

Improve Your Hotel

At PJT, our passion is working with you on building your Hotel and achieving your business and lifestyle goals.

Read on for an example of how we have helped one of our clients through our business advice.

A PJT CASE STUDY

Our client is in the Hotel & Motel industry in North Queensland. The business has been established for 10 years and they have held it for 4 years. They came to us because they wanted a better work/life balance.

Some major issues that we identified within the business included:

- Lack of family succession planning
- Need to grow the business to maximise sale price
- Dealing with the impact of the changed smoking laws

We met with the client on a monthly basis to implement and monitor performance standards. In these monthly meetings we provided them with an action plan of what we feel was required to be changed, implemented and improved.

They had a silent Partner which they wanted to cease. We negotiated the removal of this Partner which resulted in a win-win for all parties.

We trained and monitored a Manager who we put in the business to run the hotel so that the owners had more time for their personal life. We implemented improving staffing numbers by assessing the amount of employees they had in each service area, improved the processes, enhanced the type of food to be served to gain more clientele, re-positioned the gaming machines and assessed ways to increase their gross profit percent on alcohol and food sales. We advised on how to benefit from supplier discounts/specials, how to maximise benefits from supplier royalty & loyalty schemes. We also helped manage the refurbishment and negotiated for costs, etc as the Client was overseas.

We discussed cash flow for their retirement, as they were retiring after the sale of the business. We maximised the advantages of the business structure we had implemented so that capital gains tax was minimised.



RESULTS

62% increase in gross profits.

Client worked less in the business

Reduced cost of wages

Saving \$1.3m in capital gains tax

Due to our guidance through the negotiation phase, and the extensive reports we provided on performance on the business over a 4 year period, the client was able to sell their business with ease.