

Process: Budgeting

Subprocess: BUD- Regular P&L Forecasting Process in NHHG

Process Owner: SVP Controlling & Strategic Planning

Proces Leader: VP Controlling & Strategic Planning

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Date	01.05.2018
Last modification date	18.12.2018
Document version	1,0

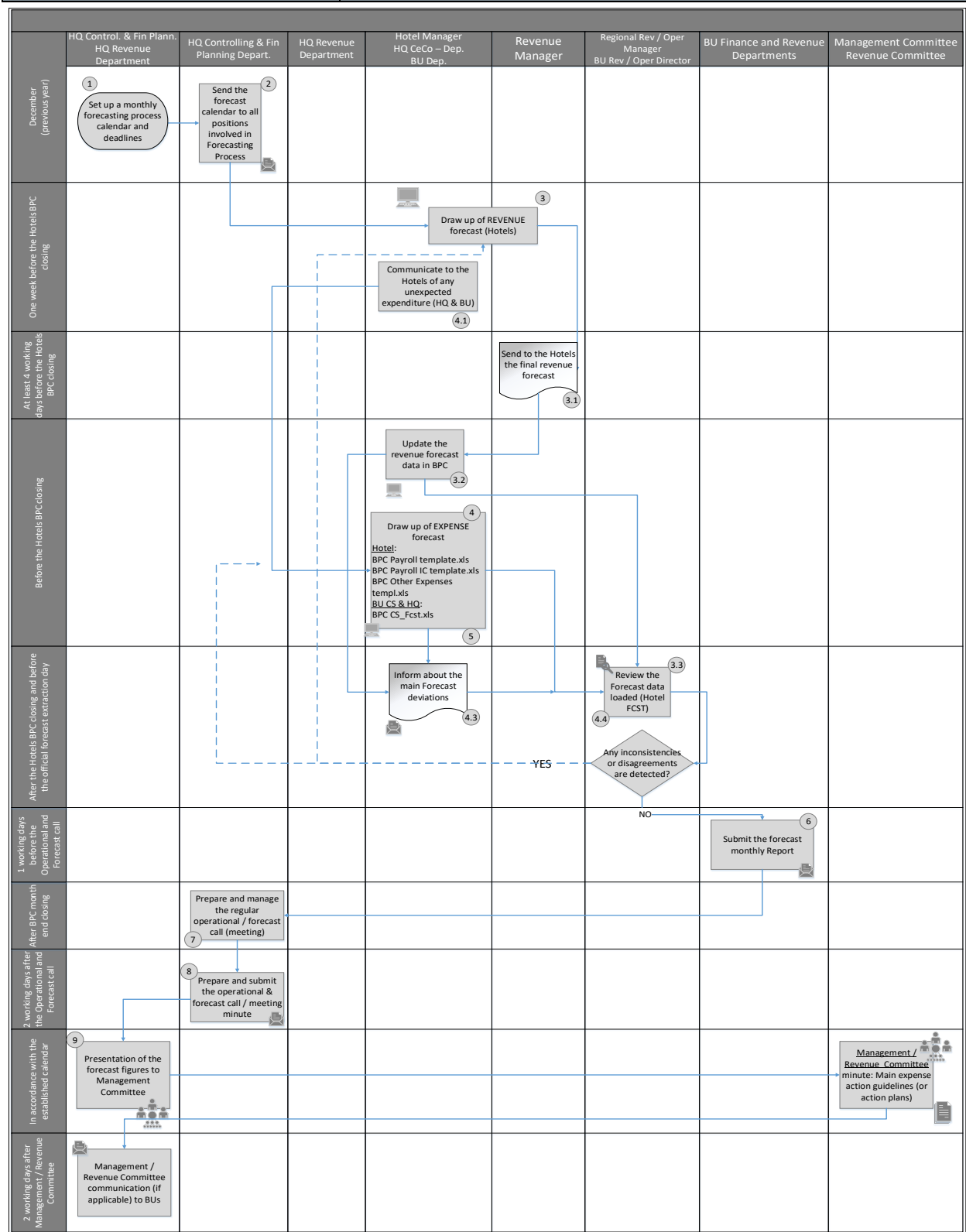
NH Approvals

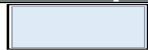



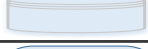
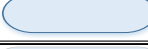
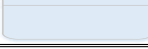



Name	Function	Date	Comments
SVP Controlling & Strategic Planning	Process Owner	01.05.2018	
VP Controlling & Strategic Planning	Process Leader	01.05.2018	

Modification History

Document Version	Date	Modified by	Comments
2,0	18.12.2018	Miguel Pérez	Forecast 2019 Calendar

NH HOTEL GROUP		Organization - Business Transformation	
Process: Budgeting			
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Shape	Name	Description
	Task	Represents a manual activity of the process.
	Automatic Task	Represents an automatic activity of the process.
	Flow direction	Input or output of the task or decision.
	Internal Audit Control	Controls defined by NH Internal Audit
	Systems	Applicatio or Tool.
	Start/End	Indicates the beginning or the end of a process.
	Manual Process	Manual Business process composed of tasks, decisions, flow directions, documents and
	Decision point	It is originated after one task and it generates two or another decision.
	Report or document	It is a physical or electronic file used as input or output of a task.
	Notifications	External/Internal Notifications.

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Order	Task	Task Description	When	Responsible	Frequency	Tools
0	Forecasting process definition	Perform the regular P&L forecast in NHHG Forecast must be done for the subsequent 6 months until December of the current year (however, November and December P&L forecast will include data of next year). That is, October forecast will only include data until December, but November forecast must include the last two months of the year and the first 4 months of the next year.	N/A	HQ Controlling & Financial Planning Dep HQ Revenue Department Hotel Manager Revenue Manager Regional Revenue Manager BU Director Revenue Manager BU Operations and Administration HQ CeCo - Departments	Monthly	BPC_SAP Business Planning and Consolidation
0.1	Forecasting process changes	Linked to task above, it might change according to special needs/situations (i.e. lack of visibility may force a full year forecast at a given moment). Any change will be communicate to the departments involved in forecast process	At least two weeks in advance	HQ Controlling & Financial Planning Dep	Ad-hoc	BPC_SAP Business Planning and Consolidation
1	Set up a monthly forecasting process calendar and deadlines (Hotels, BU SC and HQ)	Set up a monthly forecasting process calendar, general instructions and deadlines (Hotels, BU SC and HQ) of: - BPC & rolling forecast upload - Hotels BPC closing - Official Forecast extraction from BPC	December (previous year)	HQ Controlling & Financial Planning Dep HQ Revenue Department	Yearly	Calendar forecast & Meeting days.xls
2	Send the forecast calendar to all positions involved in Forecasting Process	Send the forecast calendar to all positions involved in Forecasting Process (Hotel Managers, BUs Central Services and HQ Departments) Forecast calendar must have in place: 1.- Deadlines of every task / subprocess: - Hotels BPC closing - BUs and HQ Departments BPC closing - Official Forecast extraction from BPC (one day after the BU / HQ forecast closing deadline) 2.- Meeting days: - Revenue Committee (RevCo) - Forecast call / Meeting (Controlling & Financial Planning Department_HQ with BUs Financial and HQ Departments)	December (previous year)	HQ Controlling & Financial Planning Dep	Yearly	E-mail with calendar file
3	Draw up of REVENUE forecast (Hotels)	Joint elaboration of the REVENUE forecast process (Hotel Manager and Revenue Manager). Two main groups are differentiated: - Room Revenue: From Individual and group reservations -> DUETTO - Other Revenue: F&B, M&E, communications, laundry and other revenues -> Manually by Revenue BPC template.xls (*) General criteria: - Draw up of revenue forecast for subsequent six months - Revenue budget criteria must be taken into account in forecast process. I.e, ratio between different revenue groups (room revenue versus other variable revenue) - The main objective in this process is to get the best accuracy in revenue figures in order to planning ahead - Action plans effects must be taken into account in the revenue forecast figures of the subsequent months - Relevant revenue deviations from budget figures must be explained to the Regional Revenue and Operations Managers (*) <i>Note: See point 1 in Open Points sheet for more information</i>	One week before the Hotels BPC closing (in accordance with the established calendar)	Hotel Manager Revenue Manager	Monthly	Duetto (Hotel Revenue Management Software) Revenue BPC template.xls
3.1	Send to the Hotels the final revenue forecast	Send to Hotels the final revenue forecast	At least 4 working days before the Hotels BPC closing (in accordance with the established calendar)	Revenue Manager	Monthly	Duetto template (EFT)
3.2	Update the revenue forecast data in BPC	Update the Revenue Forecast data in BPC: - The Duetto template (EFT) issued and sent by the Revenue Manager is loaded in a BPC excel template - The BPC excel template is updated in BPC	Before the Hotels BPC closing (in accordance with the established calendar)	Hotel Manager	Monthly	BPC_SAP Business Planning and Consolidation (excel template)
3.3	Review the Forecast data loaded	Review the revenue forecast data loaded and submit the feedback to Revenue Manager and Hotel Manager if necessary: - All mistakes or inconsistencies detected must be communicated to Hotel and Revenue Manager - Ask for explanations if some relevant deviations from budget figures are detected - Require to the General Manager and Revenue Manager new revenue action plans in order to improve the forecasted figures	After the Hotels BPC closing and before the official forecast extraction day (in accordance with the established calendar)	Regional Revenue Manager BU Revenue Director Regional Operations Manager BU Operations Director	Monthly	BPC_SAP Business Planning and Consolidation
3.4	Return to task 3.0 as many times as necessary	Return to task 3.0 as many times as necessary ((if mistakes, inconsistencies or disagreements are detected). Any update of the forecast data must done from the beginning of the process (Duetto) If necessary	Before the official forecast extraction day (in accordance with the established calendar)	Hotel Manager Revenue Manager	Monthly	Duetto template (EFT) SAP_BPC template
4	Draw up of EXPENSE forecast (Hotels)	Elaboration of the EXPENSE forecast process Two main groups are differentiated: 1.- Payroll and Payroll InterCompany -> BPC Payroll and BPC Payroll IC templates 2.- Other Expenses: F&B Purchases, Other supplies, Laundry and related expenses, Maintenance and cleaning, IT, Professional Services, Marketing, Energy & Utilities, Work and External Supplies, etc -> BPC Other Expenses template General criteria: - Draw up of expense forecast for subsequent six months - Expense budget criteria must be taken into account in forecast process (i.e, <i>Cost Center data</i> (**), ratio between variable expense and revenue groups, etc. must follow the same budget criteria). Expenses forecast must reflect a contingency plan if a negative deviation in revenues is forecasted. Variable costs shall be in line with activity forecasted - The main objective in this task is to get the best accuracy in expense figures in order to planning ahead - Action plans effects must be taken into account in the expense forecast figures of the subsequent months - Relevant expense deviations from budget figures must be explained to the Regional Operations Manager (**) <i>Note: See point 2 in Open Points sheet for more information</i>	Before the Hotels BPC closing (in accordance with the established calendar)	Hotel Manager HQ CeCo - Departments BU Departments	Monthly	BPC Payroll template.xls BPC Payroll IC template.xls BPC Other Expenses template.xls
4.1	Communicate to the Hotels of any unexpected expenditure	Communicate to the Hotels of any new (or change) expenditure incurred by HQ / BU Central Services that is not foreseen in the hotels initial budget	One week before the Hotels BPC closing (in accordance with the established calendar)	HQ CeCo - Departments BU Departments	Monthly	E-mail
4.1 bis	New expenditure incurred by HQ / BU Central Services that is not foreseen in the hotels initial budget	For further information about unexpected expenditure see Budget Monitoring and Management Control_HQ_BU process: - Incurred & Non-budgeted expenditure register - Approval of non-budgeted expenditure	Ad-hoc	Cost Center Resp. Chief Officer Steering Committee	Monthly	See BUD Budget Monitoring and Management Control_HQ_BU process
4.2	In Payroll IC , inform to the Counterparty - Hotels about the figures loaded	For data consistency in Payroll IC expense , It is mandatory to inform the Counterparty - Hotels about the figures loaded	Two working days before the Hotels BPC closing (in accordance with the established calendar)	Hotel Manager	Monthly	E-mail
4.3	Inform about the main Forecast deviations	Inform and explain to the BU Financial and Operations Departments the reasons for main deviations on the previous forecasts (***) (***) <i>Note: See point 3 in Open Points sheet for more information</i>	Before the official forecast extraction day (in accordance with the established calendar)	Hotel Manager HQ CeCo - Departments BU Departments	Monthly	E-mail BU Forecast deviations template.xls (not mandatory and to be prepared by the BU Financial Department)

4.4	Review the Forecast data loaded	Review the expense forecast data loaded and submit the feedback to Hotel Manager if necessary: - All mistakes or inconsistencies detected must be communicated to Hotel Manager - Ask for explanations if some relevant deviations from budget figures are detected - Request to the General Manager new expense action plans in order to improve the forecasted figures	After the Hotels BPC closing and before the official forecast extraction day (in accordance with the established calendar)	Regional Operations Manager BU Operations Director	Monthly	BPC_SAP Business Planning and Consolidation
4.5	Return to task 4.2 as many times as necessary	Return to task 4.2 as many times as necessary (if mistakes or inconsistencies are detected). Any update of the forecast data must done from the beginning of the process if necessary	Before the official forecast extraction day (in accordance with the established calendar)	Hotel Manager	Monthly	BPC_SAP Business Planning and Consolidation
5	Load the REVENUE and EXPENSE forecast (BU and HQ Central Services)	Load the Revenue and Expense Forecast data in BPC -> CS_Fcst.xlsm template As remarked in task 0, forecast only has to be fulfilled for the next six months limited by the end of the current year, until November when the next six months forecast can be extended to the next year	Before the official forecast extraction day (in accordance with the established calendar)	HQ / BU CeCo - Departments	Monthly	BPC_SAP Business Planning and Consolidation template (CS_Fcst.xlsm)
6	Submit the forecast monthly Report	Submit the Monthly Business Review BU_month.ppt to HQ Controlling & Financial Planning Dep. with all data and information required: - Comparative analysis of Forecast vs Previous Forecast vs Actual vs Budget vs Last Year - Explanation of forecast deviations (reasons, impacts, etc) - Opportunities and risks - New actions plans to be implemented - Follow up to actions plan implemented in previous months	1 working days before the Operational and Forecast call (in accordance with the established calendar)	BU Finance and Revenue Departments	Monthly	Monthly Business Review_BU_month.ppt
7	Regular operational / forecast call (meeting)	Regular operational / Forecast call (meeting): - Review the minute from last call / meeting - Review and analyze the current Monthly Business Review BU_month.ppt submitted - New actions plans to be implemented - Follow up to actions plan implemented in previous months	After BPC month end closing (in accordance with the established calendar)	BU Finance, Revenue and Operations Departments HQ Controlling & Financial Planning Dep	Monthly	Skype for business
8	Prepare and submit the operational & forecast call / meeting minute	Prepare the operational & forecast call / meeting minute to be submitted to BU / all involved departments	Two working days after the Operational and Forecast call (in accordance with the established calendar)	HQ Controlling & Financial Planning Dep	Monthly	E-mail
9	Management Committee_ Presentation Revenue + EBITDA	Presentation of the forecast figures to Management Committee and General review and follow up of the action plans implemented in recent months - Analyze the forecast presented by HQ_Controlling & Financial Planning Dep ("high level figures") - Propose new action plans to be implemented in hotels	Management Committee in accordance with the established calendar	HQ Controlling & Financial Planning Dep HQ Revenue Department	Monthly	N/A
10	Management Committee communication (if applicable)	When applicable communicate to BUs the main expense action guidelines (or action plans) agreed by the Management Committee for the next months	Two working days after Management Committee (in accordance with the established calendar)	HQ Controlling & Financial Planning Dep	Monthly	Minute / E-mail
11	REvenue Committee	Composition of Committee: HQ Revenue, Commercial and Marketing Departments Revenue Committee meeting in order to: - Review and follow up of the action plans implemented in recent months - Analyze last revenue forecast - Propose new action plans to be implemented in hotels about revenue and pricing policy	In accordance with the established calendar	HQ REvenue Committee	Monthly	Minute
12	REvenue Committee communication	Communicate to Hotels / BUs the main revenue action lines agreed by the Revenue Committee for the next months that shall be quantified and included in next forecast when possible	Two working days after Revenue Committee (in accordance with the established calendar)	HQ Revenue Department	Monthly	Minute / E-mail

Open Points

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Open Points				
Id	Issue	Resolution	Responsible	Deadline Date
1	Task #3: Other Revenue forecasting will no longer be a manual process in the next months (it will also be taken from DUETTO)	Pending	HQ Revenue Department	Pending
2	Task #4: Forecast process by Cost-Center	Pending	Controlling & Financial Planning Dep_HQ	Medium term
3	Task #4,3: BU Forecast deviations template.xls will be standardised and communicated in the coming months	Pending	Controlling & Financial Planning Dep Organization - Department	Medium term

Annex - FCT Calendar 2019

