TOPIC ELEVEN:

SUSTAINABLE BUDGETING
IN HOSPITALITY

FOR VET LEARNERS AND PROFESSIONALS IN THE HOSPITALITY INDUSTRY

SUSTAINABLE HOSPITALITY
DIGITALISATION TOOLKIT

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TOPIC 11
SUSTAINABLE BUDGETING
for the Sustainable Hospitality Digitalisation
SESSION PLAN FOR LEARNERS AND HOSPITALITY INDUSTRY PROFESSIONALS

No	Content	Explanation/header
1	Problem/Topic	In this session you will learn how you can build and modify your budgeting for the hospitality company in the way of sustainable budgeting, also considering sustainable hospitality digitalization, why sustainable budgeting is important and how to use it in a very effective way when working in the hospitality industry. We have adapted the materials to the 8 different learning styles, so in order to gain the most from this session, we strongly encourage you to test yourselves in your preferred learning style before proceeding. Take the test here: https://how-to-study.com/learning-style-assessment/
2	Estimated time consumption on the learning process/ activities	Between 5-10 hours
3	Learning activities	There are several kinds of learning activities in session plan that will address most of the 8 learning styles described in the two books published in conjunction with this project. Regardless of your preferred learning style, we do strongly recommend that you read the chapters 91. Budgeting in Pedagogy of Sustainable Hospitality Digitalisation, 92. Costs of Sustainable Hospitality Digitalisation, 93. Budgeting in Sustainable Hospitality Digitalisation from the digital brochure Pedagogy of Sustainable Hospitality Digitalisation (see attached) before embarking on the learning activities below. Reading material ● The dedicated chapters in the Pedagogy for Sustainable Hospitality Digitalisatiom is the perfect way to gain more knowledge on this topic if you are The Linguistic Learner or Verbal Learner. You can also see the dedicated chapters attached at the end of this session plan.

- **4Sustainable Budgeting**
  Downes, R. (2018). Green Budgeting. OECD Budgeting & Public Expenditures Division. Available at https://medium.com/@OECD/green-budgeting-2b6400edc224

- **Triple-bottom line accounting**

  This is what businesses use to go beyond the usual financial balance sheet to ensure their accounts reflect environmentally and socially responsible profits and loss.
  Shareholders and clients increasingly want companies to be clean and responsible in their business practices, to such an extent that it can affect their stock value.
  Downes, R. (2018). Green Budgeting. OECD Budgeting & Public Expenditures Division. Available at https://medium.com/@OECD/green-budgeting-2b6400edc224

- **"Green budgeting"** aims to use the budget–taxes, spending and policy co-ordination–to assess and promote the alignment that is essential to meet environmental goals. For example, green budgeting shows financial outlays that have positive climate change impacts, and highlights tax policy choices that must be confronted as fuel is "decarbonised", whittling away a major source of government revenues.

- **Sustainable Budgeting.** Many large private corporations employ the triple-line accounting championed by the likes of the Global Reporting Initiative, an independent organisation, to measure overall company performance according to not only traditional profit and loss, but social responsibility to people, and environmental performance as well.
  Downes, R. (2018). Green Budgeting. OECD Budgeting & Public Expenditures Division. Available at https://medium.com/@OECD/green-budgeting-2b6400edc224

Case material
- The following case material is suited for *The Kinesthetic Learner or Physical (tactile) Learners*

  5 Steps to Create A Sustainable Restaurant Budget
  https://www.revolutionordering.com/blog/restaurant-budget

Video material
- The following videos are suited for most of the 8 learning styles, as they in various ways combine different learning styles. We encourage the *Kinesthetic Learner or Physical (tactile) Learners* to view them together with others who are interested in this topic. Perhaps a colleague at work or a fellow student.
- Hotel Sustainability Basics – Efficiency https://www.youtube.com/watch?v=MWQXJiCxlYs
- Sustainable Hotel Practices / Top 10 Best Eco-friendly Hotel Practices / Ecotourism Journey https://www.youtube.com/watch?v=giUk6K_Xh54

Suggestions to courses on the topic
- The following suggests are especially suited to *The Interpersonal Learner or Social Learners (aka Linguistic Learners)*
- Seven ways to plan your hotel budget in times of inflation https://blog.pressreader.com/hotels/seven-ways-to-plan-your-hotel-budget-in-times-of-inflationthings-to-consider-0
- How to become a Sustainable Hotel while cutting costs? Follow the example of King Fisher Village. https://www.geniuswatter.com/sustainable-tourism-king-fisher-vilage/
- Business Case for Sustainable Hotels https://sustainablehospitalityalliance.org/wp-content/uploads/2020/05/Business-Case-for-Sustainable-Hotels.pdf
- The global standards for sustainability impacts
- The GRI Standards enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development. In addition to companies, the Standards are highly relevant to many stakeholders - including investors, policymakers, capital markets, and civil society.
- The Standards are designed as an easy-to-use modular set, delivering an inclusive picture of an organization's material topics, their related impacts, and how they are managed.
- https://www.globalreporting.org/standards/

		● GRI Standards https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/ ● Global Reporting Initiative (GRI) https://esg.hilton.com/wp-content/uploads/sites/4/2023/04/2022-GRI-Index.pdf ● https://esg.hilton.com/wp-content/uploads/sites/3/2020/04/Hilton-2019-GRI-Index.pdf ● Sustainable Economy - Read the Cases https://www.tuvsud.com/en/themes/corporate-sustainability?utm_source=google&utm_medium=cpc&utm_campaign=2023_corporate-sustainability_gl_gl_co_cor_tff_ts&utm_term=business%20sustainability&s_kwcid=AL!14017!3!664509251645!b!!s!!business%20sustainability&gclid=EAIaIQobChMI1YP_7qLiggMVRlyRBR0ZkwCqEAAYASAAEgLBxfD_BwE ● Fixed/Variable/Total Costs and the Marginal Cost of Production https://www.youtube.com/watch?v=f640XIT7ZgA ● Payback period https://www.youtube.com/watch?v=FJjGi7gsK3A ● Marriott International Annual Report 2023 http://pdf.secdatabase.com/188/0001628280-23-003485.pdf

4	Goals	Upon finishing this part, you should be able to:
		 Knowledge:
		
		 ● Define which aspects relate to sustainable budgeting for a hospitality company
		 ● Know how to develop and design new sustainable hospitality solutions within the frameworks of hospitality company sustainable budgeting
		 ● Understand how energy audit and resource optimization can lead to sustainable budgeting
		 ● Interpret how digitalisation and other technological solutions can lead to sustainable budgeting of hospitality company
		 ● Understand how to proceed:
		     ○ Income streams, fixed costs and variable costs
		     ○ Sustainable costs;
		     ○ Methods of forecasting to set realistic profit margin targets
		     ○ Pricing strategies and setting realistic targets;
		     ○ Sustainable pricing, green pricing;

- Sustainable capital management
- Sustainable waste management
- Checklist of success factors, strategic infrastructure steps to operate and maintain infrastructure efficiently and effectively
- Sustainable cost control issues and progress in terms of targets and expectations

Skills
- Apply the knowledge obtained and listed above training and self-study for further integration in the hospitality business solutions
- Explore the tools that can be used for sustainable budgeting
- Develop the sustainable budget for the hospitality company
- Modify the budget for the sustainable budget of the hospitality company
- Conduct energy (and other resource water, etc) audit and calculate the sustainable energy optimization budget
- Demonstrate how digitalization can lead to sustainable budgeting and optimize the costs
- Proceed and develop:
  - Income streams, fixed costs and variable costs
  - Sustainable costs;
  - Methods of forecasting to set realistic profit margin targets
  - Pricing strategies and setting realistic targets;
  - Sustainable pricing, green pricing;
  - Sustainable capital management
  - Sustainable waste management
  - Checklist of success factors, strategic infrastructure steps to operate and maintain infrastructure efficiently and effectively
  - Sustainable cost control issues and progress in terms of targets and expectations
- Calculate payback period for the capital expenditures for digitalisation or other technologies used by the hospitality company

5	"If….then you can…."	After completing this part, you will be able to:
		● Define and describe key aspects, terminology and concepts of sustainable budgeting
		● Understand how you can add value to the hospitality industry by researching and updating knowledge on

		sustainable hospitality budgeting and relevant technologies ● Research other study cases and read about different examples of how the companies implement the sustainable budgeting ● Develop the proposals for the sustainable budgeting of the hospitality companies
6	Guidelines (points)	The starting point of this session plan is to acknowledge which of the 8 learning styles fit you best, and then seek the learning material/activity that suits you best. Take the "learning style test" here before you proceed: https://how-to-study.com/learning-style-assessment/ Subsequently, it is important that you acquaint yourself with the "Goals" listed above for this session, as they will guide you through the material and what you should get out of it. After this, we invite you to look at the learning activities and choose the learning activity that best suits your learning style. Again, we strongly encourage you to use the "Goals" listed for this session plan as your guide. Having completed that, you can dive into the many different "Cases for practice" that we suggest, where you will gain a deeper understanding of the topics in this session plan. Finish up with the "Test" and the "checklist" and you have completed the course.
7	Cases for practice (individual/in groups)	Here are some "best practice" cases that we would recommend that you work on in order to better understand the topic of this session. Depending on your learning style we suggest that you choose the ones that fit you the most. INDIVIDUAL: Hotel budget: Steps in the budgeting process for hotels https://www.siteminder.com/r/hotel-budget/ Read the article on the budgeting and prepare the sustainable budget for the hospitality company , select the company, the period and the justified reason for budgeting; Mind map Guide: How to conduct an energy audit of your business https://www.sefe-energy.co.uk/energy-guides/how-to-conduct-an-energy-audit-of-your-business/ GROUP: Improving the ESG performance of your hotel/leisure asset (while also reducing costs and increasing value)

		https://www.twobirds.com/en/insights/2023/global/improving-the-esg-performance-of-your-hotel-leisure-asset Class discussion Brain storm

8	Test	In order to accommodate the 8 different learning styles, we strongly suggest that you take the "test" below in a manner that resonates with you. For example, if you are an Interpersonal Learner or Social Learner (aka Linguistic Learner) you might want to do this with others, whereas if you are a Naturalist or Natural/ Nature Learner you might wish instead to test some of the questions below in real life.
		
		 ● Please describe the difference between budgeting and sustainable budgeting?
		 ● Provide a proposal with short descriptions and calculations how the company can apply sustainability approaches to the budget of the company and environment on the example of ENERGY and resource allocation. Consider use of energy in infrastructure, resources, materials, deliveries, operations, waste, packing, products and other. Volume 5-10 pages.
		 ● Discuss, demonstrate how to apply Sustainable Budgeting for planning and control in your hospitality company:
		     o Income streams, fixed costs and variable costs
		     o Sustainable costs;
		     o Methods of forecasting to set realistic profit margin targets
		     o Pricing strategies and setting realistic targets;
		     o Sustainable pricing, green pricing;
		     o Sustainable capital management
		     o Sustainable waste management
		     o Checklist of success factors, strategic infrastructure steps to operate and maintain infrastructure efficiently and effectively
		     o Sustainable cost control issues and progress in terms of targets and expectations
		 ● Demonstrate results of the benefits of this approach; make charts, diagrams to illustrate.

9	Checklist	● What is the difference between sustainable budgeting and green budgeting? ● Explain the difference of fixed and variable costs?

		- How Global Reporting Initiative (GRI) can benefit to sustainable budgeting of the hospitality company? - If you need to propose an energy saving budget for the hospitality company, how would you structure the energy audit and the calculations? - Can you name some aspects of applying regulations and legislation for sustainable hospitality digitalization?
10	Link to the next topic – suggestions – feed up	Topic 3 Sustainable Hospitality Topic 12 Hotel Management Topic 11 Sustainable Budgeting Topic 13 F&B Management Topic 14 Economic Benefits from Sustainable Hospitality Digitalisation Practices
11	Activities and environment for 8 learning types:	Please make sure that every session plan includes the activities and environment **for 8 learning styles**. Formulate and integrate it in the descriptions
12	The Linguistic Learner or Verbal Learners (aka Linguistic Learners):	Financial Reports by Hilton. https://stories.hilton.com/category/financial Read the financial statements for the last full year (annual report) and the updates, design a PPT (not exceeding 10 slides) summarizing the content on the financial performance of Hilton.
13	The Naturalist or Natural/ Nature Learners	Design an infographic with some of the best indicators that the hotels have to achieve and achieved in financial performance for the last 2 years.
14	The Musical or Rhythmic Learner or Aural (audio) Learners	https://analyst-zone.com/techniques/resource-audit Watch this video with the guided text and prepare your own video (not longer than 1 minute) where you are explaining this information to the students on resource analysis for sustainable budgeting.
15	The Kinesthetic Learner or Physical (tactile) Learners:	Interview: talk to 2 different hotel managers and design a PPT to compare what they have in common and what they do differently in sustainable budgeting and how digitalization helps to proceed sustainable budgeting and achieve better performance results.
16	The Visual or Spatial Learner or Visual (spatial) Learners	Design a PPT with Google Slides or Powtoon about what are the summary on sustainable budgeting and resource audit, analysis for sustainable hospitality company - the hotel or restaurant.
17	The Logical or Mathematical Learner or Logical (analytical) Learners:	Create a survey with survey questions to evaluate 2 hotels or 2 restaurants performance in applying sustainable budgeting

		and resource audit, analysis according to their experiences and plans and write a report showing the comparison and results.
18	The Interpersonal Learner or Social Learner (aka Linguistic Learners):	https://www.globalreporting.org/standards/ Review the standards GRI and prepare proposal for the company on resource optimization and budgeted savings for the hospitality company.
19	Memo: **The Linguistic Learner or Verbal Learners** (aka Linguistic Learners): The linguistic learner is one who learns best through linguistic skills including reading, writing, listening, or speaking. (Verma, E, 2023). **The Naturalist or Natural/ Nature Learners**: The naturalist learns by working with, and experiencing nature. If this sounds a lot like a scientist, it's because that's how scientists learn. Naturalist loves experiences, loves observing the world around them, and captures the best information or knowledge through experimentation. (Verma, E, 2023). **The Musical or Rhythmic Learner or Aural (audio) Learners**: The musical or rhythmic learner is one who learns using melody or rhythm. (Verma, E, 2023). **The Kinesthetic Learner or Physical (tactile) Learner:** A Kinesthetic learner is a person that learns best by actually doing something. (Verma, E, 2023). **The Visual or Spatial Learner or Visual (spatial) Learners**: A visual or spatial learner is a person who learns best if there are visual aids around to guide the learning process. For example, someone who can learn best from diagrams, pictures, graphs would be a visual or spatial learner. (Verma, E, 2023). **The Logical or Mathematical Learner or Logical (analytical) Learners:** The logical or mathematical learner must classify or categorize things. They also tend to understand relationships or patterns, numbers, and equations, better than others. (Verma, 2023). **The Interpersonal Learner or Social Learner (aka Linguistic Learners):** The interpersonal learner is someone who learns by relating to others. Often, these people share stories, work best in teams, and compare their ideas to the ideas of others. (Verma, 2023). The Intrapersonal Learner or Solo Learner: The intrapersonal, as opposed to the interpersonal learner is someone who works and learns best when they are alone. (Verma, 2023).
20	Memo: The course elements include the elements and features to meet the needs of all styles of learning digitalization. As the course is aimed at a wider audience, to make more effect of the course, it is based on the principles of including the elements and activities according to three Learning Approaches. The course elements are based on the approaches: the Behaviourist Approach, when activities are built to respond to some form of stimulus, the Cognitive Approach, when the activities are based on knowledge and knowledge retention, and the Humanist Approach, based on explanations of individual experiences – in that case by

representing good practices and challenges by sustainable hospitality companies and their challenges in digitalization. Approaches to embedding sustainability and ESDGC in the content of hospitality digitalization are used.

On the basis of the Theory of Planned Behaviour that allows to assess of thoughts before and after education, the surveys can be offered and analyzed to measure the output of the session plan, increased capacity of digitalization skills, and development of entrepreneurial ideas to benefit from competences.