

BALANCING THE BUDGET



Dr Nicolas Graf

MODULE LEADER

Nicolas Graf, Ph.D., is Professor of Finance at the Hilton College of Hotel and Restaurant Management, University of Houston, USA. Prior to joining the Hilton College faculty, Nicolas served on the faculty of the Pamplin College of Business at Virginia Tech, USA, and was Professor of Finance and Strategic Management at Ecole hôtelière Lausanne, where he also carried out several consulting projects and was responsible for the development of the EHL Institute of Technology and Entrepreneurship (EHLITE).

RECOMMENDED READING

- Copeland, T., Koller, T. and Murrin, J., (2000), *Valuation: Measuring and Managing the Value of Companies, 3rd Ed.*, New York, John Wiley & Sons, ISBN 0471702188
- Popowich, L. et al. (1996), *Uniform System of Accounts for the Lodging Industry, 9th Ed.*, Educational Institute AHLA, Michigan, ISBN 0866121285

PRICE

CHF1,800 (~€1,100)

Prices in Euros (€), as at September 2007, are only an indication; payment will be in Swiss Francs (CHF)

MODULE DESCRIPTION

Budgets are itemized forecasts of company revenues and expenses expected for some period in the future. These expectations are, in reality, functions of key assumptions related to market wide trends and to the influence of management resource allocation decisions on competitive dynamics and internal efficiency. More than control tools, budgets are analytical frameworks guiding short and long term decisions.

In this module, we will examine how budgets can become more than a mere annual exercise. The module opens with a review of the key items in hotel budgets. We then delve into the identification of key internal and external value drivers, revenues and costs behaviours in relation to environmental conditions and internal processes and resource allocation decisions as applied to dynamic budgeting. Through interactive lecture-discussions, hands-on exercises and case studies, participants will be confronted with the challenge of preparing and defending budgets that are aligned with their market strategies.

LEARNING OBJECTIVES

By the end of the Module, participants will be able to:

Knowledge

- Identify fundamental information for budgeting
- Differentiate between performance indicators and value drivers
- Identify key value drivers and evaluate their relationships with performance indicators

Competencies

- Develop actionable and strategically aligned budgets
- Conduct marginal and breakeven analysis
- Compare, contrast and explain budgets with actual performance

Mindset

- Explain the importance of planning and budgeting for resource allocation decisions

METHODOLOGY

Interactive lecture-discussions and hands-on exercises

PARTICIPANTS

For hotel owners, managers and department heads, vested with the responsibility for preparing and evaluating operating and capital budgets