

OUR SUCCESSES - PROVEN THROUGH RESULTS

PURCHASE / MANAGEMENT TRANSITION & VALUE ADD

Hilton Garden Inn Kansas City, KS

147 Rooms

Suburban Location

Midwest Region



OPPORTUNITY

HP assumed management in April 2016 at time of purchase. New ownership engaged HP during underwriting to help uncover hidden potential in this underperforming asset. HP identified opportunities to improve revenues and gross operating profit substantially above historic performance.

Though the competitor hotels had a superior location, HP saw opportunity to target accounts from the surrounding sub-markets and capitalize on market compression from each of those sub-markets. Meanwhile, the property labor model was not appropriately matched to its revenue stream, having finished the prior year at just 10.1% Gross Operating Profit.

ACTION

HP worked with ownership to improve efficiencies, by first separating management of the hotel from the attached 25,000 sq. ft. convention center. HP then installed new leadership and made changes to impact the revenue strategy, performance management, culture, purchasing and property level service standards to help reposition this asset for long term, sustainable success.

RESULTS

- HP Achieved the following results through the first 12 months of operation:
 - 10.80% TTM REVPAR Growth
 - 338% Growth in Gross Operating Profit through the first 12 months
 - \$1.172 Million in Profit through the first 12 months
- Rightsized the hotels staffing model
- Eliminated costly contract labor
- Implemented HP national purchasing programs
- Implemented HP operational systems & controls to reduce departmental expenses
- HP's national sales team completed a market study and switched revenue management to HP's affiliate Revenue Strategy Solutions (RSS) to gain a 10.8% RevPAR growth through the 1st year alone
- Simultaneously:
 - Reduced overhead A&G Expense by \$283k
 - Improved year-over-year profit by \$1.172 Million
 - Nearly doubling value of asset

**Improved year-over-year
profit by \$1.172 Million**