

INN FOCUS

Volume 2

OCTOBER 2007

InnSpiredINN News



One of our newest projects is a fantastic property in the Historic Dilworth section of Charlotte. For those that are not familiar with Charlotte, this is a beautiful area full of traditional neighborhoods and homes.

The area is being developed for mixed use, with many new restaurants, shops and professional office space. The new light rail system supports the area with connections to the financial district, sporting venues and night life.

We have developed a market research for this new client, as well as a walk through of the home to analyze the potential of the property and its grounds. As the project moves forward into the construction phase we will keep you posted on its progress.

And, for those that may have missed last month's newsletter, our project in Comfort, Texas has opened to rave reviews! This fabulous 250 acre ranch will provide the perfect setting for weddings, corporate meetings, special events and weekend getaways. Check out Riven Rock Ranch at <http://www.rivenrockranch.com>.



Rhonda and Mike Horton

MARKET TRENDS

Pricing Your B&B/Inn To Sell

How much an inn is worth is always a popular topic. To an innkeeper who has invested capital, a number (maybe a lot) of years and, most of all, a tremendous amount of emotional and physical energy, the inn has one value. To a buyer an inn will probably have a different value, and it is not going to be the same for every buyer. A buyer

INNKEEPING TIPS

Challenges (*and Suggestions!*) For Those With Restaurants Or Special Event Properties

Fifty-four percent of Americans said they will eat out at restaurants less over the next three months, according to a survey of 1,000 people released today in conjunction with the RBC Capital Markets Annual Consumer Conference.

"Volatile stock markets, declining home values, higher energy costs and overall concern about the economy are reducing Americans' appetite for dining out," said RBC Capital Markets equity analyst Larry Miller.

According to the study, even 35 percent of those Americans with higher household incomes (\$50,000 or more annually) said they would eat out less, and 62 percent of Americans making less than 25,000 annually said they would eat out less. In fact, the study showed that Americans already have tightened their belts, with two in five acknowledging that they are dining out less frequently today than six months ago. So here are some suggestions:

1. If your staff is seasonal, you may want to **start trimming back now** rather than waiting for the normal slower period to start.
2. **Cross train your staff** to keep the good employees from leaving.
3. Cross utilization of your menu items is a must. All **menus should have a common thread** when it comes to the product you bring in.
4. Get a **head start on holiday bookings** by calling your past clients now, offering discounts to rebook or to have their party on an "off" night during the week.

100% Guest Service

We have had the pleasure of talking with so many qualified people about what really makes a great property GREAT! The décor, grounds,



looking for a business who does not need to count on the income from the inn to support them may be willing to pay one price. A buyer looking at an inn purely as a business venture (albeit a very attractive business with interesting clientele) that has to be the sole source of income may have another value.

And there may be a third party interested in a value. If the buyer needs to get a mortgage, a lender is going to establish a value for the inn, and it may be different from either the buyer's or the seller's. How a lender arrives at a value for loan purposes is something that can be helpful for both sellers and buyers to understand.

One of the most important determinants of how much someone can borrow on a mortgage is governed largely by what the debt-coverage ratio will be. The debt-coverage ratio is the ratio between the amount of cash available from the inn to make mortgage payments and the payments themselves.

The way to determine the debt-coverage ratio is, first, to determine the net operating income (NOI) of the inn. This is simply the gross income minus operating expenses. The operating expenses are all the expenses, both fixed and variable, that are required to run the inn on a day-to-day basis. The NOI is what is left to pay the debt service, with whatever is left over going to the innkeeper.

INNKEEPER NEWS

NESTLÉ TOLL HOUSE® Cookie Dough

Celebrates Zero Trans Fats and Three New Varieties. Now, Moms can feel even better about serving America's favorite cookie. As of June 2007, 89% of the NESTLÉ TOLL HOUSE® Refrigerated Cookie Dough line will declare zero grams of trans fats per serving on the label.

Also this June, NESTLÉ TOLL HOUSE® is pleased to introduce three new varieties to its refrigerated cookie dough line: Mini Brownie Bites, Oatmeal Raisin Cookies, and a 40-ounce Family Size Tub of its famous Chocolate Chip Cookie Dough.

Time Management = Less Stress &

bedding, location, or food? Obviously all play an important role in making your B&B/Inn a success. But for everyone it came down to one thing: **guest service**. The refrigerator stocked with all your favorite drinks, candies and goodies when you arrive. The "The Answer Is Yes!" button on the phone, that when called, prompts the employee to ask what the guest needs and when they can expect it.

The story that has always hit home for me is the one about the grocery bagger who is autistic. When the management and staff were challenged to take the next step up in customer service, the bagger took it upon himself to go home every night, find an inspirational saying, type it on his computer and cut out a bunch of copies. He would then place them discreetly into one of the bags he was bagging so his customers would be pleasantly surprised when they got home. After a few weeks of doing this, his manager looked up one day to see his line was ten deep with customers waiting to checkout, while the other lines were empty. Trying to get his customers to move to the other lines to expedite their check out, they all refused, wanting to get their special message for that day!



100% GUEST SATISFACTION

- **LISTEN**- The first step towards understanding the guest! It is your job and the job of your staff to ask the right questions, evaluate the problem and provide the customer with context.
- **BE FLEXIBLE**- Not all guest problems are the same. Though you can't jeopardize your business, stretch yourself to ensure flexibility in whatever area you can.
- **EMPOWER YOUR STAFF**- The guest must be able to call or interact at first contact and know that the issue has been taken care of on the spot, or the person they dealt with will work to solve it themselves.
- **INCREASE ACCESSIBILITY**- All B&B/Inn's should be available in their customers time of need, and specifically when their problems arise.

More Productive Days

- **Stay ahead of the curve-** Get up early and spend half an hour or so in the calm of the early morning thinking through what is coming up.
- **Manage your interruptions-** Put aside an hour in the morning and an hour in the afternoon as a time to get caught up on all the tasks you have been forced to ignore throughout the day.
- **Get out- Take a quick walk** around the grounds to take stock and marshal your thoughts.
- **Design your own to do list-** What tasks will make the biggest impact on your property? Attack the tasks that will show you the biggest results.
- **Cat Nap-** Science shows that taking these will enhance your performance and keep you ahead of the curve.

FEATURED B&Bs/INNs FOR SALE

[Hot Springs NC Inn & Restaurant](#) on the Appalachian Trail near the French Broad River, the Great Smoky Mountains National Park and Asheville. . . [more>](#)

[Chantaloup Chateau](#) - Incomparable Historic Flat Rock Property - Opportunity to Acquire a Unique Investment as a Potential Bed & Breakfast Inn or Resort . . . [more>](#)

Unique historic downtown Hendersonville NC Inn - [Claddagh Inn](#) - has been welcoming visitors for 100+ years. . . [more>](#)

[Mimosa Inn](#), built in 1903, has been a landmark and social gathering place for more than a century . . . [more>](#)

Located in Hyman Heights Historic District of Hendersonville NC, [Killarney House Inn](#) is an elegant three-story historic structure . . . [more>](#)

INN FOCUS

PREVIOUS EDITIONS

[Volume 1 - 2007](#)

- **ENSURE CONSISTENCY-** No matter what you do, it is imperative to ensure that your service approach is kept consistent throughout the entire staff.

RECIPES

Praline Bread Pudding

Yields 1 - 2qt.
Baking
Dish or 12 Muffins



- | | |
|-------------------|------------------------------|
| 4 eggs | 3 cups heavy crème |
| 1 cup milk | 1 tbl. vanilla |
| 1 cup brown sugar | 6 cups torn up day-old bread |
| 1 tsp. cinnamon | 2 tsp. melted butter |
| 1/2 tsp. nutmeg | 2 cups broken pralines |

In a large bowl, beat eggs, add butter, sugar, vanilla, and spices. Mix well. Whisk in heavy crème and milk.

Add bread and pralines. Fold in, cover and put in refrigerator for several hours. Spoon into greased muffin tins or baking dish.

Bake at 350 degrees for 20-30 minutes until the center springs back. Serve warm with vanilla bean ice cream or crème anglaise.