	RESOURCE LIBRARY - ADMINISTRATION Planning: Three Years Plan	CODE: 01.04.000
		EDITION: 1
		PAGE 1 OF 3

INTRODUCTION

Planning a hotels' business strategy for the coming three years is essential to evaluate and select major alternatives to provide a long range direction of the hotel operation. This must be summarised in the Three Years Plan Report.

Corp. Summary - Three Years Plan

Based on the Three Years Plan mentioned below, a summary of the Three Years Planning in form of an overview worksheet has to send to the Head Office in May. On this form the major items are to be summarised for corporate purposes. The appropriate standard form is found within the worksheet "Corp. Summary Three - Years Plan ([01.04.001](#))".

Three Years Plan

Each Hotel establishes, according to the time schedule determined by the Head Office a Three Years Plan based on the guidelines mentioned below and containing the following:

1. Operational and Environmental Analysis
2. Major Targets and Marketing Actions for the coming 3 Years
3. Achievement Report Current Year
4. Fact Sheet Agreement (Management / Owning / Lease)
5. Envisaged Capital Expenditures (Investments)
6. Projected Income Statement
7. Detailed Projected Income Statement

In the 3-Years Plan emphasis should be given to major targets and actions for the period related to the operational development needs based on the environmental analysis, the projected income being a result of actions taken.


Special care shall be given to investments for the coming 3-Years period, especially those concerning renovation, rehabilitation or major repairs in the equipment.

All figures have to be prepared in local currency.

PROCEDURE

The preparation of the Three Years Plan Report is the ultimate responsibility of the General Manager. However, this preparation process requires a closely co-ordinated effort of all Department heads According to the actual Reporting Schedule the plan has to be delivered to the Head Office on time.

The Three Years Plan summarises the major past achievements and strategies for the coming three years.

	RESOURCE LIBRARY - ADMINISTRATION Planning: Three Years Plan	CODE: 01.04.000
		EDITION: 1
		PAGE 2 OF 3

3-YEARS PLAN

Instructions for preparing the 3-Years Plan

Form I – Operational and environmental analysis

Operational strengths/weaknesses profile

This shall be the most objective assessment of current strengths and weaknesses in one's own operation. The assessment may be made by the Manager and/or in co-operation with the Regional Manager. A brief brainstorming session between the Manager and his executive staff can even be very productive. The strengths and weaknesses relate to such aspects as location, furnishing, facilities, quality, product and services, management, personnel, profitability, etc. This document should list the important points if possible in order of priority.

Environmental strengths/weaknesses profile

This relates above all to the following environmental aspects: economy (Cyclical trend, consumer tendencies, currency), market (projected development, trends), competition, labour market, social environment.

Here the opportunities as well as the risks facing the operation are to be listed in a few key words.

Form II – Major targets and actions coming years

The left-hand column should list goals for the coming three years. The objective is what we want to achieve either a specific situation or a specific result.

Projects and measures are what we undertake to achieve a specific goal. They may be conversions, face lifting, investments in more efficient machinery as well as measures involving no investment, such as additional training courses, etc. It is important for the hotel management to have a clear idea of how a specific goal can be achieved

The goals and measures should be divided according to year and designated A, B and C according to priorities, depending on importance and urgency.


Form III – Achievement status report current year

This form helps the operation and management to check the status of the goals and measures that were planned the previous year. Taken in conjunction with the operational and environmental analysis, it also serves to monitor the goals and measures to be projected for the years covered by the plan.

The first column should list the goals and measures from the budget made in respect of the current year. The right hand column then gives a brief explanation per measure, showing to what extent the goal has already been tackled or even achieved. This is therefore, a true picture of the state of current projects and measures.

Form IV – Fact sheet lease / management agreement

This is the information related to the contractual obligations, which must be reviewed every year to determine its implication in the 3 years planning.

	RESOURCE LIBRARY - ADMINISTRATION Planning: Three Years Plan	CODE: 01.04.000
		EDITION: 1
		PAGE 3 OF 3

Form V – Envisaged capital expenditures (Investments)

It should be possible to complete this form without further explanation. It may be necessary to add a separate sheet describing the investments in the case of "normal Capex projects", "special Capex projects" and "replacements and additions to FF&E" related to changes in use.

Form VI – Projected Income Statement

This form sets out the most important expected results for the year to be budgeted (will be used as base for the budget of next year) and for two years of the plan, and compares them with the current and previous years. The figures should show the result of the goals and objectives as outlined above.

It includes the turnover and earnings figures as well as some additional key data, which govern success in our business.

Form VII – Detailed Projected Income Statement (1)

Gives details of departmental results, which are summarised in the above form.

Related Subject Sample Form: 3-Years Plan Report ([01.04.002](#))

Tool: Form for Capital Expenditures ([01.04.003](#)) – (Excel Worksheet)

Tool: Form for Projected Income Statement 3-Years Plan ([01.04.007](#))