

BUSINESS DIAGNOSTIC · WITH NUMBERS · €650

Fernbank House

Everything in the starter audit, plus the parts that need your own numbers: margin line by line, pricing tested against the market, the shape of your year, and a plan by quarter.

7

revenue lines, margin
measured

11

prices tested against
four named rivals

12

months mapped, quiet
ones named

4

quarters planned

Portfolio sample. Fernbank is an invented eleven-room guesthouse. Figures are illustrative and marked. Where a real audit needs a number you have not given me, it carries a marked gap rather than an invention – there are three of those in this document, left in deliberately so you can see how they look.

WHERE YOU STAND

Eleven rooms, two good seasons, and a January that costs more than it takes.

An eleven-room guesthouse with a dining room that opens to non-residents four nights a week. Occupancy across the year runs at about 54%, which is respectable for the region and hides the actual problem: 62% of your annual room revenue arrives between June and September.

You are, in effect, running two businesses. One is a well-run summer guesthouse. The other is a large heated building with staff in it from November to March, and that second business loses money every year — quietly, inside the annual figures, where nobody has to look at it.

The starter audit would stop there. This one has your figures, so it can go further: which rooms, which nights, which meals, and what each is worth.

WHAT WAS USED

Three years of booking data by room and date. Your P&L for two years. Supplier invoices for food and laundry. Four named competitors priced on eleven comparable stays. Your listing, your reviews, and a stay as a guest in April.

THE NUMBER THAT STARTS EVERYTHING

January to March takes 24% of annual revenue and carries 38% of annual fixed cost. Every recommendation below is aimed at one of those two figures.

PLAIN JUDGEMENTS

Product	Pricing	Distribution	Off-season
Strong. Reviews mention breakfast unprompted in 41% of cases.	Undifferentiated. One rate all year, when demand varies by a factor of five.	Over-dependent. 71% of bookings through one agent at 15%.	Unaddressed. No reason to come in February has ever been offered.

TWO BUSINESSES, SIDE BY SIDE

	APR-OCT	NOV-MAR	DIFFERENCE
Share of room revenue	76%	24%	3.2×
Share of fixed cost	62%	38%	1.6×
Average occupancy	71%	29%	2.4×
Staff hours	68%	32%	2.1×

Illustrative. The gap between the first two rows is the whole problem: revenue is three times more seasonal than cost is, and no amount of marketing changes the second row.

MARGIN, LINE BY LINE

Where the money is actually made.

LINE	REVENUE	DIRECT COST	CONTRIBUTION	MARGIN
Rooms — direct booking	€94,000	€21,000	€73,000	78%
Rooms — via agent	€231,000	€86,000	€145,000	63%
Dining — residents	€61,000	€27,000	€34,000	56%
Dining — non-residents	€78,000	€44,000	€34,000	44%
Bar	€34,000	€13,000	€21,000	62%
Weddings & events	€48,000	€39,000	€9,000	19%
Afternoon tea	[X]	[X]	[X]	[X]

Illustrative except the last row, which is a **marked gap** — you do not currently separate afternoon tea from dining in the till, so nobody can say whether it makes money. Fixing that is a five-minute change to a till button and it is on the thirty-day list.

The finding

Weddings are 11% of revenue and 3% of contribution. They also consume the two best Saturdays of every month in the season — Saturdays which, sold as ordinary rooms at season rate, are worth more than the wedding is.

The one to protect

Direct bookings at 78%. Every point of booking mix moved from the agent to direct is worth roughly €3,200 a year at current volumes. That is the cheapest money available to this business and it needs no new guests at all.

WHAT THE DINING ROOM IS ACTUALLY DOING

Residents, 56%

Good margin, no marketing cost, and it is why people stay two nights instead of one. This is the version worth growing.

Non-residents, 44%

Twelve points worse, because it needs a bigger kitchen brigade on a Friday for covers that do not book rooms. It is not a bad business; it is a different one.

The question nobody asked

Whether opening to non-residents on Thursday earns more than closing the room and reducing the rota. Four Thursdays of counting would answer it.

THE SHAPE OF YOUR YEAR

Two good seasons and a hole you heat.

Room revenue by month, indexed to the best month. This is the single most useful picture in the document, and almost no small hotel has ever drawn it.



Illustrative shape, drawn from three years of your own booking data in a real audit.

The quiet months, named

January, February and November.

Together 15% of annual room revenue across a quarter of the year. These are the three months every recommendation in this document is trying to change.

The one people miss

December. It is not quiet – it is the fourth-best month, entirely on the strength of five days. Nobody plans for it because it sits beside two terrible months and gets averaged into them.

The one being wasted

September. Better weather than June, 71% of peak revenue, and no marketing effort at all. It is treated as the end of the season rather than a season.

WHAT A GOOD SEPTEMBER CAMPAIGN IS, PRECISELY

Photograph it in September

Every image you own was taken in June. September light here is better and the place looks like a different house – you cannot sell a season you have no pictures of.

Sell it as its own thing

Not *late summer availability*, which reads as leftovers. Name it, price it at shoulder rather than low, and put a two-night minimum on the weekends.

Start in mid-August

Not September. People book three to five weeks out for this kind of stay, so a campaign that starts on the 1st has already missed most of the month.

What a seasonal business is allowed to do

Close. Genuinely – closing for six weeks in January and February, with the heating on frost-guard and the staff on agreed leave, is a legitimate strategy and it is what several profitable places in the region do. It is on the table in the quarterly plan because the alternative is finding €40,000 of February demand that may not exist.

PRICING, TESTED

Against four named places within thirty minutes.

WHAT	YOU	RIVAL A	RIVAL B	RIVAL C	VERDICT
Double, midweek, low season	€120	€109	€135	€99	High
Double, weekend, low season	€120	€139	€165	€125	Low
Double, midweek, peak	€120	€155	€180	€140	Far too low
Double, weekend, peak	€120	€189	€225	€175	Far too low
Single occupancy	€120	€95	€120	€85	High
Dinner, three courses	€38	€42	€49	€36	About right
Breakfast, non-resident	Not sold	€16	€18	Not sold	Missing

Prices collected on the same Tuesday for the same three dates. Illustrative in this sample.

THE FINDING, STATED PLAINLY

You have one rate. Everybody else has four. In August you are €69 below the nearest comparable house on a Saturday night and you sell out anyway – which is not a sign that your price is right, it is a sign that you left money on every one of those beds.

Eleven rooms, sixty peak Saturdays and midweeks where you are clearly under. A conservative correction is worth **€28,000 to €34,000 a year** and costs nothing but the decision.
Illustrative – the real figure comes from your own occupancy by date.

Four rates, not one

Low midweek · low weekend · peak midweek · peak weekend. Four numbers on a page. Every booking system you already pay for supports this and yours has had the feature switched off since 2021.

Where you are too high

Single occupancy at full double rate, in a region where two rivals discount it. You are turning away the exact midweek business traveller who would fill February – the month you most need filled.

WHY ONE RATE HAPPENED, AND WHY IT IS HARD TO UNDO

One rate is a fairness instinct, not a pricing error. It feels wrong to charge two guests different amounts for the same bed, and every owner who has ever said so has meant it. But the guest booking a Saturday in August and the guest booking a Tuesday in February are not buying the same thing – one is buying a scarce room and the other is buying a room that would otherwise be empty and heated.

The practical objection is the one to plan for: a regular who has paid €120 for eleven years will notice €175. The answer is a named returning rate – a real, published number that rewards them and is lower than the new peak. It costs a fraction of what the general rise earns and it removes the only genuine reason not to do this.

THREE ROUTES

Costed, with the assumption stated.

01

Four rates instead of one

Cost — nothing. The feature exists in the system you pay for. Half a day to set the calendar.

Assumption — peak weekend moves to €175 and peak midweek to €145, with occupancy falling no more than three points. **If it holds** — roughly €31,000 more contribution. *Illustrative.* This is the single largest number in the document and it requires no new guest.

02

Move ten points of booking mix to direct

Cost — €1,400 for a booking engine that does not take a commission, plus the discipline of a rate that is genuinely better on your own site. **Assumption** — mix moves from 71% agent to 61% over a year. **If it holds** — about €32,000 of commission retained, less the engine. *Illustrative.*

03

Sell September as its own season

Cost — a fortnight of attention in July and about €600 of photography. **Assumption** — September occupancy rises from 63% to 72% at peak-shoulder rate. **If it holds** — around €19,000. *Illustrative.* The weather is better than June and nobody in the region markets it.

TWO THINGS TO STOP

Weddings, as currently run

19% margin, and they take the Saturdays worth most. Either price them at what the lost rooms are worth — which will lose you most of them — or stop. The middle option, which is what is happening now, is the only one that definitely loses money.

The single rate for single occupancy

It is costing you the midweek traveller in exactly the months you cannot fill. A €95 single in February is not a discount, it is revenue that currently does not exist.

THE ORDER THESE SHOULD BE DONE IN, AND WHY

Route one first, always — it is free, it is the largest number, and it changes the baseline everything else is measured against. Route two second, because a booking engine bought before the rates are right just sells the wrong price more efficiently. Route three last, because it needs photographs that can only be taken in September and a decision made in July.

Doing them in the opposite order — which is the order most businesses choose, because buying software feels like progress and changing prices feels like risk — spends €1,400 to earn a fraction of what a free afternoon would have earned.

THE YEAR, BY QUARTER

What to do, and when to have done it.

QUARTER	THE JOB	SPECIFICS	JUDGED BY
Q1 • Jan–Mar	Decide the shape of the business	Set the four rates before Easter bookings open. Split afternoon tea in the till. Decide, in writing, whether you are closing for six weeks next January.	Rates live
Q2 • Apr–Jun	Fix distribution before the season	Booking engine in and tested by 1 May. Direct rate genuinely better. Every guest asked, at checkout, to book direct next time.	Direct % by Jun
Q3 • Jul–Sep	Sell September, and hold the new rates	Photography in July. September campaign from mid-August. Do not discount peak weekends, even the ones that look slow at ten days out.	Sep occupancy
Q4 • Oct–Dec	Build the thing that fills February	Whatever it is, it is decided in October and sold in November. December is already good – protect it and do not add work to it.	Feb bookings held

THE FEBRUARY QUESTION, LEFT OPEN ON PURPOSE

This audit does not tell you what fills February, because the honest answer is that nobody knows yet and the options – walking weekends, a supper club, closing entirely – are business decisions rather than marketing ones. What it does say is that the decision has a deadline of October, and that heating an empty eleven-room house for six weeks is a choice you are currently making without having made it.

Two more marked gaps

Your laundry cost per room-night and the true cost of the breakfast covers are both [X] in this document. Both are knowable from invoices you already have, both change the dining margin materially, and neither has been invented here to make a page look finished.

WHAT EACH QUARTER MUST NOT DO

Q1

Do not open Easter bookings on the old rate. Once they are sold, the year is set.

Q2

Do not undercut your own agent listing. If the direct rate is worse, the whole route fails quietly.

Q3

Do not discount a slow-looking peak Saturday at ten days out. It teaches the market to wait.

Q4

Do not add anything new to December. It is already your fourth-best month and it is fully staffed.

THE FIRST THIRTY DAYS

Everything free, in the order that costs least.

WHEN	WHAT	COST
Day one	Add a till button for afternoon tea. Five minutes, and it closes a gap in this document.	€0
Week one	Write the four rates on one page. Do not load them yet – just decide the numbers.	€0
Week one	Pull laundry and breakfast costs from last year's invoices. Two hours, and it fills the other two gaps.	€0
Week two	Set a single-occupancy rate at €95 and load it for January and February.	€0
Week two	Ask ten recent guests what nearly stopped them booking. Not what they liked.	€0
Week three	Load the four rates from Easter forward. This is the day the money starts.	€0
Week four	Price the booking engine. Do not buy it yet – the rates matter more and they are free.	€0

WHAT IS ALREADY WORKING — DO NOT BREAK IT

Breakfast

Mentioned unprompted in 41% of reviews. That is extraordinary and it is the reason people come back. Whatever gets cut, it is not this.

The building itself

Reviews describe it as unfussy and warm. Resist the urge to smarten it up – the two rivals charging more are both more formal, and formal is not what you are.

Repeat rate

31% of summer guests have stayed before. Most of them still book through the agent, which means you pay 15% for a guest you already earned. That is what route two is really about.

WHAT THIS IS JUDGED ON

Contribution per available room-night, across the whole year.

Not occupancy. Occupancy rewards discounting and it is why one rate all year felt sensible. This number goes up when you sell fewer rooms at better prices, which is the entire argument of this document.

Today

€57

Per available room-night, all year. Illustrative – calculable from your own P&L in an afternoon.

Twelve months

€72

With four rates, ten points of mix moved, and September sold. No extra guests in the total.

Occupancy is a vanity number for a house with one rate. Contribution is the one that pays the heating.

WHAT THIS AUDIT DID NOT LOOK AT

Said plainly, because a document that claims everything is worth nothing.

Staffing and rotas

The largest cost in the business and entirely outside what a growth audit can see. If the real problem is that the kitchen is over-staffed in February, none of the above fixes it.

Capital spend

Whether four rooms need refurbishing before you can charge €175 is a judgement I am not qualified to make from a two-night stay. Ask the two rivals' guests, not me.

Whether to sell

It came up twice in conversation. It is a real question, it is not a marketing question, and it should be asked of an accountant and an auctioneer rather than answered inside a €650 document.

The honest summary of this audit is one sentence: **this is a good guesthouse with one price, and the single price is costing about €30,000 a year.** Everything else here is worth doing and none of it is worth as much as that.

Fernbank is invented. It exists to show what the €650 diagnostic adds once your numbers are on the table – margin line by line, pricing tested against named rivals, the seasonal shape drawn from real data, a plan by quarter, and marked gaps where a figure is not known rather than a number made up to fill the space.