

The Hotel Yearbook 2023  
The Uncertainty New Normal



HY8



# **The Evolution of Consumption and the Future of Reporting Standards in Lodging**

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## Synopsis

HFTP CEO Frank Wolfe writes that his association, in partnership with AHLA and the Global Finance Committee (GFC), is modernizing the Uniform System of Accounts for the Lodging Industry (USALI®) to its 12th edition to address evolutions in information consumption and energy/resources use. This requires a shift from traditional learning methods to an interactive, online platform accessible on digital devices, making use of cloud-based publishing and multimedia-enhanced e-books.

Two clear objectives emerged when we contemplated the future enhancement of operational information and reporting standards for the lodging industry, objectives designed to address evolutions in consumption – specifically, that of information in the digital age, and that of energy and resources.

For starters, traditional learning and referencing have taken place within the pages of a printed textbook. This is no longer standard practice, as more often the modern information seeker turns to their computer, phone, or e-reader to source content digitally. Additionally, it is progressively evident that the intricately connected, globalized hospitality industry necessitates communication, collaboration, and interfacing, wherever and whenever possible.

Thus, the need for an interactive, online learning platform became a priority when HFTP set out to update the *Uniform System of Accounts for the Lodging Industry (USALI®)* to its 12<sup>th</sup> edition. Organizations have increasingly turned to cloud-based publishing platforms to make their content digitally available to readers on popular devices such as smartphones, tablets, and PC. These technology solutions allow for the printed books of old to be replaced by interactive and multimedia-enhanced e-books accessible via the Internet, an app, or even when offline.

The platform may also incorporate valuable opportunities for collaboration through the integration of discussion boards, as well as opportunities for content engagement with the ability to add personalized notes and comments to the digital content. All these features are available through the SaaS-based digital publishing platform *Kitaboo*, which will produce the soon-to-be-available *USALI* 12<sup>th</sup> edition e-book – allowing HFTP to achieve its objective of meeting the modern information seeker however, whenever and wherever they choose.

Expectations of the modern hotel guest and traveler have evolved, as well. Environmental, social, and governance (ESG) investing has become an especially significant and recurring theme in the travel and accommodation space as of late.

This was most recently discussed at the 2023 American Lodging Investment Summit (ALIS) during a panel session that featured me, alongside a powerhouse group of hospitality and sustainability experts: Michael Chang, VP energy and sustainability at Host Hotels & Resorts; Lauren Sandler, director ESG at Greenview; Robert Mandelbaum, director of research information services at CBRE Hotels' Americas Research; and Ralph Miller, president at Inntegrated Hospitality Management Ltd.

Mandelbaum and Miller are also members of the Global Finance Committee (GFC), which is responsible for creating the content for *USALI*'s 12<sup>th</sup> edition under the guidance of its co-chairs Raymond Martz, executive vice president, and CFO at Pebblebrook Hotel Trust and Gina Tallarico, VP, asset management at Hyatt Hotels Corporation.

This session at ALIS helped shed light on why ESG has become so important in the lodging industry. Surveys have continuously found that many of today's guests consider ESG a top priority when making their travel plans. Companies are also constantly looking for ways in which to meet carbon reduction goals and requirements, so virtually all requests for proposals (RFPs) call for sustainability data – information that is often difficult or impossible to find and can cost hotels valuable group and corporate travel business.

Hotels are notoriously considered substantial energy consumers, making a critical case for finding ways to save on the use of energy and resources. So much of a hotel's success also depends on the natural and cultural identities of the location to which their guests have traveled, so hotels should be invested in the preservation of the property's surrounding environment.

Furthermore, there are greater expectations from investors regarding the management and disclosure of climate risk. Investors want to know: what is your plan to reduce carbon emissions and mitigate the adverse effects of climate change? The potential exists for reducing the cost of capital when there is a successful ESG program in place, tied to metrics. And everyone in the global lodging industry is looking for the same thing: consistent, comparable, and reliable ESG reporting standards.

In updating the *USALI* to its 12th edition, HFTP and the GFC partnered with the American Hotel and Lodging Association (AHLA) Sustainability Committee to enhance the Utilities-Schedule 9 in the *USALI* 11th edition. This section has been remodeled to become the new Energy, Water, and Waste (EWW) of the *USALI* 12<sup>th</sup> edition. It incorporates a new EWW-Schedule 9, as well as a new metrics section to align with existing industry metrics, intended to improve the monitoring and benchmarking of EWW cost and usage.

In addition, the revised 12<sup>th</sup> edition provides guidance to support lodging properties as they evaluate their efficiency performance and prepare for information requests from stakeholders. It includes guidance to assist in calculating a hotel's environmental impact to address the increasing need at the property level where meeting planners, cities and/or other third parties request these statistics. Managing EWW cost, utilization and environmental impact may improve a hotel's profitability, enhance compliance with environmental regulations, and reduce its environmental footprint.

Since 1926, the *USALI* has been a leading publication providing operational information to the lodging industry. The information and guidance provided within the *USALI* should naturally evolve to reflect the latest industry trends and expectations of hotel professionals, guests and investors.

This is what has driven the evolution of the *USALI* as it approaches its newest version in a nearly 100-year history. The new digital version of the current 11<sup>th</sup> edition of the *USALI* is expected to be available in Spring 2023, while the 12<sup>th</sup> edition with the new EWW section is expected in late 2023. Learn more about the *USALI* at [www.hftp.org](http://www.hftp.org).

### HFTP PURCHASED USALI RIGHTS IN 2018

In October 2018, [Hospitality Financial and Technology Professionals](http://www.hftp.org) (HFTP®) purchased the copyright to the [Uniform System of Accounts for the Lodging Industry \(USALI\)](#), a resource the association has been connected to since its origins. Widely used internationally, the primary purpose of the USALI is to offer operating statements formatted to provide hotel owners, managers and other interested parties with operational information pertinent to the lodging industry. The USALI was first published in 1926 and is currently in its 11th edition. The copyright was previously owned by the Hotel Association of New York City. The resource is published by the American Hotel & Lodging Educational Institute, and HFTP has been a continuous sponsor and contributor to the publication.

The USALI, 11th revised edition was released in January 2015. Revisions to the USALI are overseen by the Financial Management Committee (FMC) of the American Hotel & Lodging Association (AHLA), a majority of which are HFTP members. Although the revision process will not change, HFTP plans to lean on its resources as an international organization to drive greater global adaptation.

"HFTP's goal is to be a source on finance and technology for the hospitality industry and owning the rights to the USALI, an essential resource used across the industry, aligns directly with this directive," said HFTP Global President Timothy Naus, CHAE. "With the new ownership responsibility, HFTP will continue to prioritize the evolution of the guidance within the USALI to reflect the changing nature of the hospitality industry."

HFTP's existence is due in large part to the establishment of the USALI, when the Hotel Accountants Association of New York met in 1925 to write and publish the book. From that point, the New York group and other state-centered hotel accounting groups moved to organize a national association. It eventually did in 1952 as the National Association of Hotel Accountants, now known as HFTP.



### Frank Wolfe — Chief Executive Officer (CEO) at HFTP

Frank Wolfe, CAE, FIH is the CEO of HFTP and an inductee into the International Hospitality Technology Hall of Fame and an HFTP Paragon Award winner. As HFTP's CEO, Wolfe oversees the association's operations, as well as represents the association worldwide at industry events, on industry boards and committees and via the news media. He often speaks on hospitality and travel related issues, and is an author, speaker and an advocate of careers in hospitality technology or finance.

### Hospitality Financial and Technology Professionals (HFTP) — [hftp.org](http://hftp.org)

Hospitality Financial and Technology Professionals (HFTP®), established in 1952, is a hospitality nonprofit association headquartered in Austin, Texas USA with offices in United Kingdom, Netherlands and Dubai. HFTP is recognized as the spokes group for the finance and technology segments of the hospitality industry with an international network of members and stakeholders. HFTP uniquely understands the industry's pressing issues, and assists its stakeholders in finding solutions to their challenges more efficiently than any organization. HFTP offers expert networks, educational resources, career development programs, research, leadership opportunities and conferences and events.

### American Hotel & Lodging Association (AHLA) — [ahla.com](http://ahla.com)

The American Hotel & Lodging Association (AHLA) is the largest hotel association in America, representing more than 30,000 members from all segments of the industry nationwide – including iconic global brands, 80 percent of all franchised hotels and the 16 largest hotel companies in the U.S. Headquartered in Washington, D.C., AHLA focuses on strategic advocacy, communications support, and workforce development programs to move the industry forward.



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