

Executive Hosts

Registration Number - 2025 / 578035 / 07

Enterprise Type - Private Company

Revenue Management Procedure

Standard Operating Procedure - 10th August 2025

1) Purpose and scope

This SOP ensures consistent, owner-safe pricing management that balances occupancy and ADR using dynamic pricing software (PriceLabs), local market judgment, and clear guardrails. It applies to all properties managed by Executive Hosts.

2) Definitions

- Base price: The anchor nightly rate before rules and adjustments.
- Floors/ceilings: Minimum and maximum allowed nightly rates approved by the owner.
- LOS pricing: Length-of-stay discounts or premiums.
- Orphan night: A single or small gap between bookings that is hard to fill.
- Booking window (lead time): Days between reservation date and arrival date.

3) Roles and responsibilities

- Revenue Manager: Owns strategy, approves price changes, monitors pacing, communicates with owner.
- Pricing Analyst (or automation monitor): Preps weekly recommendations, maintains rules, tracks anomalies.
- Account/Owner Liaison: Confirms owner preferences, approvals, and blackout dates.

- On-call Lead: Handles urgent market changes or platform issues outside normal hours.

4) Tooling and data

- Dynamic pricing: PriceLabs (primary).
- Channels: Airbnb (and other OTAs as used).
- Data inputs: Market demand signals, comps, events and holidays, seasonality, day-of-week patterns, booking window, length-of-stay effects, calendar gaps, historical performance.
- Reporting: Monthly revenue pack and optional weekly snapshot.

5) Owner controls and autonomy

- Default operating mode: Full autonomy within owner-approved guardrails (recommended for best results).
- Owner guardrails: Rate floors and ceilings, blackout dates, minimum stays, maximum discount limits, promotion approval thresholds.
- Alternative mode: Approval-first for any change above the thresholds or for all changes if the owner prefers.
- Payout control: Owner remains the payout owner on platforms. Executive Hosts does not access platform revenue. Operating costs are advanced by Executive Hosts and reimbursed monthly via itemised statement. Optional permission can be granted for automated reimbursements.

6) Setup workflow (T0)

1. Collect inputs: property positioning, target guest profile, seasonality notes, owner risk tolerance, brand standards.
2. Calibrate base price: triangulate from comps, historicals (if any), and quality adjustments.
3. Configure guardrails: floors, ceilings, min/max LOS and discounts, promo caps, orphan gap policy.
4. Build rule set in PriceLabs: seasonality curve, lead-time ladder, day-of-week premiums, LOS pricing, orphan-night rules, far-out premiums, last-minute

discounts.

5. Dry run: simulate the next 90 days and spot-check rates against comps and owner expectations.
6. Go-live: enable sync to channels, document change log baseline.

7) Weekly cycle (pricing review)

1. Pull pacing: ADR, occupancy, RevPAR, booking window, LOS, channel mix; compare to prior period and market.
2. Review next 120 days: confirm that high-demand dates have sufficient premiums and low-demand periods have gap-filling strategies.
3. Adjust rules: fine-tune lead-time ladder steps, orphan-night fill thresholds, LOS incentives, and event surcharges within guardrails.
4. Approvals: if a proposed change breaches a threshold (e.g., promotional discount above cap), obtain owner approval before publishing.
5. Publish and log: push approved changes, record what changed and why.

8) Daily automation and monitoring

- PriceLabs sync runs automatically to reflect new bookings, cancellations, and shifting demand.
- Monitor exception alerts: extreme deviations, sudden demand spikes, or sync failures.
- If a “kill switch” is needed (e.g., market shock, platform issue), pause sync, revert to last stable state, and notify owner.

9) Event and season handling

- Maintain an events calendar for Cape Town (public holidays, school holidays, major sports/concerts, weather anomalies).
- Apply event premiums within ceilings; adjust minimum stays if appropriate.
- Confirm alignment with owner preferences on key dates and blackout periods.

10) Orphan-night policy

- Identify 1–2 night gaps created by surrounding bookings.
- Apply targeted discount within limits, adjust minimum stays to allow shorter bookings, and review lead-time rules to boost visibility.
- After filling an orphan gap, restore default rules automatically.

11) Promotions and discounts

- Standard promotions: early-bird, last-minute, LOS-based incentives.
- Approval thresholds: any promotion above the owner's cap requires explicit approval.
- Time-bound: all promos have defined start and end dates and auto-expire.

12) Reporting cadence

- Monthly revenue pack: ADR, occupancy, RevPAR, booking window, average LOS, pacing vs prior period and prior year (if available), channel mix, key events impact.
- Change log: what we adjusted and why, plus outcomes from prior changes.
- Next actions: specific steps planned for the coming month.

13) Quality and safety controls

- Guardrails enforced at all times: floors/ceilings, discount caps, min stays.
- Human oversight: revenue manager reviews outliers, event surcharges, and any rule set modifications before they go live.
- Audit trail: keep a dated record of rule changes, approvals, and sync status.
- Rollback: ability to revert to the last stable configuration in one step.

14) Exceptions and incidents

- Platform outage or sync error: pause automation, communicate to owner, and push critical updates manually if required.
- Market shock (e.g., sudden travel restriction): freeze promos, reassess floors/ceilings, update strategy within 24 hours.
- Owner-requested override: document the request, implement change, and tag it in the change log.

15) KPIs and review

- Occupancy and ADR vs comp set or target range.
- Pace variance vs prior period and forecast.
- Orphan-night fill rate and yield vs default pricing.
- Revenue impact of promotions and events.
- Owner satisfaction and feedback on clarity of reports.

16) Data retention and compliance

- Pricing change logs and reports retained for at least 12 months.
- Do not store unnecessary personal information in pricing tools.
- Comply with POPIA and platform terms for any exported data.

17) Version control and updates

- This SOP is reviewed quarterly or when significant market or platform changes occur.
- Revisions are recorded with date, editor, and summary of changes.

18) Owner onboarding settings (internal template)

- Base price range: [enter]

- Rate floor and ceiling: [enter]
- Minimum/maximum LOS: [enter]
- Last-minute discount cap and lead-time ladder: [enter]
- Orphan-night policy: [enter]
- Event premium cap: [enter]
- Promotion approval threshold: [enter]
- Operating mode: full autonomy within guardrails / approval-first
- Blackout dates and special rules: [enter]

19) Communication templates (short)

- Monthly revenue email subject: “[Property Name] – Revenue summary for [Month]”
- Body outline: top-line KPIs, what changed, why it changed, results, next actions, attachment links.
- Weekly snapshot (if sent): quick pacing delta, risk flags, and one or two actions being taken.

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