

Step By Step Guide to Build a Hotel

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Starting Your Own Hotel

Starting or Building a Hotel or a Resort is different from other Real Estate Development, due to the amount of capital investment involved, time required to complete the project and the number of specialties and processes involved.

Hotel Development involves careful planning and coordination of various aspects, ranging from the Selection of Land (which can either be purchased or leased) to the final Grand Opening of the Hotel.

Conducting Market Feasibility study and projecting the financial viability of the project is very important to ensure if the project can really generate expected return on investment (ROI).

Formulation a well prepared Business Plan plays a vital role in giving the right direction to the business and also in convincing potential investors, to raise finance from different sources, for Hotel Development, Construction and Operations.

Another important aspect is to contemplate, if the hotel can be run and managed on its own, under its own banner, or is it beneficial to have a Franchise or a Hotel Management Agreement/Contract with a reputed Hotel Operator and the benefits/drawbacks associated with it.

This is followed by getting the whole Project Team on board and formulating and developing a concept, which uniquely identifies the property in the target market and to finally get the preliminary sketches and drawings done for the project.

Hotel Development and Construction process involves various Approvals, Permits and Licences at various stages of the project: before, during and after Hotel Development and Construction.

Next step is designing the various Front and back house areas of the proposed Hotel, including Hotel Exterior, Hotel Entrance, Lobby, Guest Floors and Guest

Rooms, Food and Beverage Outlets, Kitchen, Laundry, Technical Areas, Swimming Pool, Spa and other Front and Back of House Areas.

That's only half way through, which is followed by Hotel Project Cost Estimate, to stay within Budgets, which subsequently leads to Hotel Construction Scheduling and Planning, to the actual Hotel Project Management.

The whole construction process ends with the handing over of the Project to the Operations Team from the Projects Team, after the clearance of Punch /Snag List.

Selection, Procurement and Installation of various Furniture's, Fixtures and Equipment (FF&E) for various departments of the hotel is very important too.

Another important aspect is to apply for and get the relevant Star Classification for the Hotel.

Then, it's time for the Hotel Pre Opening process of actually getting the Hotel Management and the Operations Team on board.

Hotel Pre opening process involves conducting Staff Training, starting the Marketing and Promotional activity of the Hotel, Formulating Systems and Procedures, Conducting Trial runs and to get all the Operational Supplies and Equipment (OS&E) ready, for smooth operations.

Then, finally, there you go: Hotel Soft Opening before the actual Grand Opening. Soft opening is always recommended before the actual Grand opening, to correct any deficiencies in the systems and processes, before the hotel finally opens, fully.

Well, that's only when the real challenge starts for the Hotel Owners and the Management, to rightly position the hotel in the target market, create product awareness, setting and maintaining standards, and finally the all important aspect of realizing the expected return on investment through good Gross Operating Profit (GOP), by the right mix of good occupancy and high average daily rate (ADR) and at the same time optimizing the revenue from Food and Beverage Outlets, Conference, Weddings and Banquets.

This is just a gist of the whole process. Detailed information on Hotel Development, Construction and Project Management can be found at:

Step by Step Guide to Build a Hotel E Book by Santosh Koripella, which can be downloaded at:

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