

The B&B Industry

The B&B Industry has an estimated worth of \$3.4 billion. The core of this starts with the estimated 17,000 inns in the U.S. and then branches out to all the product and services needed to enable these inns to be the desired destination for millions and millions of travelers, both domestic and international. Real estate, finance, insurance, hospitality, furniture, food and beverage, cleaning, safety, heating and cooling...the list is endless.

The B&B industry is not static; it moves and reacts to the economic, technological, social and political forces that impact it.

Economic forces are changing quite rapidly and can and do have an immediate impact on innkeepers. Energy costs (gas, fuel, oil), access to credit, consumer spending and confidence are just a few areas that have a direct correlation to the ability of innkeepers to operate.

Technological forces probably have the greatest impact on innkeepers with the presence and growth of the digital information world. Understanding online review sites, "social networks" and the ways in which potential guests make their decisions on where to stay is just the beginning. Devising strategies and tactics to successfully compete in this new marketplace is critical.

Social forces impact the industry as well. Take the aging population: not only do they have physical needs that require special attention with their accommodations, but the impact on their financial resources – retirement funds, health care and pharmaceutical expenses – greatly impacts their ability to use discretionary dollars for travel.

Political forces play a role in the industry as well. This isn't only in issues specific to the travel and lodging field – such as taxes, governmental spending on tourism promotion, and labor laws — but in broader areas as well. For example, look at the impact of the loss of much of the business community's travel that involved leisure activities due to political forces that view such travel as wasteful in today's economy.

It isn't "business as usual" for innkeepers today. Quite the contrary, never has there been a greater need to understand the complexities that exist in the B&B.

Bed and Breakfast Statistics *(based on PAll Industry Study Data)* **Performance (in medians)**

- Occupancy Rate 43.7%
- Average Daily Rate \$150
- Revenue per Available Room \$58

About The Inns

- Typical B&B has between 4 and 11 rooms, with 6 being the average
- 29% were in rural locations, 23% were urban, 5% suburban, and 43% were village
- 94% of rooms have private baths
- 36% have achieved an "historical designation" by a local, state or national historic preservation organization
- 5,700 square feet is the average size for a B&B

- 93% offer free high speed wireless internet
- Most inns provide the following in common areas: internet, magazines, hot/cold beverages, board games, fireplace, refrigerator, newspapers, telephone, cookies/cakes/candies/fruit, fresh flowers and televisions.
- Most inns provide the following in guest rooms: internet, television, luxury bed/linens, premium branded toiletries, robes, fireplaces, magazines and jetted tubs.

About the Inn Owners

- 72% of inn owners are couples, 18% are individual females, 5% are individual males, 5% are non-couple partnerships
- 79% of owners live on premises

the aspiring innkeeper

There are over 18,000 inns and B&B's in North America and many more than that around the world. The demographics of the innkeeping community are as varied as any world population. Innkeepers come from all walks of life, age groups, and interests. What successful innkeepers have in common is the knowledge and experience that makes their inns stand out among the many hospitality choices that travelers have in our global marketplace.

The key to your success is getting behind the scenes to understand this business so that you can make a smart decision about entering this amazing field. There are a world of resources to help you learn what you need to know about marketing, food service, reservations, staffing, maintenance and lots more.

Step 1: *Talk to innkeepers and innkeeping associations. See if it really is “for you”*

Step 2: *Check Your Knowledge* Before you open your doors to welcome your guests, make sure you have the knowledge to start your business and run your inn. This checklist outlines ten key areas of expertise that are required to be a successful innkeeper.

Business Planning - Finances, Loans and Taxes are all part of good planning. Your sound business plan is a key element to success. The industry standard chart of accounts, financial comparisons, amenity analysis, occupancy goals and analysis are all elements of sound business management that successful innkeepers use regularly.

Hospitality Law -What are your rights as the owner of your business? How do they regulate your guests and their expectations of you and their experience at your property? Successful innkeepers know the laws and how to relate them to their staff and guests.

Marketing and Public Relations - Do you know the difference? Successful innkeepers know these two elements, while related, are distinctly different and equally key to their success. “If you build it, they will come” doesn't necessarily apply. Guests will only come if they know it has been built! There are key marketing techniques specific to successful innkeeping.

Reservation Management - A vast majority of today's inns use guest management software, GMS, sometimes called property management software (PMS). Many use online availability services, some use real time reservation services, some use the global distribution system (GDS). Knowing what these products do, how they interface with one another, their differences

and the use of these systems and products is key to the successful reservation management of your business.

Food Purchasing and Handling - An integral part to every lodging experience, food preparation, presentations and safe handling are key to your success. Successful innkeepers know the regulations for their location, safe food handling requirements and have their own menus and recipes for every situation.

Staffing and Service - Every business has staff, even if it's simply the owner(s). Determining your specific staff requirements and responsibilities is an important part of sound business planning. If you add a service, or an amenity or both, will additional staff be required? What will you ask staff to do? How will you monitor their performance? How do you evaluate a potential employee? Successful innkeepers continually review their staff relationships and costs to accommodate their business goals.

Organization/Time Management - Innkeepers love their properties, enjoy their staff and welcome their guests. Well, they do if they have carefully developed an organization plan that helps to manage all of the daily, weekly, monthly and annual details. "*A man without a plan is a man planning to fail*" (anonymous). Successful innkeepers plan for success and work their plans so the details are not forgotten, even when they are away from their business. Successful innkeepers have a life beyond innkeeping.

Insurance - Insuring a B&B/Inn enterprise is a large expense. Successful innkeepers carefully study their insurance requirements and know how to communicate with the experts on a reasonable basis, ask the right questions and work with those brokers who can provide cost effective insurance coverage.

Operations - Bookkeeping, Taxes and Cash Management are daily responsibilities for every business enterprise. Successful innkeepers understand their bookkeeping requirements, tax obligations, and tax reporting requirements. They develop sound policies and business practices. Successful innkeepers know if they should accept credit cards and know which processors and what equipment is important to their success.

Housekeeping, Repair, Maintenance - Successful innkeepers develop daily routines to manage housekeeping, repairs, and maintenance tasks. They have back up plans for computer upgrades, plumbing malfunctions, power outages and more, even under the most difficult emergency situation.

Step #3 Recommended reading

So...You want to be an innkeeper. (Written by PAII founders Jo Ann M. Bell and Pat Hardy, Susan Brown, and Mary E. Davies)

PAII produces a variety of publications to meet your specific needs -- and members receive large discounts! Some suggested readings, include:

Marketing and Public Relations - *Become The Brand of Choice: Make Your Name a Powerful Brand and Earn Millions* - by Jason Hartman

Marketing Without Advertising: Inspire Customers to Rave About Your Business to Create Lasting Success, 4 Edition -by Michael Phillips

PAll Study of B&B Marketing Practices -(PAll educational publication)

Reservations Management - The Innkeeper's Guide to Property Management Software
(PAll educational publication)

Food Purchasing and Handling - ServSafe Coursebook, 2 Edition -by NRA Educational Foundation

Insurance - Insurance: That Nine Letter Word -(PAll educational publication)

Business Planning - How to Write a Business Plan - by Mike McKeever

The Bed & Breakfast / Country Inns Industry Study of Financeand Operations 2007-2008 - (PAll educational publication)

SBA Loans: A Step-by-Step Guide, 4 Edition - by Patrick O'Hara

Operations - So...You Want to Be an Innkeeper - by Jo Ann M. Bell & Pat Hardy
Innkeepers Guide to My Own Inn - (PAll educational publication)

Staffing and Service - Outrageous! Unforgettable Service...Guilt Free Selling -by T. Scott Gross

The Innkeeper's Guide to My Staff - (PAll educational publication)

Old Fashion Service From the Innkeepers Perspective -(PAll educational publication)

Raving Fans: A Revolutionary Approach To Customer Service -by Ken Blanchard

Housekeeping, Repair, Maintenance

New Complete Do-It-Yourself Manual -by Reader's Digest Editors

New Fix-It-Yourself Manual: How to Repair, Clean, and MaintainAnything and Everything in and Around Your Home -by Reader's Digest Editors

Step #4 seminars & workshops

The *Innkeeping Conference & Trade Show* www.innkeepingshow.com

NJINNS.com-twice a year seminar

Aspiring Innkeeper's Seminars Lodging Resources Workshops Inn Your Dreams

(800) 500-9625

(207) 775-5818 www.lodgingresources.com

Bed & Breakfast Resources Oates & Bredfeldt

(479) 253-5454 (207) 563-2772

www.bednbreakfastconsult.com www.oatesbredfeldt.com

Bushnell & Bushnell Services, Inc. The B&B Team
(410) 524-6921 (434) 286-4600 VA
www.bushnellandbushnell.com **(207) 967-1995 ME**
www.bbteam.com

Inn Broker, Inc. Virginia Inn Brokers
(269) 649-5556 (540) 463-6688
www.broker.com virginiainnbroker.com

Innkeeping Specialists**
(800) 585-4011

www.innyourdreams.com
www.innseminars.com

Consultants Offering Services for Aspiring Innkeepers

Ask Hugh Consulting Inn Broker, Inc.
(435) 645-3931 (800) 926-INNS
www.askhugh.com www.innbroker.com

Bed and Breakfast For Sale InnFocusMeetings.com
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www.bednbreakfastforsale.com www.innfocusmeetings.com

Bullard Partners Inngenum LLC
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www.bullardpartners.com www.inngenum.com

Bushnell & Bushnell Services, Inc. Lodging Resources Workshops
(410) 524-6921 (800) 500-9625
www.bushnellandbushnell.com www.lodgingresources.com

Diaz Consulting Oates & Bredfeldt
(760) 202-3188 (207) 563-2772
www.oatesbredfeldt.com

Hiler Hospitality
(802) 451-1934 Signature Worldwide
www.hilerhospitality.com **(800) 398-0518**
www.signatureworldwide.com

Innkeeping Specialists**
(800) 585-4011 The B&B Team
(434) 286-4600 VA
(207) 967-1995 ME
www.bbteam.c

Wesley A. Fachner, CPA
(408) 866-2001 Workman Tax & Accounting Service
www.fachner.com **(866) 364-4828**

Virginia Inn Brokers
(540) 463-6688
www.viginiainnbroker.com

www.innseminars.com

Step #5 networking

Forum The PAII online Forum for members only puts the collective expertise of innkeepers from around the country at your fingertips. Ask questions, share experiences, discuss products, seek advice. You can also search past threads in the archives by topic.

Mentor Program PAII can put members in touch with one of over 60 industry veterans, who can provide insight, give advice, share past personal experiences or just lend an ear. PAII staff can match you up with a mentor based on your specific needs.

PAII's Annual Innkeeping Conference & Trade Show PAII hosts approximately 700-800 attendees from across the country. Meet innkeepers from large and small properties, urban and rural locations, B&Bs and Country Inns, aspiring innkeepers and veterans.

State B&B Associations We recommend that you contact your state B & B association for information on their networking opportunities and programs for aspiring innkeepers.
NJINNS.COM

Regional / Local B&B groups Many areas have a local group of innkeepers that regularly meet to exchange information, network, put together joint marketing programs and stay informed.

Call 1-800-468-7244 to join the Professional Association of Innkeepers International or join online at www.paii.org. Membership is only \$199 for aspiring innkeepers.
www.innkeepingshow.com

Prepared by Esther Cohen, Innkeeper