

# EXPLORE 23

FEST


# Developing process to increase productivity and profits

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A person is seen from behind, sitting on a white lounge chair on a wooden deck. They are looking out over a vast, open landscape with green bushes and trees under a hazy sky. A bottle and a glass are on the deck in front of them. The scene is framed by dark wooden pillars and a metal railing.

**23+**

years in the vacation  
rental Industry

**16+**

owned/operated  
VR companies

**200+**

resort destinations  
operated in

**1100+**

VR in current  
management

# Current landscape

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Decreased occupancy / revenue

Lack of diligence / focus

Pandemic profits have subsided

Increased expenses

Business practices have remained the same

Lack of accurate or consistent financial reporting

# The problem

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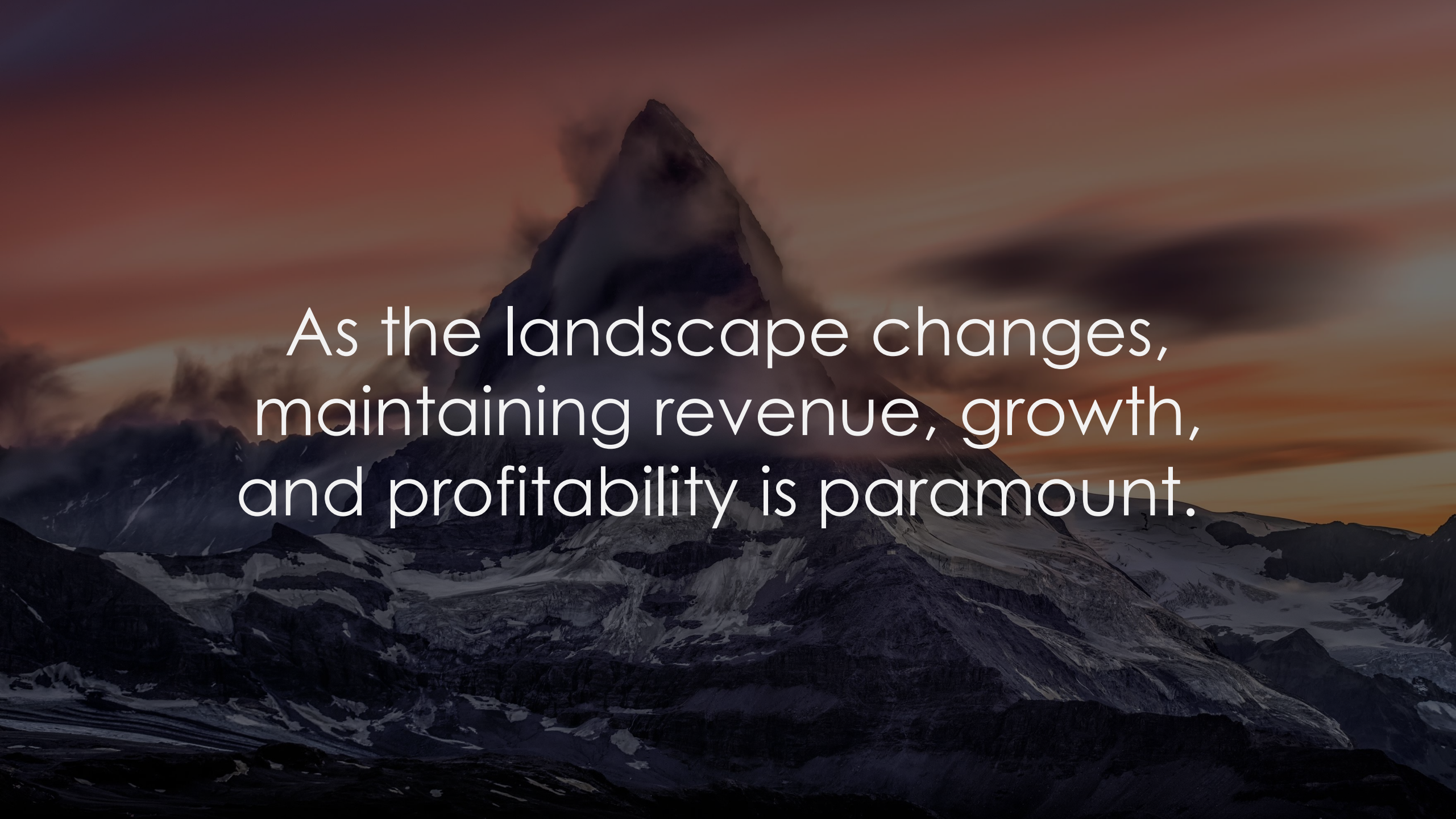
Economic indicators shifting

Interest rates climbing

Domestic occupancy and ADR decreasing

Political and legislative issues cropping up



A dramatic mountain landscape at sunset or sunrise. A sharp, snow-capped peak rises from a rugged, rocky slope. The sky is filled with soft, orange and pink clouds, and the overall scene is bathed in a warm, golden light. The text is overlaid in the center of the image.

As the landscape changes,  
maintaining revenue, growth,  
and profitability is paramount.

“Change before you have to.”

- Jack Welch

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# Three focus areas to promote meaningful change in your business

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Process

Productivity

Profit

# Process

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Review and create  
sustainable processes

# Revenue

Center processes around revenue

Reporting

Fee strategy

Regimented  
review

Pricing

Owner  
relationships

Growth  
strategies

# Reporting

Incorporate financial reporting in your everyday processes

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- Escapia **revenue reports**
- **Performance** dashboard
- **Year over year** (YoY) reports
- **Income** statements
- **Balance** sheets
- **Cash** flow



# Growth strategies

Always be looking for growth

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- Marketing
- **Unique** campaigns
- **New** owners
- Maintain **current owners**



# Owner relationship

Prioritize owners

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- Don't take **current owners** for granted
- Treat **top performing** properties as VIPs
- Focus on **consistent and effective communications**
- **Incorporate owner relationships** into regular processes



# Fee strategy

Stay competitive with fees and taxes

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- **Research current market** trends for all channels
- Regularly review your **fee and tax** structures
- **Update** as needed to stay current and competitive
- Ensure **fees correspond** to a business expense or service



# Regimented review

Keep an eye on revenue through regular reviews and data diligence

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- **Personally review** revenue reports as part of your process
- Focus on financial statement **variances and margins**
- Let **data be your guide** to smarter business decisions



# Pricing

Stay competitive,  
but don't leave money on the table

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- **Use Market Rates** within Escapia
- Understand your properties and **pricing thresholds**
- Favorable **quality-price ratio**



“Knowledge applied  
is productivity.”

- Peter F. Drucker

# Productivity

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Better manage expenses  
to enhance productivity



# Review expenditures

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## Focus on Gross Rental Revenue

Manage expenses as a percent of gross rental revenue

## Marketing

Review marketing ROI

Focus on marketing activities that drive return

## Contracts

Regularly review vendor contracts and shop around

Consider insurance, merchant processing, and purchasing

“Great things are done  
by a series of small things  
brought together.”

- Vincent Van Gogh

An elderly couple is captured in a joyful moment, splashing in a swimming pool. The woman, on the left, has short, curly white hair and is wearing large, round sunglasses with a colorful, abstract pattern. She is smiling broadly, showing her teeth. The man, on the right, has short grey hair and is wearing red-framed sunglasses. He is also smiling and has his hands raised, splashing water. They are both wearing swimwear; the woman's is a patterned one-piece, and the man's is red. The background shows a wooden deck and a building with dark shutters. The entire scene is framed within a large white circle.

# Profit

Meaningful profit is paramount  
to a sustainable business

# What is your profit margin?

10-15% is where you need to be

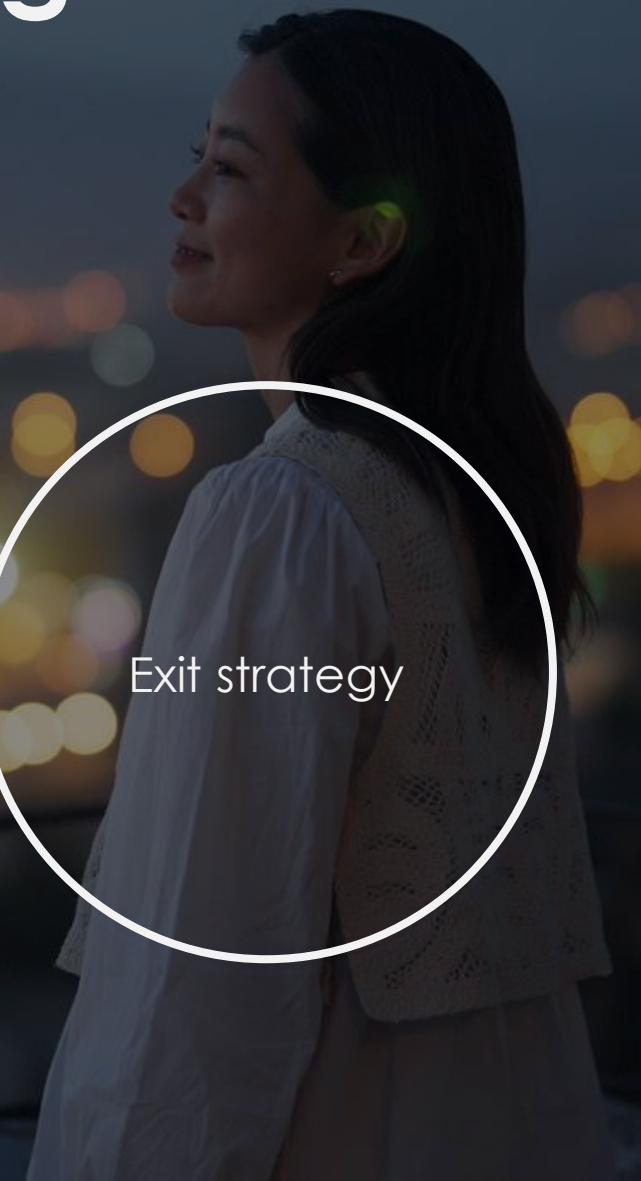
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Why it's important:

Going concern

Cash flow

Exit strategy



A woman with blonde hair in a bun, wearing a yellow ribbed sweater and headphones, sits on a train. She is looking out the window. The background shows the interior of the train with blue seats and windows. A large white circle is overlaid on the image, containing the text.

# Prepare for exit or sale of the business

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Based upon multiples of Adjusted EBITDA

What is Adjust EBITDA?

How to attain maximum value

# Generating a meaningful profit

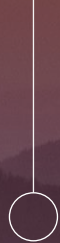
Requires regimented process

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Understand the  
landscape



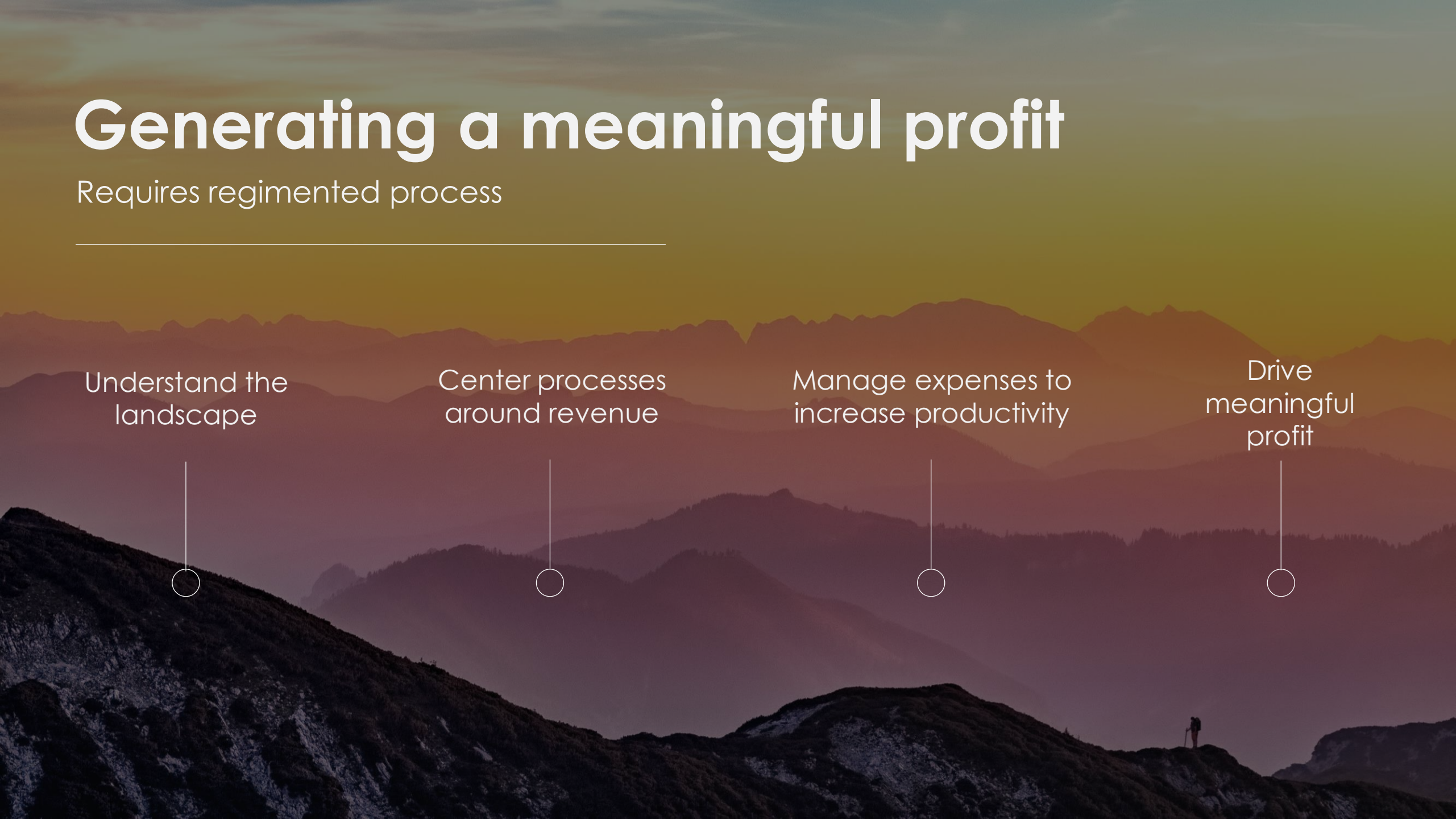
Center processes  
around revenue



Manage expenses to  
increase productivity



Drive  
meaningful  
profit



Q&A



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