

Financial Analysis and Investing in Hotels

The Foundations of Planning, Finance, Business Performance Analysis, and Investments

Introduction

Putting money into the hotel industry is a challenging but worthwhile endeavor. Hotel investors need to be proficient in the understanding and use of a number of analytical methods in order to assess their investments. Delegates will get information on how to analyze investments, determine the best debt-to-equity financing mix, and assess hotel business success from this training course on hotel investments analysis and finance.

The ability to calculate a hotel investment's return on equity and return on investment will be taught to the delegates. Every business needs both debt and equity financing, and attendees will learn how to calculate the cost of financing for hotel investments using actual data. Through practical tools, real-world examples, and practice opportunities, the delegates will acquire the skills required to evaluate the financing strategy and investment performance. Additionally, they will study forecasting techniques to create a strategy and identify areas where performance might be enhanced.

The following will be covered in this Course N Carry Financial Analysis and Investing in Hotels training course:

- To calculate the potential hotel venture's return on equity and return on investment.
- Examine and assess investment initiatives from the viewpoints of lenders, operators, and owners.
- Make well-informed choices on the relative investment appeal of hotels.
- Determine the estimated worth of a suggested hotel investment using a range of techniques.

The estimation of necessary financial resources and the evaluation of financial data for planning and management.

Objectives

Participants in this training course on Financial Analysis and Investing in Hotels will have the following skills at the end:

- Evaluate hotel investments using a variety of techniques.

- Use both modern and conventional methods to analyze the capital investment and finance decisions.
- Determine the hotel industry's crucial success elements, investment possibilities, and risks in order to get ready for any future obstacles.
- Utilize forecasting methods that are best suitable for the planning of their organization.
- Recognize how expenses behave and decide which costing techniques would be most useful for financial planning.

Training Methodology

This user-friendly training course on Course N Carry Financial Analysis and Investing in Hotels is designed to accommodate persons with different levels of financial expertise and understanding. The training program will be delivered via interactive working examples, case studies, and formal presentations in accordance with workshop principles. To demonstrate how each of the subjects is used, a plethora of pertinent examples and interactive case studies are given. Engaging activities and real-world examples support each learning point. Wherever possible, challenging mathematical ideas are minimized and presented in an understandable visual format with many of examples.

Organizational impacts

Participants in this training session on Financial Analysis and Investing in Hotels will receive the following:

- An awareness of performance analysis and pertinent financial analysis tools and methodologies to help managers support more informed decision-making
- Knowledge of the connections between financial issues and long- and short-term investment strategy
- Having the ability to use the appropriate tools to evaluate the finance strategy, investment, and performance
- Delegates will get an understanding of how to use various financial abilities and procedures in the hotel sector via the use of case studies and representations of actual organizations.

The company's other divisions can exchange the knowledge that has been acquired.

Personal Impact

The following will become clear to delegates:

- How to examine and evaluate the financial accounts to create more accurate and thorough performance evaluations

- Recognize the importance of funding and investment choices for both their department and the organization.
- How to increase their self-assurance when interacting with financial experts
- Assessment of substitute funding sources and capital structure optimization
- How to communicate with other experts about finances in an efficient manner

Who should attend?

Anyone involved in analysing financing strategies and monitoring investment success might benefit from taking this training course on hotel investments analysis and financing. It is equally useful for all professionals, both financial and non-financial, who are involved in investing and planning, such as those in the accounting, treasury, costing, and finance departments:

- Supervisory Personnel
- Supervisors of Projects
- Professionals in corporate strategy, company growth, and treasurer ship
- Professional advisors and consultants who wish to upgrade and renew their skill sets, as well as enhance their strategic thinking and decision-making abilities
- Professionals in sales and marketing
- Junior and middle management as a helpful component for their professional development

Course Outline

Day 1

Evaluation of Business Performance

- Which data and information should be used in financial statements
- The characteristics of financial statements.
- The financial analysis and decision-making framework.
- Ratio analysis and the success of businesses
- The perspective of management
- Owners' perspective
- The perspective of lenders
- Pyramids of ratios: the system of ratios
- Including financial performance analysis
- Forecasting financial difficulties

Day 2

Examination of Investing Choices

- Using time-sensitive procedures.
- Internal Rate of Return (IRR) and Net Present Value (NPV).
- From a strategic standpoint.
- NPV and EVA.
- Upgrades to the investment analysis.
- Equivalent Cost per year (EAC).
- Modified Internal Rate of Return (MIRR).
- Simulation, scenario analysis, and sensitivity analysis
- Adjusting to risk and shifting conditions.

Day 3

Decision on financing

- Long-term funding sources
- Equity capital types
- Categories of debt
- Which kind of leverage or capital structure is best, debt or equity?
- The Capital Asset Pricing Model (CAPM) and Weighted Cost of Capital (WACC)
- Figuring out your CAPM and WACC
- When and how to apply CAPM and WACC
- The dividend choice

Temporary funding sources

Day 4

Techniques for Cost Analysis

- Cost-related actions and behavior
- Direct and indirect expenses, as well as fixed and variable costs
- Costs of the product and the time
- Allocating costs and absorbing overhead
- Complete pricing or absorption
- Costing at the margin
- Excel is used for "what-if" and Cost-Volume-Profit (CVP) analysis.
- Both Activity-Based Management (ABM) and Activity-Based Costing (ABC)

Day 5

Performance Enhancement, Budgetary Control, and Budgeting

- Why and for what reasons should one create a budget?
- Phases involved in creating a budget
- Developing the overall financial plan
- Variance analysis and responsibility accounting
- Using flexible budgets, standard costing, and budgetary control to assess management and organizational performance
- Budgeting's benefits, drawbacks, and behavioral characteristics