

# 4D HOTEL SOURCING SERIES

## GLOBAL MANUFACTURING

### A TOP 250 AUSTRALIAN COMPANY

#### 2017 PROGRAM

**46 HOTELS**

**4 COUNTRIES**

**75% COMPLIANCE**

**7,234 ROOM NIGHTS**

**\$1.6M VOLUME**

**74% COVERAGE**

#### CLIENT OBJECTIVES

In outsourcing to 4D, the client's key objectives were:

1

##### COST CONTAINMENT

Hard dollar savings to be achievable and minimise cost increases in buoyant markets

2

##### IMPROVE COMPLIANCE

Address leakage and drive compliance to preferred hotels to leverage buying power and meet duty of care requirements

3

##### PROGRAM COVERAGE

Ensure key locations have contracted hotels and discount of BAR available across second tier locations

4

##### ANCILLARY BENEFITS

Negotiate ancillary inclusions and discounts

#### 4D RECOMMENDATIONS

After detailed analysis of the client's existing hotel program, company requirements and travel patterns, 4D proposed the following solutions to best achieve the goals:

##### Hotel Program Re-Launch

Anticipate changes in future business growth that may shift future travel destinations and room night volumes. Recommend hotels that are within budget and are in a good location whilst ensuring the traveller experience is not compromised and duty of care maintained.

##### Compliance & Coverage

Introduce hotel chain agreements to serve booking overflow in high demand markets. Implement serviced apartments to expand traveller choice.

##### Coverage

Additional chain agreements to be implemented into the program to increase coverage and drive savings in second tier locations

##### Ancillary Benefits

Source rates to include key ancillary services required by the business without impacting the room rate. Alternately negotiate discounted rates for key services

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#### NEW PROGRAM FORECAST

**82 HOTELS**

**4 COUNTRIES**

**90% COMPLIANCE**

**7,750 ROOM NIGHTS**

**94% COVERAGE**

**\$1.75M VOLUME**

**8-4% SAVINGS**



#### 4D RESULTS

New hotel program delivers additional savings to the business:

- Introduction of two chain agreements across Australia and New Zealand 10-12% off BAR  
Resulting in savings of \$34K annually
- Compliance and duty of care achieved through increased program coverage by 20%
- Introduction of 'Disruptor' properties into two key markets to deliver cost down on average paid rates
- Top Ten Hotel Properties achieved a \$7.50 rate reduction below the average market movement.  
Resulting in savings of \$20k annually
- Ancillary service inclusions and discounts added.  
Resulting in savings of \$25k annually
- Outsourcing of entire RFP program to 4D Hotel Sourcing  
Resulting in savings of \$20K annually

#### CONTRACT MONITOR

- Formal Bi-annual reviews to be conducted monitoring program performance, compliance, savings and expenditure into new chain agreement
- Calculate true savings achieved
- Identify required adjustments to the program in light of business forecasts, projects and changing traveller trends

**More Information :**  
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