Quarter Revenue Forecast Instructions

1. Distribute calculators and copies of the **Quarter Revenue Forecast** handout.

2. Guide the students through the worksheet and calculations using a light proctor (Elmo) if available.

3. Be sure to explain the heading columns Q1, Q2, Q3, and Q4 as a total year divided into equal quarters.
    Estimate the number of days in a quarter. Allow students to come up with the answers.
    You can estimate 30 days in a month and 3 months in a quarter to get 90 days, or you can take the number of days in a year, 365 and divide by 4 and get 91.

4. The Stratton Hotel has a total of 250 rooms in the hotel. At any given time, 4% of those rooms are down for maintenance(repairs, smells, painting, and so forth).
    How many rooms will be available for sale each day? Allow students to predict WHY 4% of the rooms would not be available and then have them calculate the answer:
    250 – (250 x .04) OR 250 x .96 = 240 rooms available on average per night

5. Occupancy rate - Students can take the available rooms and multiply by the occupancy rate to get the average number of rooms sold per night. Be sure to explain percentage multiplication. This is a good opportunity to teach students the importance of maximizing revenue by increasing the occupancy rate.

6. Students should then calculate the estimated revenue per night by multiplying the answers in line 4 x line 5. Mention that the ADR itself is an estimate and reflects the average, not the actual. Also emphasize that the revenue is also dependant on the ADR and that keeping it high is also important to increasing revenue and therefore profit.

7. Calculate the estimated revenue per quarter by multiplying the answers in line 1 and line 6.

8. Add all the quarters to find the total.

9. Explain how this number can fluctuate by the averages such as ADR and Occupancy rate changing.

10. Students may practice more calculations by changing the ADR and Occupancy rate and comparing the difference.