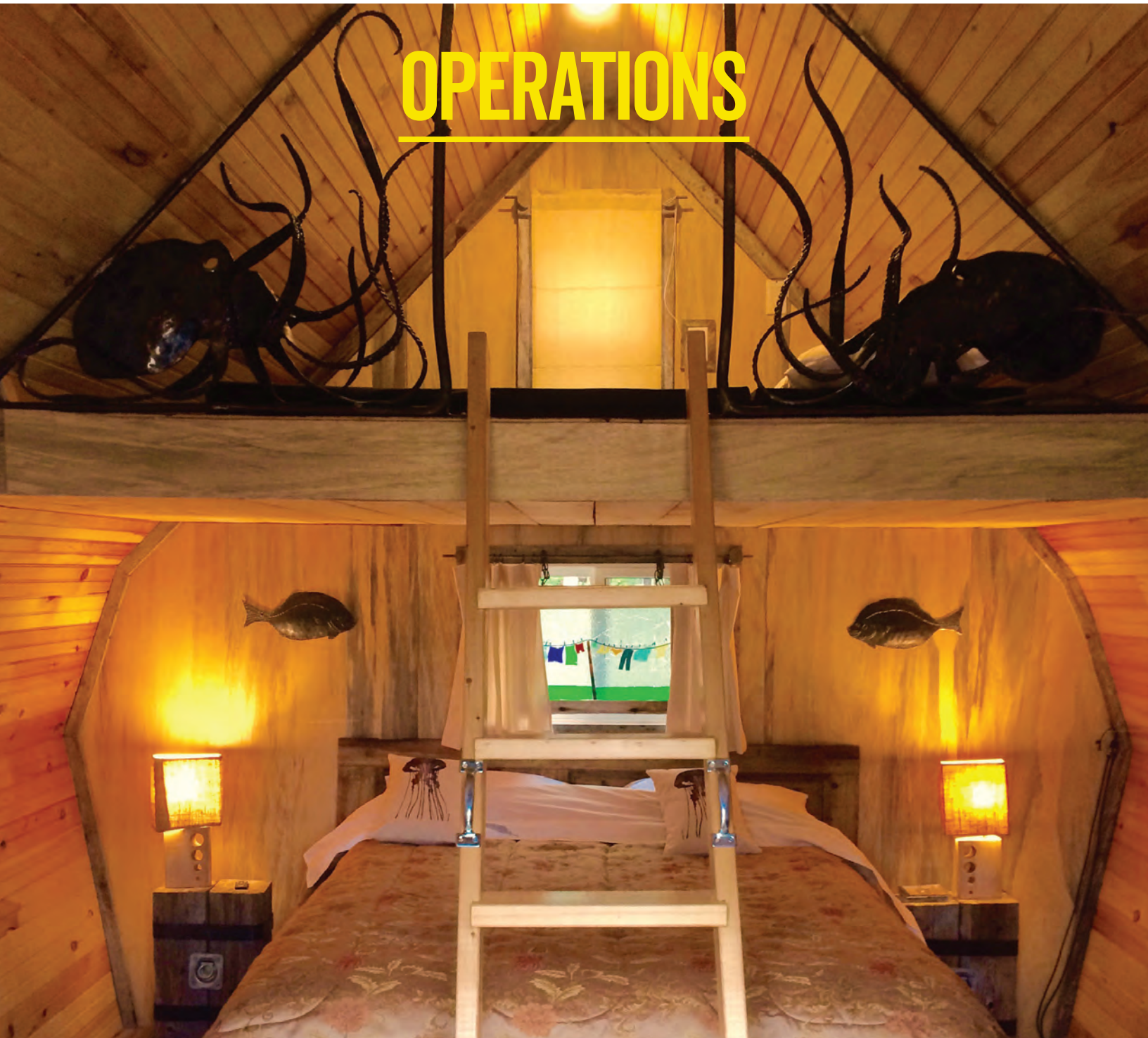


# A GUIDE TO STARTING AND OPERATING AN ACCOMMODATION BUSINESS IN NOVA SCOTIA

## OPERATIONS



Copyright © 2018 Tourism Nova Scotia

All rights reserved. No part of this publication may be republished without the prior written consent of Tourism Nova Scotia.

#### **DISCLAIMER**

The content of this Guide is intended for informational purposes only and does not constitute legal or other professional advice or an opinion of any kind. Users are advised to seek specific legal or other professional advice. Tourism Nova Scotia does not guarantee the accuracy of the information contained in this Guide. Users should note that federal, provincial and municipal laws and regulations change frequently and it is recommended that you check with the appropriate authorities, including representatives of Tourism Nova Scotia, Access Nova Scotia and your local municipal government to obtain up-to-date information on laws that may affect starting and operating an accommodation business in Nova Scotia.

The information and analysis contained in this Guide represents the research of the authors and is not definitive. This Guide is not an official or unofficial policy of any government body. Any reliance on the Guide shall be at the reader's own risk.

This document contains numerous website links. All links were active at the time of publication but some may have changed since that time.

*Cover photo: River Nest Wilderness Cabins, North River Bridge, NS*

# **CONTENTS**

## **INTRODUCTION**

## **OPERATIONS**

MANAGEMENT ~ 2
KNOW YOUR CUSTOMER ~ 4
PRICING ~ 6
RESERVATIONS AND PAYMENT ~ 10
STAFFING AND TRAINING ~ 14
CUSTOMER SERVICE ~ 16
BUDGETING ~ 18
BOOKKEEPING AND PAYROLL ~ 19
TRACKING ~ 20
SUPPLIERS ~ 22
HOUSEKEEPING ~ 24
LINENS AND LAUNDRY ~ 25
MAINTENANCE AND REGULAR UPGRADES ~ 26
SERVING BREAKFAST ~ 27
ENVIRONMENTAL FOOTPRINT ~ 28
INSURANCE ~ 29
OCCUPATIONAL HEALTH AND SAFETY ~ 30
FORMS AND MANUALS ~ 30
PARTNERSHIPS AND COLLABORATIONS ~ 31
OTHER REVENUE OPPORTUNITIES ~ 33

## **PLANNING**

## **MARKETING**

## **TOURISM ORGANIZATIONS IN NOVA SCOTIA**

# **OPERATIONS**

---

## **MANAGEMENT**

**Knowing your customers – and exceeding their expectations – is key to your success. Passionate, well-trained staff who help you pay attention to all the details of your operation are invaluable. This is true for new businesses and those that have been operating for years.**

Often at smaller accommodation properties, the management team is a one or two-person operation. In some cases, a manager may be hired to operate the property. The role of management in a smaller property is complex and diverse, requiring a range of skills and expertise:

- Media advertising, including ad design
- Brochure design and distribution
- Public relations
- Developing packages and experiences
- Working with the travel trade
- Cooperative promotions with tourism partners

### **FOOD & BEVERAGE SERVICE**

If your accommodation property includes a restaurant, please refer to the [Guide to Starting and Running a Restaurant in Nova Scotia](#) for advice and resources.

### **ENTREPRENEURSHIP**

- Understanding current tourism trends and what customers are looking for
- Understanding how today's customers research and purchase through distribution systems, such as Expedia and TripAdvisor
- Staying current with technology
- Business planning

### **MARKETING**

- Website maintenance and understanding of changing technology
- Maximizing the impact of social media

### **HUMAN RESOURCES**

- Hiring and training
- Labour standards and regulations
- Team building
- Supervision
- Staff scheduling
- Performance management

### **ADMINISTRATION**

- Reservations systems
- Sales
- Accounting
- Budgeting
- Payroll
- Property management
- IT support





*Quarterdeck Restaurant & Villas, Summerville, NS*

# TIP

If the owner/operator is more than one individual, make sure that staff know to whom they report. This creates consistency for your team, as owners/operators may have different management styles.

# OPERATIONS

## KNOW YOUR CUSTOMER

**Regardless of the type of accommodation property you are running, you will welcome a diverse mix of customers. And they will all arrive with different expectations. Whether they just need a basic, clean and comfortable room for a good night's sleep, or a deluxe and pampered weekend getaway, you will need to meet, and preferably exceed, expectations to inspire good reviews through social media and word of mouth.**

Customer expectations are continually changing, so it's important to keep up with market trends and adapt your property, amenities and services in response to these trends. The [Introduction](#) to this guide provides some insights on market trends and how accommodations are responding. TNS has clearly identified the priority markets for the province, and our website provides lots of helpful [research and insights](#).

Here are some great ways to learn about the marketplace:

- Talk to your customers and clearly understand their needs and wants. Find out what you are doing well and where things could be improved. You can do this through informal conversations or through a simple survey tool, such as Survey Monkey.
- Check out the websites of other similar properties in Nova Scotia, across Canada and elsewhere. Seek out ideas on what others are

doing, amenities and experiences they are offering, and how they have upgraded their properties in response to market demands.

- If you are travelling outside the province, take the time to visit similar accommodation properties.
- Attend conferences such as the [TIANS annual conference](#) or others specific to your property type.
- Subscribe to industry magazines, read blogs, and network with other accommodation operators at events and meetings.

### CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management (CRM) refers to practices that companies use to manage information on their customers, strengthen relationships and encourage repeat business.

Customer data can be collected from websites, registration forms, phone calls and other research. The objective of CRM is to understand the customer in order to definitively identify your market and build loyalty. Done well, this will result in repeat business and customer referrals.

A good customer database for an accommodation could include:

- Where they come from.
- Why they stayed – pleasure, business, special event.
- Preferences, such as room style, food allergies, etc.
- What their booking window is, i.e., how far in advance your customers make their reservations.
- E-mail contact information (be aware of [Canada](#) and [Nova Scotia](#)'s privacy legislation, requiring that customers 'opt-in' to receiving e-mails).



Over 80% of tourists visiting Nova Scotia have been to the province before. So, even if your accommodation business caters primarily to out-of-province visitors, there is a good opportunity to get repeat stays.

*Meat Cove Campground, Meat Cove, NS*

Create a database of local and regional guests and send out newsletters with upcoming events and/or information on what is new to encourage them to visit. If you have regular out-of-province visitors, send them a newsletter in late March, April or May to encourage them to stay with you again. Offer incentives to past guests during slow periods. If you are open all year, remind them

you are open and ready for business, no matter the season.

It's important that any guest information be held in a secure location to ensure guest privacy and security. You have a responsibility to protect the credit card and personal information of your guests. Ensure you have taken the necessary steps to have a secure IT system; every

system needs to be protected against hackers and viruses, no matter the size. If you collect credit card information in your system, you must be PCI (Payment Card Industry) compliant or you could be liable for any losses incurred in the case of information theft.

# OPERATIONS

## PRICING

**Pricing can be a tricky business. It's important not to underestimate the value of your rooms and the overall experience you provide, but also not to overestimate it.**

Here are some factors to consider when you are setting rates:

1. What are your operating costs?
2. How much business can you expect?
3. Are there similar accommodations available in your area? What are they charging? What are others in the area charging?
4. How much profit do you want to earn?

Each of these is discussed in more detail below.

### 1. WHAT ARE YOUR OPERATING COSTS?

We explore how to develop estimates of your operating costs in a feasibility assessment, located in the [Planning](#) section of this guide. These estimates will form the basis for your initial operating budget. Ensure you have a good handle on your anticipated operating costs and adjust them annually to reflect your actual experience. You should also track how you are doing against this budget throughout the season so you can make adjustments, if needed.

### 2. HOW MUCH BUSINESS ARE YOU EXPECTING?

This analysis, addressed in the [Planning](#) section, will give you estimated room sales by season. Again, it will be important to adjust this at least annually to reflect your actual experience and how you expect to do the next year.

Observe evidence of changes in demand in the area over the previous six or 12 months, such as increased rates at competitive facilities. Explore why this might be happening and what impact it could have on your business.

### 3. HOW DO YOU STACK UP?

Comparing your property to others in your immediate area may not always be relevant. If your property is a high-end boutique inn and the only other property in your area is a motel, you will need to look further afield. When determining what you consider to be your competition, look at others in the region with similar product offering. Seek out five to 10 similar properties in the Maritimes you feel are of equal quality and in areas of similar appeal, and review their pricing.

Consider some of the following examples to see how your product compares:

- Is my area as appealing a destination as the comparable properties?
- Are my guest rooms larger or smaller?
- How do guest room and common area amenities compare?
  - TV, Wireless Internet, hairdryers, telephones, upscale bathrooms
  - Beverage service
  - Common guest room space, etc.
- Do they include breakfast or is there an additional charge? If I include breakfast, will it be comparable?
- Are my outdoor guest areas, such as gardens, outdoor living space and activities, superior?
- Compare the quality of your décor, linens and furniture
- How are the comparable properties positioned? For example, do they sell themselves as a deluxe/luxury experience? How does this compare to your planned positioning?





*The Halliburton, Halifax, NS*

# TIP

When researching competitor's rates, check their website and their rates on third party booking agencies, such as Booking.com, Travelocity, Hotwire, etc. Be cautious – properties only have to offer one type of room to these Online Travel Agencies (OTAs), so typically it shows the lowest priced accommodation. Read the description carefully.

# OPERATIONS

## PRICING

Do your research on rates and put them in a table for easy comparison. Since you may be establishing rates for different room types and different seasons, get as much detail as possible.

### 4. SETTING YOUR RATES

Set some initial rack rates for your rooms, starting with the peak season. Setting rates can be a very challenging exercise. Once you have them set, it's important to remain flexible. If you price your product too high and are not receiving bookings, you may need to adjust your rates.

Here are some things to consider:

- Keep in mind that most properties have seasonal rates when the demand is highest, in July, August and September. Your rates can increase in periods of high demand.
- If you decide to offer seasonal discounts due to lower demand, be careful that you take a possible increase in operating costs, due to heating, etc., into account.
- Consider the commission charge on third party bookings, such as Expedia, Booking.com and from tour operators. These fees can vary depending on how you negotiate your terms but

can range from 10% to 25% off your rack rate. An average of 15% discount on all rates is a good starting point. Applying this discount will give you your net rate – the rate to use when estimating your revenue. Don't forget you will pay another 2% to 3% in credit card processing costs.

- Don't overprice your product. Watch to see if your competition is offering a superior product at a lower rate.
- Don't underprice your product too much – you still need to make a profit.
- Having guests in your property even at a slightly reduced rate can result in valuable repeat and referral clientele. It will also keep your staff employed and happy.
- Listen to what customers are saying; they will let you know if they think you are priced incorrectly. You will meet people who expect a bargain – value the product you sell and make no apologies for asking a fair price.

If there are days that you have low occupancy don't be afraid to offer a last-minute special on your website and call your local visitor information centre (VIC) to advise them of a daily special. Stay in contact with your local VIC counsellors and other

innkeepers to make sure you are getting your piece of the pie. Adjust when necessary. You may also need negotiated rates, for instance for government or university employees.

When your property is open for business, hosting guests who are paying a slightly lower rate is much preferred to having no guests at all. Your variable costs (those associated with cleaning and supplying the room) are relatively low and the rest of the revenue goes towards covering fixed costs (those incurred no matter how much business you have, such as mortgage payments).

Be aware when you offer rates at deep discounts. You need to be prepared to defend those rates next time a guest calls and expects the same low rates.

If you decide to open in the winter, you should do a separate analysis of costs and potential revenues to see how much business you need at each rate to cover the incremental costs of opening. Don't forget the costs of snow removal, sanding and salting, increased insurance (for slips and falls), possible power outages, and staffing issues due to inclement weather.



*The Flying Apron Inn & Cookery, Summerville, NS*

If you are a B&B owner, factor your privacy into the price of your room. A B&B, by definition, is owner-occupied and you will be giving up your privacy – this is worth something to you.

Estimate your revenue using the net rates and estimated room sales for each season. Add in the other revenue expected (from any food

and beverage sales or special experiences, etc.) and compare this to your estimates of operating costs to calculate net income. Finally, deduct financing costs to come up with an estimate of profit before taxes.

If your analysis shows either a significant loss or a huge profit, you will want to revisit your analysis and

the rates you are using to double-check your numbers. Calculating revenue by season in an Excel spread sheet will allow you to change the rates and see the impact immediately.

Prepare cash flow statements as well, particularly if you anticipate large expenses such as property taxes or loan ‘balloon’ payments.

# OPERATIONS

## RESERVATIONS AND PAYMENT

More and more travellers are booking their trips online. Make sure your guests can easily book and pay for the accommodation.

### RESERVATIONS

There are many options available when choosing how you will manage your reservations. This is a very important decision and taking the time to do the proper research should be part of your plan.

Deciding on how you will manage your reservations can be a daunting experience. Do your research to determine your specific needs and what is affordable. Don't be shy about talking to other operators to ask for their advice. Find comparably sized accommodation properties and check out their websites to see what programs they are using and try free software demonstrations if available.

Reservations to your property can be made in a number of ways, but online is the most popular and growing method. This can be done through an online reservation system that can be integrated on your website and allow you to take reservations over the phone, in person, or online.

The most common tools an accommodation business will use are:

- A property management system that provides a reservation system plus additional functionality.
- An online reservation system or booking engine that can integrate with the business's website so customers can find availability and book online. This includes an availability calendar.
- Third party digital travel agencies.

Things to consider when selecting a reservation system to manage your bookings:

- Do you want guests to book online through your website?
- Do you want the ability to send e-mail confirmations and other notices to guests?
- Do you want to offer additional booking options (i.e., an activity, breakfast, etc.)?
- Do you want an accounting and/or bookkeeping module connected to your reservation system?
- Will you be using third party digital travel agencies, and how would you like your current inventory provided to these agencies?

### PROPERTY MANAGEMENT SYSTEMS

Many accommodation operators use some type of property management system (PMS) – a comprehensive software application that provides a range of functions, making your life much easier. This type of system can meet all of your front and back office needs. Some are cloud-based, meaning that you can easily manage your business from anywhere – an important feature when everyone expects an instant response or when you are away from the office.

A PMS can provide additional functionality such as:

- Automatic e-mail confirmations
- Guest history
- Guest registration forms for check-ins
- Guest folios and group bookings
- Accounting and reporting features
- Housekeeping reports
- Optional booking options (activity, firewood, meals, etc.)

Evaluate the costs and benefits of a PMS to see if it is affordable and right for you and your business.





*The Lake House B&B, Ste Anne du Ruisseau, NS*

Whatever system you select, the main goal is to reduce the potential for double bookings, help you stay organized, provide an easy customer experience, and help you stay competitive.

Here are some PMS examples<sup>1</sup>:

- [RezOvation](#)
- [WebRezPro](#)
- [ResNexus](#)
- [Five Star Hotel Systems](#)

[Capterra](#) is a good reference for a selection of property management systems.

## AVAILABILITY CALENDAR

Availability calendars (also referred to as booking engines) are an absolute must for today's travellers. They are often included with

property management systems, although there may be an extra charge. An example of an availability calendar can be found on the [Hillsdale House](#) website.

### HELPFUL TIPS:

- Manage room availability
- Allow guests to book online through your website
- Permit operators to use the calendar as their reservation book
- Send email confirmations to guests
- Provide inventory to third-party online companies (must be manually loaded)
- Be cautious in accepting same-day bookings from online partners to manage your inventory and avoid overbookings
- Keep your inventory up to date to eliminate double bookings. Make sure you enter any manual or phone reservations quickly

- Make sure you understand the financial implications of having an online travel agent (OTA) act as your online booking agent (the costs could be prohibitive)

## THIRD PARTY CHANNELS/BOOKING ENGINES

Some businesses use OTAs to sell to a larger customer base for a determined fee, usually a commission base or pay-per-click. Popular online travel agencies include booking.com, Airbnb, Trip Advisor and Expedia. Your PMS can be integrated with third party sales channels. The interface allows inventory, rates and reservations to be controlled directly from within the PMS.

<sup>1</sup>The mentioned PMS and booking engines are not an endorsement but serve as examples of available systems that are most commonly used by smaller accommodation properties.

# OPERATIONS

## RESERVATIONS AND PAYMENT

Through the interface, the PMS automatically pushes designated inventory, rates and availability to the channel, and reservations made through the channel are automatically sent to the PMS, with availability adjusted accordingly. This integration can save time and helps to maximize online revenue. However, this may not be affordable or an option for some business. The alternate plan is to adjust your inventory manually to keep your records up to date.

Here are some examples of booking engines (also known as online reservations systems):

- [Webervations](#)
- [Freetobook](#)
- [BookingSuite](#) (by Booking.com)
- [Expedia Connectivity](#)

More tips on reservations:

- Provide an e-mail confirmation and be sure to include confirmation number, cancellation policy, and any other important information about your property.
- Guests may advise you of allergies or dietary restrictions when booking – don't forget to record this information so you are prepared.
- If you are a pet friendly property or have pets in residence, make

sure this information is listed on your website. And if pets are not welcome, make this clear.

### CANCELLATION POLICIES

Establish clear cancellation policies, including things such as when bookings may be cancelled without penalty, and what the penalties are for cancelling. Make sure your guests clearly understand your cancellation policy. When taking a phone booking, advise your guest about the cancellation policy. For online bookings, make sure your policy is clearly stated in your confirmation.

Give guests a cancellation number if they cancel their reservation. This protects both parties and helps avoid misunderstandings.

### PAYMENT PROCESSING

Most guests pay for their accommodations by credit or debit card, so you will need to set up a merchant account to accept these payments. It's important to remember that each time a credit card is used you will be charged a fee, generally 2% to 3% of each dollar paid.

Keep in mind that if you are planning on accepting real-time automatic online payment transactions, you will have to set up a two-way interface with a company that provides a secure service between your point of sale (POS) or PMS system and the bank/processor.

Merchant services is a very competitive industry. Shop around for discounts and choose wisely, as credit card rates can vary significantly.

- [TIANs](#) offers a group discount
- Check with your commercial bank
- Most local chambers of commerce or boards of trade offer a group discount

As most systems run on WiFi, make sure you have a back-up plan for when your internet is down. A plan for recording and/or processing credit card payments may include recording the info manually (to enter later), or switching payment processing temporarily to a cellular network.

Consider [Square](#), which accepts credit cards from a smart phone or tablet. You can also consider e-transfers.





## SUCCESS STORY

### TATTINGSTONE

Wolfville, NS

#### **IMPORTANCE OF QUALITY:**

Our philosophy is: if you aren't going to do it right, don't do it at all. Quality products are important – they last longer and you get more enjoyment out of them.

#### **BIGGEST CHALLENGE:**

It's always a challenge to find like-minded staff who take pride in what they do.

#### **KEY TO SUCCESS:**

A number of things are key:

consistency, going the extra mile, a great web presence, and constant maintenance and improvement.

#### **BEST ADVICE:**

This is a seven-days-a-week, 16-hours-a-day endeavour in the high season. You need to be very customer service oriented and enjoy what you're doing.

#### **GAME CHANGER:**

We take pride in paying attention to the details. If we get feedback

from guests on how their stay could be more enjoyable, we take that to heart and implement where we can.

#### **FUTURE THINKING:**

We'll start another addition in a few years to increase our rooms, and add a spa so we can offer guests a more boutique hotel experience. They will be in the area longer and able to enjoy more services.

# OPERATIONS

## STAFFING AND TRAINING

### HIRING STAFF

Choosing the right people to hire is one of the most important decisions you will make for your business. Your employees are your frontline representatives, and an exceptional guest experience will result in repeat clientele and referrals to your property.

Employing capable staff members with a friendly, energetic attitude will help create a fun and friendly atmosphere for your guests. When hiring, keep in mind that in many cases, your staff will have multiple roles, from breakfast service to housekeeping. Here are some important tips on staffing:

- Create a detailed job description to ensure you attract the right employees. The work can be physically demanding.
- When interviewing potential employees, make sure that you review the job duties in detail and ensure that they have a good understanding of the position. Consider a paid 'Job Review' day where prospective staff work with the team for a good assessment of fit.
- Ask valued, existing staff for recommendations when hiring a new employee.
- Post any job openings with

[Service Canada Job Bank](#) and consider posting on [Nova Scotia Tourism Talent](#).

- Stay competitive within your area when deciding on hourly wages.
- When hiring staff, ensure they are aware that there might be days when they are not required to work their regular shift. This generally only occurs in the off-season. However, a certain amount of flexibility may be required.

If you operate seasonally, work with your employees throughout their employment and put practices in place that encourage them to return next year. Retaining well-trained, high-quality staff is a huge win for your business.

### TRAINING AND CERTIFICATION

This is your opportunity to outshine your competition and create a happy and fun place for both your staff and your guests.

Taking the extra time to train properly will result in confident, hardworking staff who want to stay. Customer service is an important aspect of training, alongside the technical skills required to do the job. It can be a combination of on-

the-job training (or job shadowing), and more formal training, either in-person (on or off-site), or online.

Occupational standards are available for a variety of accommodation positions. Visit <http://emerit.ca/category-list> for more information.

Take advantage of the training programs offered by the [Nova Scotia Tourism Human Resource Council](#). These training programs are based on national occupation standards, and training is available for many hospitality occupations through online programs and workbooks.

Set a good example and spend time in your employees' shoes. Owners should not shy away from working alongside their staff from time to time. Not only does this result in a great team environment, it also reminds owners how hard their staff work.

### HELPFUL TIPS:

- Make sure staff have a good understanding of the community and local area.
- Take the time to treat your staff to outings at local attractions to promote engagement and increase knowledge and confidence.



**“CLIENTS DO NOT COME FIRST. EMPLOYEES COME FIRST. IF YOU TAKE CARE OF YOUR EMPLOYEES, THEY WILL TAKE CARE OF THE CLIENTS.”**

*Richard Branson*



*White Point Beach Resort, White Point, NS*

- Create a training manual/handbook for employees that includes:
  - Info on local attractions and restaurants.
  - A list of referral accommodations, just in case. A good referral will leave a lasting impression with your guest and help build relationships with other operators.
  - A checklist of information for phone reservations.
  - Detailed job descriptions.
  - Information on occupational health and safety. See more information on page 29.
  - A list of emergency contact numbers.
- Encourage First Aid/CPR training.
- For consistency, make sure staff know who they report to, and when possible have staff report to only one person.
- Create a housekeeping checklist for new employees.
- Set consistent standards of acceptable work practices and behaviour.
- Train your staff to focus on the details – the difference between a good guest experience and an exceptional one.
- Job shadowing is a great way for new employees to learn the ropes.
- Have a clear and comprehensive employee agreement letter.
- Encourage your staff to have fun at work. Happy employees work harder and guests feel at home when they hear laughter among the staff.
- Empower your staff by encouraging feedback and some independence in decision making. Let them know you value their ideas.

Encourage your staff to get their professional certification through [emerit](#). This is a national credential that identifies staff as professionals in their occupation, and has been shown to improve job performance and increase employee satisfaction.

# OPERATIONS

## CUSTOMER SERVICE

**Always treat your guests the way that you want to be treated.  
Put yourself in their shoes.**

Customer service is the most important aspect of running a successful accommodation business. Today's travellers have the ability to tell thousands of people about their guest experience through online platforms. Most travellers make their travel decisions through these very platforms, so make sure you are a customer service star!

- Provide a warm and friendly check-in.
- Offer them a map and information, along with dining recommendations.
- Ensure each guest room has information on the services provided at the property, along with local attractions.
- Learn to anticipate your guests' needs – it's easier than you think.
- Guests on vacation are creating lifetime memories, so always go the extra mile.
- Understand your guests' preferences. Some visitors will seek out the owner or staff to chat. Others prefer their privacy.
- Track guest history. Repeat customers love to be welcomed

back by name.

- Always remain positive. Should you receive negative guest feedback, don't get defensive. Try to understand it from their point of view and be sincere.
- Pay attention to the little things – ask your guests about their day or their dining experience.
- If you provide breakfast, always check to see if business travellers require an early departure.
- For any guest that may require a departure prior to breakfast hours, offer to pack a breakfast to go, even if it is just muffins, fruit or cereal bars.
- During check-out, always ask the guest if they enjoyed their stay and if there was anything else you could have done to make it more enjoyable.

Good customer service also applies to travel trade companies and travel agent bookings. Respond to requests as soon as possible, and within a maximum of 24 hours. Encourage your partners to use your online booking system. Be sure to adjust the room rate to the negotiated rate and send a revised confirmation to the travel trade partner. Building a good relationship with travel companies can create a great boost to your bookings. See the [Marketing](#) section for more insights on working with the travel trade.

# TIP

Always try and address a guest's concern while they are still at the property so they leave with a positive impression.



*Tattingstone Inn, Wolfville, NS*



# OPERATIONS

## BUDGETING

Prepare an updated budget every year and review it regularly to make sure you are on track.

Refer to the budget you created when you did your business plan and check the following:

- Projected revenue and net rates
- Occupancy
- Expenses
  - If your expenses are higher than projected revenue, check to see if you can reduce any discretionary expenses
- An allowance for annual investments in capital upgrades and refurbishing

If you are a seasonal operation, make sure you look at your annual costs when doing your budget – you will still have to pay things like heating costs, insurance and loan payments even when the property is not operating. The cash you generate in the operating season will need to cover these costs.



Kaulbach House, Lunenburg, NS



# OPERATIONS

## BOOKKEEPING AND PAYROLL

Having a handle on your revenue and expenses is a must.

Many small business owners choose to do their own bookkeeping and payroll manually or with a software program, while others prefer to use a professional bookkeeper.

Consider your options and don't underestimate the importance of keeping good records. Always try to stay ahead of the game with maintaining your accounts. You need access to timely financial information to show how your business is doing and to help you make good management decisions.

### BOOKKEEPING

Doing your books in-house will provide cost savings, but don't get in over your head. Consider:

- Will you have the time to do it yourself?
- Do you have the skills, or will

there be a learning curve that may be too overwhelming when starting your business?

- Do you trust yourself to do the work well on a timely, consistent basis?

If you do your own bookkeeping remember the following:

- HST remittances to Revenue Canada must be filed on time (usually quarterly); tax instalments must also be filed regularly.
- If you have financing on your property, check with your financial institution, as some will require that your year-end statements are completed by an accountant.

Some property management systems have bookkeeping capabilities, which could be a good option. If you decide to go with a bookkeeper, ask around for recommendations – it's very helpful to find one who already knows the accommodation business.

### PAYROLL

Handling payroll poses similar issues. There are many options for payroll services. If you decide to use a bookkeeper, it is a good idea to get quotes from several companies.

- Most bookkeeping software includes payroll components that are simple to use.
- If you decide to have an outside agency do your bookkeeping, you can still choose to do your payroll in-house. Revenue Canada has a very easy to use [deductions calculator](#).
- If your payroll is done in-house, remember:
  - Payroll remittances must be filed with Revenue Canada on time (usually monthly).
  - Nova Scotia Workers Compensation premiums must be paid monthly (in Nova Scotia, payments are made through Revenue Canada).

## TIP

Set up a separate bank account for HST revenue and payroll deductions. It's easy to forget that some of your money belongs to Revenue Canada. Late remittances can be expensive with penalties and interest.

# OPERATIONS

## TRACKING

**Tracking plays an important role in the success of your business – it's a good check to see where you are versus where you expected to be. Are you ahead of the game, right on track or do you need to make some changes?**

Pay close attention to the following indicators:

- Pace report
  - A pace report compares the current level of pre-booked business to the same point in time the previous year or in previous years. It indicates whether reservations are coming in at the same rate. It also provides you with the ability to maximize your revenue. For example, if July is way ahead of last years' pace you may decide not to offer discounts for any remaining rooms.
- Monthly occupancy
  - In addition to providing you with a good assessment of how you are doing, submitting the number of rooms sold and the market segment is a

monthly requirement of TNS. See details on how to submit your [reports](#).

- Average rate calculation
  - This can assist in projecting future revenues. When looking at average rates, don't forget to consider the discounts and commissions you are paying to online reservation systems and/or tour operators.
- Daily, weekly or monthly revenue with comparison to the previous year
- REVPAR (multiplication of average daily room rate by occupancy rate)
- Guest demographics
  - Learn to understand who your client is and where they are coming from.
- Where reservations are coming from

- Your own website, third party or phone reservations.
- Staff hours and payroll costs
  - Are they in line with your occupancy?

If you have a full property management system, most tracking is as simple as running a report. If you are purchasing an existing property, ask the previous owners to provide you with the tools you will need.



## SUCCESS STORY

### PICTOU LODGE BEACHFRONT RESORT Pictou, NS

**IMPORTANCE OF TRAINING:**

Our people are our number one offering. Great training instills a sense of pride, and we believe it helps to keep them returning to us season after season.

**BIGGEST CHALLENGE:**

Without a year-round offering, finding good people and convincing them to come back year after year – not to lose them to Halifax or Alberta – is very difficult.

**KEY TO SUCCESS:**

Getting the balance between what we are offering the guest and what we're charging the guest, and providing value for that experience. Our people have a great influence on that.

**BEST ADVICE:**

Be transparent and authentic. People are smart. Know your business well enough to understand what the costs are and be confident enough to lead with your true price.

**GAME CHANGER:**

The second we could show ROI for the guest experience, to connect guest experience to the bottom line, that was the turning point.

**FUTURE THINKING:**

We're shifting more investment into guest experience for a more sustainable operation. We're trying to make good, sound business decisions based on facts and evidence, not opinion.

# OPERATIONS

## SUPPLIERS

Outfitting your accommodation property can be an expensive start-up cost for your business. Creating a budget is critical, especially if you are starting from scratch. Make a list of items that are needed to outfit your guest rooms, dining room and common area guest spaces. See our [Planning](#) section to learn how to establish a capital budget.

If you are already in operation, you will need various supplies to regularly replace some room items.

### GUEST ROOM SUPPLIES

Understand what travellers are looking for when it comes to room amenities, such as in-room coffee makers, TVs, free WiFi, etc. Another popular item today is a mini-fridge. If you are purchasing an existing

property make sure you do your due diligence and check the condition of linens, towels and mattresses. Bedbug resistant mattress and pillow encasements are important. Replacement of these items needs to be an on-going consideration. Purchasing cleaning supplies, linens and towels from a wholesaler will be far more cost effective.

Members of TIANS are entitled to [discount programs](#) for some of the services that you will require. [BBCanada](#) also provides a marketplace for innkeepers.

Talk to other operators for great suggestions on where to purchase products and the potential for group buying.

### FOOD SUPPLIES

If you are planning on offering breakfast or other food services at your property, consider buying local from your local producer or farmer's market. It is also possible to negotiate discounts for bulk purchases with local grocers.

Depending on the size of your property you may choose to purchase your food products from a wholesale company.

Don't hesitate to talk to fellow accommodation operators in your area for the best buying practices.

## TIP

Nova Scotia is abundant with fresh fruits during the summer season. Get to know the local fruit producers in your area. Most are very happy to deliver. It's a great way to impress your guests AND showcase Nova Scotia.





## SUCCESS STORY

### FOX HARB'R RESORT

Fox Harbour, NS

#### IMPORTANCE OF TRAINING:

Training helps to provide a seamless service experience for guests, so our people can spend more time interacting and listening to guests, to consistently exceed their expectations.

#### BIGGEST CHALLENGE:

Guests and buyers have a lot of choices in front of them. We have to provide a compelling opportunity for people to choose a life-long investment at Fox Harb'r.

#### KEY TO SUCCESS:

Our people. We focus on providing our leadership teams with the tools and training to set their employees up for success. To do that requires high levels of earned trust and empowerment.

#### BEST ADVICE:

You need to have a strong understanding of marketing, new technologies, and the realities of the labour market. It's getting harder and harder to attract and retain high-quality employees.

#### GAME CHANGER:

Our consistency in quality has been a game changer. We have had a high-level reputation in providing luxury experiences, year after year, for 10 years.

#### FUTURE THINKING:

Our owner is committed to, and passionate about, continually reinvesting in the resort, including our spa, dining room, a new vineyard and golf fleet, and so much more.

# OPERATIONS

## HOUSEKEEPING

When it comes to housekeeping, there is no room for error. Your guest rooms, dining room and common areas **MUST** be spotless.

Travellers will not accept anything less, and they are not afraid to let others know about their experience through online reviews – in fact, there is no faster way to lose potential customers.

Equipment, such as a vacuum cleaner, that does not work properly will end up costing you more in labour, and aggravate your employees. Keep your equipment and tools in good working condition. Ask your staff if they have what they need to do their jobs and if there are tools that would make their tasks easier.

### HELPFUL TIPS:

- Provide your staff with the proper tools to perform their jobs.
- Make sure that you have adequate cleaning supplies on-hand.
- Each employee should have their own cleaning tray.
- Create a checklist for your

housekeeping staff.

- Pay close attention to the little details:
  - Crooked art work
  - Bed toppers are straight
  - Bed pillows are even
  - Towels are hung straight in the bathrooms
  - Tissue boxes are adequately filled
  - Curtains are even
  - Alarm clock alarms are turned off
  - All lights work properly
  - Sanitized hand sets on telephones
- When setting cleaning timelines for your employees, make sure that they are realistic.
- If you have more than one employee, have them get into the habit of checking each other's guest rooms.
- Pay special attention to bathrooms – hair is your enemy.
- Owners/managers should spot-check guest rooms from time to time.
- Your common areas are usually the first thing that guests will see; make sure that they are attended to several times per day.
- If you have public washrooms, make sure they are checked morning, noon and night and after a large group have visited.
- Make sure your dining area is always spotless and that linens are pressed.
- Don't forget the back of the doors. When a guest is in their room the door will be closed.
- Provide 'Do not Disturb' signs for your guests. Some prefer not to have housekeeping services on multi-night stays, so provide this option. This saves on labour costs and potentially disturbing your guests.

# OPERATIONS

## LINENS AND LAUNDRY

Many smaller accommodations choose to do their laundry in house. If you are considering a laundry service, you will need to have enough bed linens and towels for at least a four-day turnaround. It may be difficult to find a laundry service in rural areas.

In some cases, housekeeping staff may also take on the task of laundry. Evaluate your needs to see if this will fit within their time schedule or if you require an additional employee.

Implement a 'green' program. Provide your guests with information on how to re-use their towels and to let you know when they would like their linens changed on multi-night stays. This can save your housekeeping and laundry staff valuable time, and save you money.

Make a good impression with your guests:

- Stained or threadbare linens or towels are not acceptable, no

matter how clean they are.

- Towels should be folded neatly.
- Wrinkles, particularly in pillowcases, should be avoided.
- Provide your guests with feather-free options. If you decide to use products with feathers, make sure you have back-up options available.
- Frequently check the condition of bed covers, throw cushions, and shower curtains.



*Water Sprite Bed & Breakfast, Lunenburg, NS*

# OPERATIONS

## MAINTENANCE AND REGULAR UPGRADES

If you want to make an easy job seem difficult, just keep putting it off!

Small maintenance items should be attended to on an on-going basis; it is easy for an accommodation to look tired quickly.

Make regular upgrades – refresh décor, new linens, replace furnishings and mattresses, and keep up with market expectations.

Larger maintenance items should be scheduled for your off-season or periods when you are closed, if you are running a seasonal business. If there are any projects that need to take place while you have guests, make sure guests are informed. Manage your larger projects by creating a priority list. Doing a little

at a time on a regular basis will make it easier to absorb the costs.

Depending on the size of your accommodation and skill level, you may decide to have an on-call maintenance person or gardening crew. Have emergency contact numbers for any of your contractors readily available for your staff.

Keeping it fresh:

- Look after paint touch-ups on a regular basis.
- Paste any wallpaper that might be separating.
- Watch walls for luggage scuffs.
- Make sure door knob, bathroom taps, and toilet seats are not loose.
- Keep up with your grounds maintenance. In spring and

summer, ensure your grass is tidy and gardens are weed free (as much as possible). In fall, don't forget to do leaf clean-up, and during winter months, make sure sidewalks and driveways are clear of snow.

- Keep a clipboard available for housekeeping to record any items in guest rooms that need to be addressed.
- If you require work done outside a guestroom window, let your guests know in advance – no one likes a peeping Tom!

Many inns in Nova Scotia are in heritage properties. Check to see if your property is eligible for financial assistance for exterior work through the [Province of Nova Scotia](#).



Quarterdeck Restaurant & Villas, Summerville, NS



# OPERATIONS

## SERVING BREAKFAST

Many accommodations offer a complimentary breakfast to their guests. There are several options for breakfast service that you can offer. Decide which is best for you and your customers. Guests today place a lot of emphasis on complimentary breakfast, and a great breakfast can set you apart from your competition. Breakfast should be more than coffee/tea and cereal.

Regardless of the type of breakfast you decide to offer, don't forget to have options for guests with dietary restrictions. Just remember that food costs can impact your overall budget so buy smart. It's also important to use local products, when possible.

Things to consider:

- Continental buffet breakfast
  - Labour costs are reduced.
  - Food costs may be higher, as it is more difficult to manage waste.
  - Guests may be underwhelmed if the selection is not sufficient.
  - A minimum of one hot item is recommended.
- Full hot breakfast
  - Higher labour costs, as more staff are required.
  - Guests are more likely to be impressed.
  - Staff can engage with customers and provide a personalized service.
  - Less waste, as food is made to order.

# TIP

Regardless of the style of breakfast you provide make sure it becomes part of your seamless guest experience.



*The Wellshire Bed and Breakfast, Lunenburg, NS*

# OPERATIONS

## ENVIRONMENTAL FOOTPRINT

Making good choices to minimize your environmental footprint will not only help the environment but can reduce costs and provide a safer workplace.

There are many options to help reduce your footprint:

- Use 'green' cleaning products for your housekeeping needs.
- Provide recycle bins in your guest rooms to encourage them to participate.
- Ensure your equipment is energy efficient.
- Line-dry your linens, if possible.
- Maintain sinks and toilets so they are not dripping or running.
- Comply with your local recycling and compost programs; contact your local municipality for information.
- Provide information in your guest rooms to encourage guests to re-use their towels and have their linens changed less often on multi-night stays.



*Glamping and Culinary Adventure, Halifax Harbour Islands, Halifax, NS*

# OPERATIONS

## INSURANCE

No matter the size of your accommodation, insurance is a must. There are different levels of coverage and you should speak to an insurance agent to discuss the best option for you and for the protection of your guests.

If you are financing your property, your financial institution may request specific levels of insurance.

Ask other accommodation owners or [TIANs](#) for recommendations of agents who understand this business. Get several quotes

before you decide on your insurance policy – the extra effort may provide significant savings.

Although not all types of insurance may apply to you, here is a list to consider:

- Property or fire protection
- Liability insurance (accidents to guests can happen, don't be caught unprotected)
- Equipment coverage/stock coverage
- Business protection/interruption
- Crime coverage
- Robbery and hold-up protection

## TIP

Consider the [Green Key Eco-Rating Program](#), delivered by the Hotel Association of Canada.



White Point Beach Resort, White Point, NS



# OPERATIONS

## OCCUPATIONAL HEALTH AND SAFETY

As an accommodation operator, you have a responsibility for the health and safety of your staff and guests. Occupational health and safety (OH&S) legislation outlines the general rights and responsibilities of the employer, the supervisor and the worker. The [federal](#) and [provincial](#) governments both have their own OH&S legislation.

In every workplace in Nova Scotia, people have three basic rights: the right to know about information on issues that affect their health and safety; the right to participate on

health and safety committees or be a health and safety representative; and the right to refuse unsafe or unhealthy work and to be protected from reprisals. OH&S legislation focuses on the promotion of the Internal Responsibility System. This system acknowledges the responsibility of all parties for workplace health and safety.

- Hotels and motels and businesses with three or more employees are required by law through the Workers' Compensation Act and Regulations to register

their business with the Worker's Compensation Board of Nova Scotia and pay premiums. Visit <http://www.wcb.ns.ca/> for more information.

- If you have more than five employees on a regular basis you are required to write and enact an OH&S program.
- The following link provides the introduction to [occupational health and safety in Nova Scotia](#).

---

## FORMS AND MANUALS

You will need a variety of forms and manuals to keep your accommodation running smoothly.

These include:

- A registration card for your guests to complete upon arrival.
- A detailed receipt at check-out, in addition to their payment slip.

- Staff timesheets.
- Staff schedules.
- Inventory sheets to keep track of your guest room amenities.

You will also need an employee training manual, including detailed instructions in the event of an emergency at your property.

Your local Deputy Fire Marshal will request that a fire emergency plan is also completed. Most Deputy Fire Marshals are happy to provide you with a template. Each guest room is required to have an emergency exit plan.



# OPERATIONS

## PARTNERSHIPS AND COLLABORATIONS

**You are not alone! There are lots of great resources available to help you and potential partners work to grow your business.**

- Our [TNS website](#) offers many free resources, including guides, toolkits, research, programs and valuable insights from our latest Visitor Exit Survey. Our team is also available for any questions or advice. Don't forget to sign up for our [inTouch newsletter](#) for the latest updates and events.
  - Consider joining [TIANS](#). They offer training and support for operators, along with member benefits and an annual conference.
  - [Inns of Nova Scotia](#) is a member-based association of Innkeepers, with many years of experience in the industry.
  - [Nova Scotia Bed & Breakfast Association](#) is a member-based association with a consumer website and a member code of conduct.
  - [Hotel Association of Nova Scotia](#) is another member-based organization in the accommodation sector in Nova Scotia.
  - [BB Canada](#) is a member based association that caters to both Bed & Breakfast properties and inns.
  - [Restaurant Association of Nova Scotia](#) is a member-based association that caters primarily to the restaurant industry, although inns that serve breakfast only are also eligible to join.
  - If it is a good fit with your property and your target markets, reach out to tour operators who offer packages in your area. You can find a list through [Tourism Nova Scotia](#). Introduce yourself and let them know you are open for business and interested in partnering with them. See the [Marketing](#) section for more information on working with tour operators.
  - Local visitor information centre counsellors would love to meet you and tour your property so they are ready to answer any questions from potential guests looking for accommodations.
  - Consider joining your local regional tourism association, board of trade or chamber of commerce and network with local businesses.
- Get involved in your local community and build relationships – you never know where the next referral will come from.



## SUCCESS STORY

### COMFORT HOTEL BAYERS LAKE

Halifax, NS

#### IMPORTANCE OF CUSTOMER SERVICE:

It is very important to our staff to make sure that our guests' stay is as peaceful, comfortable and memorable as possible.

#### BIGGEST CHALLENGE:

Recruiting and retaining staff who were the best fit for the hotel, ensuring that the chemistry was right among our co-workers and that they understood expectations.

#### KEY TO SUCCESS:

We are #1 on TripAdvisor for customer service because of our wonderful management and staff. The people make the product.

#### BEST ADVICE:

Be transparent and authentic. Guests have so many choices and the ability to demand what they want. If your staff does not put customer service as their number one priority, then things will not go well.

#### GAME CHANGER:

Creating a pleasant and happy environment among co-workers – that's reflected in the whole atmosphere of our hotel.

#### FUTURE THINKING:

We have a great maintenance program, with budget for upgrades and updates. We are also focused on new ways to provide a wonderful experience for our guests.

# OPERATIONS

## OTHER REVENUE OPPORTUNITIES

There are several ways to bring extra revenue into your property, beyond renting rooms or offering food service. When making the decision to offer additional services, evaluate the costs and revenue potential and make sure that you and your staff can handle the extra workload.

### PACKAGING

Today, travellers appreciate being able to purchase activities in advance of their trip. There is no need to discount services offered in a package, instead, provide added value. Packaging can encourage your guests to stay additional nights. Learn more about packaging in our [Marketing](#) section.

- Bundle together tickets to local attractions in your area.
- Add on a dining experience with a local restaurant.
- Work with local adventure companies and offer to help sell their products.
- Check with your local performing arts centre for upcoming events.
- Create a romance or honeymoon package for your guests.
- Build packages around special events.

### EXPERIENCES

Creating experiences may take a bit more effort than adding a package,

but the payback is worth the effort. Experiences create memories that can last a lifetime, and your property will be an important part of those memories.

[Tourism Nova Scotia](#) has readily available training tools to help you build an engaging, memorable experience.

If you don't want to create experiences yourself, partner with local businesses that offer quality experiences for your markets. You could be their accommodation provider – offering their guests a discounted rate at your property while your guests get a discounted rate for their experiences.

For properties open year-round, be creative with programs and experiences that can attract guests. There are tourists in the province all year long and we have a large resident market. Consider weekend special events, such as cooking classes, wine tasting programs, music events, themed weekends or learning programs. Explore partnering with local businesses and community groups for spa or theatre weekends. Bring in experts and take advantage of what the area has to offer, such as bird watching in early spring, eagles in February, storm watching or painting lessons. The opportunities are endless!

### WEDDINGS/SPECIAL EVENTS

Have you considered your property as a venue for weddings, family reunions and/or business meetings? Group business can fill all the rooms in your property and, in many cases, guests will choose to stay for multiple nights. Focus on group business during your slower season; it may result in full occupancy. Small properties with meeting and event space can establish a competitive advantage for their business relative to others in the area.

Don't be afraid to charge a venue fee for exclusive use of your property. Search out a good local caterer if you are not running your own restaurant.

### SPECIAL PREMISES LIQUOR LICENCE

If you are not running a restaurant with a liquor licence, small properties can apply to the [Nova Scotia Liquor Commission](#) for a special premise licence, which provides you with the ability to sell beverages to your guests and generate additional revenue.

For more information, check out our [Planning](#) and [Marketing](#) sections.