

Routledge Focus on Business and Management: Recent Financial Failures  
Disruption in Financial Reporting: A post-pandemic view of the future of corporate reporting  
Appendix to Chapter 9: Reporting for the post-pandemic future  
Appendix 3.09.2 KPIs and non-financial information for Hotels and Coffee shops.

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### **Hotels revenue build-up: NFIs and KPIs.**

Macro assumptions. Nice to have an econometric model from macro assumptions to the number of hotel rooms demanded.

Assumption about competition for the relevant segments.

Hotel markets split by segment (Business, tourists, overseas and UK). This would then lead to a forecast of the number of rooms for each type. Then this would split down, with assumptions, the total UK hotel market (which Whitbread do 2011 to 2017 and then a forecast for 2017 and 2021

Whitbread split this into budget branded, other branded (probably Travelodge, Days Inn, Ibis Budget and others) and independents. It has a share for each. We would like to split this down to the major competitors (which Whitbread does not do understandably) and the market share assumptions (which Whitbread does) for each segment. Then we need occupancy rates for each segment. (Whitbread has an aggregate figure). Then an average price per room and average restaurant spend for the hotels. Supply side constraints and influencing variables.

For the separate restaurants, we need a similar type of analysis leading down to table occupancy rates for the number of sittings or table places, and an average spend per seat/place, and any mix changes or assumptions.

On quality, Whitbread has its own measures which look realistic. But we would like some more independent survey data over time and assumptions about the future; and any impact on occupancy or average price mix. .

We might also want a mix effect for forecasting especially if the group is likely to go upmarket.

### **Coffee revenue build up: NFIs and KPIs.**

Macro and weather assumptions.

Assumption about competition for the relevant segments. Here three major competitors are Starbucks and Caffé Nero plus a string of smaller chains.

The Costa group non financial information and KPIs is less sophisticated. Not only do they probably face more competition, but their approach to performance measurement, may be, we feel, flawed. But then we do have a wealth of experience of building thousands of financial and forecasting models, and we know the critical non financial variables for most industries and sectors. Krish feels that the Manchester City Football Club model was most challenging. Whitbread measure as their main KPI a variable defined in 'total system sales' measure as a monetary value. We would like to build this up from:

- Macro assumptions
- Demand for coffee split by segment.
- Routine demand for coffee units from coffee bars UK total and coffee units from express machines UK total.
- Market shares
- Average sales per transaction including mix assumptions about what is sold
- Factors that may influence footfall independent of total market considerations
- Factors that may affect average mix price.
- Supply side influencing variables.