



KPI's

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1 Objective and scope

The aim of this process is to explain and define the usage of relevant information gaining from KPI's.

KPI's stand for: KEY PERFORMANCE INDICATOR

2 KPI's

Responsible: F&B Responsible and General Manager

KPI's are commonly used by NH Hotels to evaluate its success or the success of a particular activity in which it is engaged. Sometimes success is defined in terms of making progress toward strategic goals or benchmarks, but often, success is simply the repeated achievement of some level of operational goal.

These assessments often lead to the identification of potential improvements; and as a consequence performance indicators are associated as well as performance improvement measurements.

The following KPI's are used within F&B reporting:

1. **Cover / FTE** – This KPI indicates how many covers have been served by an employee in a certain period of time and defined outlet → With this figure you are able to evaluate the efficiency of employees and services
2. **ADR / Cover** – This KPI indicates the average selling price of an F&B product in a defined area or department → With this figure we are able to influence or strategies, adjust or service quality and / or define our standards
3. **Revenue / FTE** – This KPI indicates the average generated revenue per employee in a defined department or service period → With this indicator we are able to evaluate efficiency of employees, staffing level and performance of service periods
4. **Cost / Cover** – This KPI indicates the average cost per cover, the definition of cost have to be taken into consideration (laundry, cost of sales, salary, F&B utensils etc.) ones cost are defined this KPI indicates cost effectiveness.
5. **Total Cost / FTE** - This KPI indicates the average total cost an employee is producing within a defined month or outlet

An issue to be watched carefully in practice is that once a KPI is created, it becomes difficult to adjust to changing needs as historical comparisons will be lost. Conversely, measures are often of dubious relevance, because history does exist.



3 Procedure validation

| Version | Corporate area | Approved by: | | Approval date |
|---------|--------------------------------------|--|--|-----------------------------------|
| 1 | Operations (Process Owner) | F&B Operation Manager Operations Control Director Chief Operations Officer | Thomas Bartz Anja Loijens Ramón Aragonés | March 2012 |
| | Internal Audit | SVP Internal Audit | | |
| | Resources | SVP Human Resources SVP Purchasing | | |
| | Strategy & Development | SVP Quality & Competition Chief Commercial Officer | | |
| | Management Committee | | | Steering Minutes 16/04/2012 |