# Denied, lost and cancelled events

## PROCEDURE VALIDATION

| Version | Approved by: | Approval date |
|---|---|---|
| 1 | Chief Commercial Officer | August 2013 |
| | SVP Operations & QA | |
| | SVP Human Resources | |
| | SVP Internal Audit | |

## UPDATES

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| 2 | April 2019 |

Always find the latest version of this document and all the related ones in the **Business Processes** section of the *NH Digital Knowledge Workplace* [www.nhorganization.com](www.nhorganization.com)

## OBJECTIVE AND SCOPE

This document describes the process of the three ways to exit business:

- **Denials:** NH Hotel Group turns down the business.
- **Lost:** client has received our offer, but decided to make no use of it.
- **Cancelled:** client has confirmed the booking, but at the end is not coming to the hotel.

**These processes apply to all people involved in the management of M&E reservations in all Hotels and Central Services of all Business Units**.

## 1 DENIALS

***Responsible parties*: *GSO agent / Hotel M&E responsible / Hotel Group Sales responsible***

Denying business is a very delicate matter as we aim to be able to always make the best possible proposal to our clients.

Some of the reasons why we deny business are when:

- The capacity is definitely sold out and there is no availability in other hotel.
- The client's budget cannot be met and we have offered the best rate.
- The requested group size is too big to be operationally handled.
- The client is blacklisted in terms of outstanding balances or its payment behaviour (indicated in the CRM remarks: "*ALERT: ASK FOR PREPAYMENT*").
- The stay dates and the corresponding revenue do not match the hotel's selling strategy.

## PROCESS TASKS

1) **Check NH alternatives:** when the system does not show the availability to make a reservation for a group and/or event, look for alternatives in other NH hotels within the same destination. If there are no other properties available within the surrounding area, check possible alternative dates.
2) **Assessment call:** propose to the client the alternatives that there may be. In case no alternatives have been found, ask the client if he/she has a certain level of flexibility within this request (e.g. dates or destination).
   a. When no alternatives from both sides can be found, move to task 3.
   b. When the client agrees with the new proposal, continue with the quotation process.
   c. When the client has made an alternative proposal, check the availability and prices for the new dates.
      - If there is availability, continue with the quotation process.
      - If there is no availability and the client has no alternative dates, move to task 3.
      - If an alternative destination has been proposed and it is not in your area of responsibility, transfer the request to the team leader responsible for this destination.
3) **Report denial in the Quotation Tool:** change the status of the quotation and specify the reason why the business is denied.

   The list of all the reasons available in the system is in the *CXL reasons (use)* document.

## KEY TASKS

- **It is necessary that the denied quotations are reported in the Quotation Tool**, which allows to generate reports and analyze such information.
- If it is not possible to continue with the quotation due to the sales strategy in the system, before denying it contact your Revenue Manager through the Quotation Tool.

  **Revenue Management must respond within 6 hours for Normal and 3 hours for Top Hot Leads.**
- **The assessment call must be made within 6 hours after receipt of the client's request.**
- In case of denying the business because the client is considered in a blacklist, explain kindly that the reservation cannot be accepted.

## 2 LOST BUSINESS

***Responsible parties*: GSO agent / Hotel M&E responsible / Hotel Group Sales responsible**

Losing business can happen in three different scenarios within the life cycle of a request: "offer", "option" or "tentative".

It is important to put in as much effort as possible to place the business within our company and therefore to emphasize on listening to the customer.

## PROCESS TASKS

1) **Client declines proposal:** it can be during follow-up calls (offer, option and contract) or during any other telephone or email interaction.
    - During a phone call, immediately reach-out to the corresponding M&E call script.
    - When the client declines per e-mail, give them a call in order to find out the exact reason and see if anything can be done in order to persuade them to place the business.
2) **Negotiate:** try to find a solution, feasible both for the client as well as the company. In the Quotation Tool you can consult the negotiation margins established by Revenue for this period based on the prioritization.
    - When there is no possibility of negotiation with the client, move to the next task.
    - Otherwise, continue with the quotation process.
2) **Change Booking File status:** change the status of the Booking File in TMSforMeetings and specify the reason of losing the business. If the client provides more information (e.g. competitors: Hilton/Accor, etc.), write this in the remarks field.

    The list of all the reasons available in the system is in the *CXL reasons (use)* document.
3) **Write email to the client:** send a final written confirmation to the client that the preliminary reservation has been withdrawn from the system (copy the team leader).

## 3 CANCELLED

***Responsible parties*: GSO agent / Hotel M&E responsible / Hotel Group Sales responsible**

Cancelled business can only occur from the status confirmed (tentative in case of leisure groups) which means that an official commitment, in the form of a signed contract, has been made by the client.

## PROCESS TASKS

1) **Client declines proposal:** it may be during the Organizer introduction call, in an eventual call for pending information or follow-up of prepayments, either via telephone or by email.
    - During a phone call, immediately reach-out to the corresponding M&E call script.
    - When the client declines per e-mail, give them a call in order to find out the exact reason and see if anything can be done in order to persuade them to place the business.
2) **Negotiate:** try to find a solution, feasible both for the client as well as the company. In the Quotation Tool you can consult the negotiation margins established by Revenue for this period based on the prioritization.
    - When there is no possibility of negotiation with the client, move to the next task.
    - Otherwise, continue with the quotation process and update the contract with the adjusted conditions
3) **Check the contract:** check deadlines, prepayments done, cancellation fees due and obtain all necessary information for the cancellation form, if required.

4) **Write email to the client:** reliable closure of the cooperation between the client and NH Hotel Group. Point out to be happy to assist the customer again with any future enquiries.

- **No penalty:** confirm the free cancellation of the reserved spaces and inform that the deposit will be refunded in the same method the payment was received (see *Prepayment refund* procedure).

  Contact the hotel or the BU Administration department to inform about the reimbursement and report the amount cancelled without any penalty to the account handler.

- **Penalty:** inform that the reserved spaces have been released but a cancellation fee is due. Further inform the client that they will receive an invoice with the amount to be paid.

5) **Prepare the cancellation form and send it to the Front Office:** the *Groups & Events cancellation form* needs to be completed and submitted to the hotel covering all details with regard to the due payments, such a client details, amounts, etc. Send it via email with a copy of the signed contract. In case the event was confirmed in more than one hotel, inform the prepayment split to the Administration department.

6) **Change Booking File status:** change the status of the Booking File in TMSforMeetings and specify the reason why the business is cancelled.

   The list of all the reasons available in the system is in the *CXL reasons (use)* document.

## KEY TASKS

If exceptionally no cancellation fee is requested, even though applicable by contract, obtain a written approval by Revenue Management and the respective General Manager of the hotel (within 24 hrs.).

Inform the account handler of the amount cancelled without any penalty.