

SWOT ANALYSIS

MMIS AS THE HOTEL OPERATOR

INTERNAL FACTORS

Strengths (+)	Weaknesses (-)
<ul style="list-style-type: none"> ⊃ Commitment ⊃ Local understanding ⊃ Cost effective ⊃ Proven in the market ⊃ Operational adaptability <ul style="list-style-type: none"> ⊂ Greater flexibility to meet the needs and requirements of the market. ⊃ Immediate start <ul style="list-style-type: none"> ⊂ Key personnel are in place. ⊃ Standard Operating Procedures (SOPs) that address the local market requirements ⊃ Proven sales contacts ⊃ No license or system fees <ul style="list-style-type: none"> ⊂ Save 10 to 15 percent of gross revenue ⊃ The rise of the OTA ⊃ Know the guest <ul style="list-style-type: none"> ⊂ Guests do not travel to Muscat because of a brand. ⊃ Know the market <ul style="list-style-type: none"> ⊂ Location, product, service, experience, distribution and then “brand”, in that order! 	<ul style="list-style-type: none"> ⊃ No international office presence ⊃ Perceived lack of resources <ul style="list-style-type: none"> ⊂ Perception that the international chain has more resources for the property is basically irrelevant. ⊂ The resources are generally supplied by the owner, both for MMIS and the international chain.

EXTERNAL FACTORS

Opportunities (+)	Threats (-)
<ul style="list-style-type: none"> ⊃ Develop your own hotel management brand (eg NewCo) as a vertically integrated business ⊃ NewCo IPO <ul style="list-style-type: none"> ⊂ >OMR 3.3 million after five years (Projected valuation). ⊃ Acquisition of more management agreements through NewCo <ul style="list-style-type: none"> ⊂ Lower management fees. ⊂ More flexible contract terms. ⊂ More nimble operations. ⊃ Greater scope for creative and identity ⊃ Property Vs International Chain <ul style="list-style-type: none"> ⊂ Strategy – Focussing on the long-term development of the property, not the international chain. ⊃ Differentiated product ⊃ New revenue streams <ul style="list-style-type: none"> ⊂ NewCo Hotels, NewCo Corporate Centre, NewCo Serviced Apartments, NewCo Café, NewCo Motels. ⊃ Effective succession planning for ongoing growth ⊃ No constraints on owners’ ability to manage property ⊃ Your own Property Management System (PMS) <ul style="list-style-type: none"> ⊂ Install a bespoke PMS to handle the specific requirements of your property and its associated businesses, not the chain. 	<ul style="list-style-type: none"> ⊃ Unproven new brand ⊃ Management succession concerns <ul style="list-style-type: none"> ⊂ How to replace senior management in the case of unforeseen circumstances. ⊃ Hotel owners believe that their major asset will be better cared for by an international chain <ul style="list-style-type: none"> ⊂ While the hotel is a major asset for the owner, it is just one of many for the chain. ⊃ Perception: A larger chain will deliver greater revenue <ul style="list-style-type: none"> ⊂ Refer CHR <i>A Comparison of the Performance of Independent and Franchise Hotels.</i>