



## Case Study

December 2010

### Meeting Room Solutions

#### Situation:

A prominent Hotel in the Chicago area with 16 meeting rooms comprising a 250000 square foot are, was experiencing a two-fold issue with their broadband services:

1. The resources it was taking to configure customized and ad hoc networks was costing too much and
2. There was no simple way to measure, report and quantify the broadband service sales to effectively gauge profitability.

The LodgeNet Meeting Room Solutions team took a long look at the meeting room space and discovered

- Current network supports limited wireless capability and customization.
- Current wired network not integrated with wireless overlay.
- No minimum dedicated bandwidth or rate-limiting capability.
- No gateway server authentication and control on wired network.
- Limited HSIA product offering and network capability overall.
- Solution configuration requires additional resources to implement.

Based on the hotel's stated issues and the goals they had for broadband in the conference areas the LodgeNet team suggested they unify their wired and wireless networks with the LodgeNet Conference Manager (LCM). The Conference Manager functionality would provide them:

- Web-based user interface increases accessibility
- Intuitive design geared towards technical and non-technical staff
- Provide event information to customers prior to arrival on-site (IP's, access codes, etc...)
- Greatly reduce event implementation time and resources
- Eliminate cost of revenue share by automating advanced solutions
- Automatic setup and removal of highly complex network configurations
- Highly personalized web experience for event customer
  - Personalized splash page event description and message
  - Vanity access code
  - Custom SSID (wireless broadcast signal)
- Enhanced product offering
  - Custom splash pages



- Multiple-room custom vlan creation (private network)
- Flexible access codes
- Flexible wireless options including custom SSID
- Per-user rate-limiting and dedicated bandwidth
- Advanced wired port configuration
- Public static IP assignment and dedicated bandwidth
- Event usage reporting available via Broadband Director

In addition the team worked with hotel management to define event pricing for broadband services that would give them a quantifiable and achievable ROI. Among the suggestions were:

- Sell by users/connections
  - \$50 - \$1000/connection
  - Bulk discount for large groups (25, 50, 75, 100, etc...)
- Sell by bandwidth utilization
  - \$100-\$300 per Mb/day (average)
  - Dedicated *minimum* amount of bandwidth/reporting
- Sell packaged IP products (wired and wireless)
  - Webcast/Videoconference
  - Web Café
  - Custom private network
  - Dedicated bandwidth
  - Public IP configuration

By utilizing the LCM network hardware and configuration, reducing hotel staff resources to setup and customize network configurations and implementing LodgeNet's local and remote support program, a realistic and aggressive ROI map was developed.

#### **Return-On-Investment**

- 250,000 sq/ft
- 16 meeting rooms
- 48-month term
- Target revenue : **\$1.00** per square foot projected *annual* HSIA sales revenue
  - \$250,000/year annual HSIA sales revenue
  - \$20,834/monthly HSIA sales revenue
  - \$5,209/week (\$744/day)
  - Average of 15 HSIA requests per week
  - \$347 average revenue per event



- \$250,000 projected HSIA revenue first year @ \$20,834/month projected revenue

#### **Event space HSIA sales – Sample pricing**

Access code – standard connection - \$150/day  
Standard dedicated bandwidth fee - \$200/Mb/day  
Standard public IP assignment and vlan package - \$500  
Custom event network configuration = \$1,000  
Web Café package (25 users) - \$350/day  
Webcast/Videoconference Package - \$500

#### **Business volume estimation:**

- Average 15 HSIA event requests per week
- 10 standard codes @ 2 days each
- 1 web café/week (1-day)
- 1 video cast/week
- 1 3m dedicated bandwidth per week (1-day)
- 2 custom event network configurations/month
- 4 public IP packages/month

According to the above sample, which is very typical of today's event requirements, the event space would generate the following revenue:

#### **Weekly Event Space HSIA Revenue and ROI:**

- 10 codes for 2 days each (300 x 10) = *\$3,000 weekly*
- 1 Web Café for one day - *\$350*
- 1 Videocast - *\$500*
- 1 3Mb dedicated bandwidth - *\$400*
- Custom event network configurations – (\$2,000 monthly) - *\$500 weekly*
- 1 Public IP packages - *\$500 weekly*
- **TOTAL WEEKLY RETAIL HSIA REVENUE = \$5250.00**
- **TOTAL MONTHLY RETAIL HSIA REVENUE = \$21,000.00**