

■ **REVENUE MANAGEMENT** by Horatiu Tudori

UNIT DESCRIPTION

Revenue Management (RM) is about a different way of managing business based on a very old idea. Every seller in human history has faced RM type decisions. What price to ask? Which offers to accept? When to offer a lower price? And when to simply “pack up one’s tent” as it were and try selling at a later point in time, or in a different market.

Thanks to the advances in economics, statistics and operations research it is possible now to accurately model demand and economic conditions, quantify the uncertainties faced by decision makers, estimate and forecast market response and compute optimal solutions to complex decision problems.

In this unit we will tackle the essentials of RM philosophy and some associated methods and numerical applications. By the end of the seminar the participants will be able to make decisions on rooms revenue management implementation and therefore to pick the low-hanging fruit.

LEARNING OBJECTIVES

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

Knowledge:

- Identify the building blocks and key concepts of revenue management.
- Elaborate the tactical use of revenue management.

Competencies:

- Apply basic revenue management techniques.
- Understand the performance measures and the effective KPIs in revenue management.
- Analyze and make decisions from a revenue management perspective.

Mindset:

- Quantify the impact of revenue management.
- Appreciate the customer price-value relationship and the effect of revenue management decisions on the bottom line.

METHODOLOGY

- Mix of short lectures, exercises and short debates.
- Group work on simulation game.