

CASE STUDY CHALLENGE *FINANCE*

EVENT SITUATION

COMPANY BACKGROUND

While many hotels attract customers based on their top-notch amenities, proximity to tourist spots and entertainment, and relaxation factor, HOTEL SPECTER attracts guests for an entirely different reason. Built in 1841, HOTEL SPECTER is one of the oldest hotels still operating in Texas. Located about 30 miles west of San Antonio, Texas, HOTEL SPECTER sits in a quaint town with a population of 2,700.

Boasting 112 rooms and suites, HOTEL SPECTER averages 40% occupancy Sunday-Thursday, and 65% occupancy on Friday and Saturday nights. Ownership has just made a large investment to re-vitalize the property but fear they might be forced to sell if business doesn't turn around as they head towards Halloween – their busiest time of the year.

You're probably thinking, why is Halloween so important to HOTEL SPECTER? Patrons have long depicted stories of spirits, phantasms, and energies throughout their stay. These occurrences have sparked several ghost hunting tours to make HOTEL SPECTER a popular stop, and accounts for roughly 20 percent of their annual business. Skeptics have also made HOTEL SPECTER a frequent visit, as to dispel the belief that the facility is haunted.

Along with the 170-year-old hotel, the grounds feature a cornfield maze, woods with a winding trail leading to a creek, and a cleared pasture that hosts a small fair the last week of October.

Each Case Study Challenge will provide a different role and challenge for you to solve. Be sure to sign up for each competition, and work to save HOTEL SPECTER.

FINANCE CHALLENGE

Your Role: Director of Procurement

Judge Role: General Manager

Task: The General Manager (judge) has received suggestions to add temporary attractions/activities to serve customers as they wait in lines during the busiest week of the year, where an average of 1,500 customers come in daily. Review the potential additional revenue streams on the next page and select the two that will allow HOTEL SPECTER to maximize profitability.

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MANAGEMENT CHALLENGE BEGINS OCTOBER 13, 2021

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ATTRACTION	REVENUE/SALE	EXPENSE/SALE	PROS	CONS
Face Painting	\$10	\$5	<ul style="list-style-type: none"> • Low overhead • Can be done while waiting in line 	<ul style="list-style-type: none"> • Average time is 10 minutes • One person at a time
Candied Pecans Vendor	\$6	\$3.50	<ul style="list-style-type: none"> • Low overhead • Enticing smell • Simple production • Limited packaging 	<ul style="list-style-type: none"> • Unsold items must be thrown out each night • Potential for allergen issues
Balloon Artists	\$5	\$3	<ul style="list-style-type: none"> • Fast, averaging only 3 minutes per customer • Two-person team that can work individually 	<ul style="list-style-type: none"> • Artists are requesting a small 'menu' of available options • Only offering 5 items
Pumpkin Carving	\$12	\$4	<ul style="list-style-type: none"> • Interactive for kids and parents • supplies are used over and over • a new pumpkin is provided to each customer • little staff needed as parents monitor for safety 	<ul style="list-style-type: none"> • Someone from the group must stay in line
Photo Booth	\$5	\$0.50	<ul style="list-style-type: none"> • Allows a keepsake for the event • High margins 	<ul style="list-style-type: none"> • Could lead to decreased souvenir sales • One family at a time

Performance Indicators:

- Determine the nature of organizational goals (PD:254) (SP)
 - Idea: Draw conclusions based on information analysis (NF:278) (CS)
- Identify factors affecting a business's profit (EC:010) (CS)
 - Idea: Consider the pros and cons of each, inventory needs, and capacity constraints
- Explain the principles of supply and demand (EC:005) (CS)
 - Idea: Why would people spend money on any of these activities?
- Draw conclusions based on information analysis (NF:278) (CS)
 - Idea: What are the best opportunities for HOTEL SPECTER to maximize our profit?

MANAGEMENT CHALLENGE BEGINS OCTOBER 13, 2021

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JUDGE'S EVALUATION FORM

DID THE PARTICIPANT:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
1.	Determine the nature of organizational goals?	0-1-2-3-4-5	6-7-8-9-10	11-12-13-14	15-16-17-18	
2.	Identify factors affecting a business's profit?	0-1-2-3-4-5	6-7-8-9-10	11-12-13-14	15-16-17-18	
3.	Explain the principles of supply and demand?	0-1-2-3-4-5	6-7-8-9-10	11-12-13-14	15-16-17-18	
4.	Draw conclusions based on information analysis?	0-1-2-3-4-5	6-7-8 9-10	11-12-13-14	15-16-17-18	
5.	Reason Effectively and use Systems Thinking?	0-1	2-3	4-5	6-7	
6.	Communicate Clearly?	0-1	2-3	4-5	6-7	
7.	Show Evidence of Creativity?	0-1	2-3	4-5	6-7	
8.	Overall Impression and Solution to the Prompt	0-1	2-3	4-5	6-7	
TOTAL SCORE						