities in revenue management, or they even are pushed in a positive way towards revenue management. So there is some light at the end of the tunnel.

Janel Clark

I think that you've got the students who've come into to learn hospitality and Hotel Management, who are operational and who want to be with guests and the service industry and the idea of sitting in a back office looking at data and Excel spreadsheets, and technology is just horrific to them. So you'll get those students who are never going to be interested, but then when they get to a stage where they want to become a GM, they realise that they need to understand the business side of the hotel as well. And then that's when they'll come back and say, have you got those notes on that lecture or remember when we spoke about this? What was it again? It's that idea as the progression comes, they find themselves quite often involved with revenue management, so then revenue management becomes a bit more interesting.

Peter Russell

I think, as a discipline within the university course learning at the early stage, I think it maybe isn't the immediate obvious choice for a lot of students. But yeah, I agree, I think it's something a lot of people grow towards. And I think we've seen more and more about big data and the power of data, and I think it's something that people are understanding is more and more useful. So I think, I think it'll only continue to grow.

What is Hotel industries commitment to training and development

Peter Russell

I think there is a real focus on training, learning and development within hospitality. I think, as an industry, it's certainly one of the industries where I think we see a lot more focus on continued education. Yes, I think there is a big difference between group and individual properties. And I think that's why the delivery mechanism for the training needs to be adaptable or different to deal with that. So while where a big group, can have a sort of more embedded learning course which might group people together and deliver training, where you compare it with an individual style or smaller properties, they need to be able to individually access content and potentially do that in their own time

Janel Clark

Maybe because I tend to deal more with independent hotels and smaller groups, I think because of the challenges as you say of resources of time and and money, that there's not always the training budgets aren't always there.

Dr. Detlev Remy

I also like to hear Peter and happy that he has this (experience) and I guess also with his unique product variety and yes maybe split between the big brands, the big players, they have a learning development departments divisions and their focus heavily on training and deliverables, not lack of budget, lack of interest and anything else. Now when I have to think about something just in front of me what are the training areas?

Unfortunately, not so much revenue management – very much in terms of leadership, motivation, organisation behaviour. If I talk with hotel development managers, HR managers, this is really the main focus, focus team building, etc, etc, which is okay. But, of course, we should be focused on revenue management.

Isn't an investment in Revenue Management the easiest to see a return

Dr. Detlev Remy

I was listening to you and it makes sense. It is common sense true. But there's a problem, the problem is a misunderstanding of a function of revenue management, you said, driving demand, driving profits, and even identifying untapped revenue opportunities. The role of revenue mentioned has evolved and is evolving forever. But I think many in the industry comes to investment decision, think about technology in every other area than revenue management, because they see the guys still working with Excel spreadsheets or whatever, in a reactive way, this whole idea of driving demand or managing demand, and it's maybe also our fault educator wise because we always said marketing is driving demand, and we manage demand. So the mismatch of Marketing and Sales versus Revenue Management is changing. And some brands it's changing already, Four Seasons for me, is a lovely example, Digital Marketing team reports to Director of Revenue Management, that's the way it should be done.

Janel Clark

If you're looking at investment in technology, so yeah, if we want to save time and you know, costs Then an investment in an RMS absolutely makes sense. I think in the historically it's been a big expense. But I think now that technology has moved on and there are a lot more there are a lot new suppliers in the market where that expect that huge expense, the perception may still be there, but it isn't the reality now. Now you know that revenue management price optimization systems are available that are much more

Peter Russell

I don't think there's ever going to be a direct translation of if we put this into revenue (training), then we'll get this. But I agree, I think there honestly is a huge benefit to doing it. But I think there is some quite good statistics around forecast accuracy and a lot of revenue management is about forecasting. So the more accurately we forecast and we know what we're doing, then there is a correlation between that and increased revenues. So having that power within revenue management, do the accurate forecasting, understand where we're going, what we're doing allows lots of other things to then filter down after that. And so I think that's the power of revenue training in terms of driving profit or, you know, increase revenues at the end.

Is it illogical to be laying off Revenue professionals

Janel Clark

Well, I have to say, you know, I have sympathy with with the businesses out there

struggling at the moment because of with this situation. I totally understand that costs are being controlled and cut back and they're having to let people go and you know, but if you're making the decision on if you're furloughing staff and the person who is watching the demand, who's watching the market, who's understanding when will the market comeback, are people starting to travel again? If they are, who is? Who is this person who's travelling? the person within your organisation who is responsible for that, I don't really understand how that person is furloughed. That would be a tough decision. Because, we're seeing green shoots now and businesses are opening and we still only have a very small percentage of hotels open and function, particularly in the UK and in London even less. And I just find it difficult to see how those hotels think they're going to move forward. If they haven't got somebody out there now looking at what's going on.

Peter Russell

I think it's natural to have had that sort of contraction of things in the early stages when most hotels, especially here in the UK did shut entirely. And that made a lot of sense at that point to furlough people. Now that we're starting to get the wheels turning again, I'd agree fully with Janel. It seems to make total sense to have that. I think, we're bound to see sort of combination, or more clustering of roles and things like that. So it may be where we had individual property level revenue managers, especially where we're talking about groups and chains, I think we'll see far more cluster revenue managers who are responsible, maybe for a few properties, at least during this early recovery.

Dr. Detlev Remy

I couldn't agree more with Janel, but also Peter, of course, distribution, commerce, revenue management, distribution, ecommerce, and marketing. And here in South East Asia, we see all the retrenchments of this middle management up to senior management positions. And I wonder, not only based on what Janel said, but these guys are the ones with that knowledge of forecasting and watching demand and also driving demand, but also a huge amount of knowledge and skill sets within these people, you cannot buy it just you can hire somebody at around the corner. It is a unique ability. And I don't get it. We are in Singapore and in SE Asia we are just beginning of retrenchment. We are just hearing now every week we're starting of retrenchments. And it will happen. Our industry, in their ability to foresight is sometimes a bit limited. Maybe we believe, also we fire or just we retrench somebody, we will find easily somebody else. And I don't believe in this. Not at all.

Is there enough mentor support around for Revenue professionals

Peter Russell

I think , yes, there are things out there available, but I think it's a case of putting yourself in the right place and actively going and looking for it, it's not gonna find you and I think probably, you know, all of us on the on the call here, we're all part of professional organisations and networks and communities and things like that. These kind of communities are the places where you're going to be able to network and communicate with people and find mentors, even if there isn't a set mentoring network. And there are things out there I know. But that's the way that you can sort of find people who will be

able to help you find those resources, find that help and be part of something bigger. And that's why you're going to find a helpful resource that the people need to grow.

Janel Clark

I think you're right, that there is a challenge that if you're on property, and you're the revenue manager, it's likely that there's nobody there for you to learn from because you may be the first revenue manager that hotel has had or maybe you're reporting into the GM and the GM has come up through a different path and so the emphasis is on you to go out there and find the support that you need and to tell your organisation that you need that support as well. There's so many opportunities out there and there's so much online for free as well. It's not even a huge cost. There is a lot, but I think if you're a revenue manager and you want to progress, then you need to just go for it and go forward.

Dr. Detlev Remy

I see within my network, some amazing example of mentorship. Of course, it's all on a voluntary basis where really experienced senior revenue manager, Director of Revenue Management, whatever, mentor younger ones and really establish a network of based on friendship and help them through the career. My only concern is that we are a bit in a close circle and all the new developments of evolution of revenue management, customer centric and total revenue management, we need some fresh input from outside we are bit locked in our circle. so, some fresh input would be definitely needed.

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