Strategic Business Solutions, Inc. management has been active in Franchise Planning and Decision Making for over 30 years. While most of our readers know of our work in the Convenience Store & Quick Serve Restaurant (QSR) arenas our methodologies apply across multiple industries (e.g. Banking & Credit Unions, Shopping & Strip Centers, Hotels-Motels and many more).

Note: For our new contacts in Florida simply substitute "Florida" for Wisconsin in the map/narrative.

"The Background" = Job + Technology + Principle
A. The Job
Before starting the company 18 years ago, I was working at a large bank holding company that was active in both adding new branches and acquiring area community banks. So, part of my job was to present senior management with fact-based opportunities to grow (Buy or Build).

B. The Technology
At the same time, we were allowed to purchase some early mapping software that allowed us to more easily overlay competitor bank branches and demographics (e.g. Growth, Income). It was awesome!

C. The Principle
About the same time, I went to a seminar on Economic Development where they showed "Over 70% of all US Businesses are within 1 mile of an Interstate Interchange". So, if you want to make money in real estate - **Follow the DOT**.

"The Base" = Interchange & Highway Convergence Point Segmentation & Ranking
So, with access to data and technology way ahead of most companies and a principle to build on - I started building a foundation of information. The core was a latitude-longitude coded interstate interchange database with segmentation capabilities for Urban Influence, Population, and Number of Businesses. - within 1 mile.


"The Magic" = Fact-based Modeled Clarity of Gaps & Opportunities
So, while most others were still "Best Guessing" where their next Bank Branch, C-store, Motel, Car Wash or other line of business should go... we began using information to build Predictive Models.
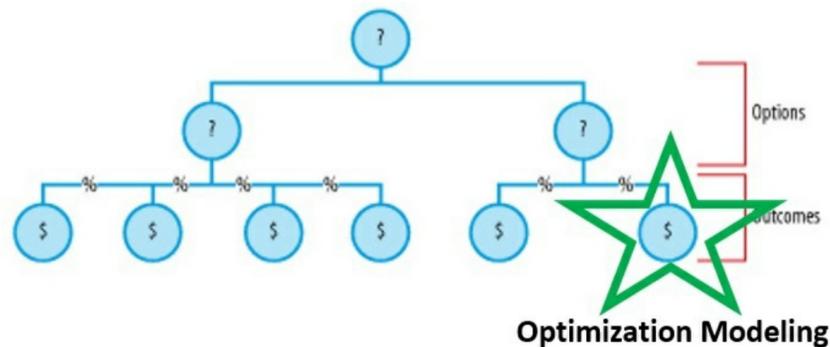
"The Mindset" = Purposely Conservative or > Probability for Financial Success
Since many of our clients are looking for bank or private money to finance their growth it was helpful that during my banking years I took a quick trip through the Credit Analysis (Underwriting) department. It was there that I learned that risk models that are conservative in nature influence the probability of a "loan not going bad" or the business succeeding/failing.
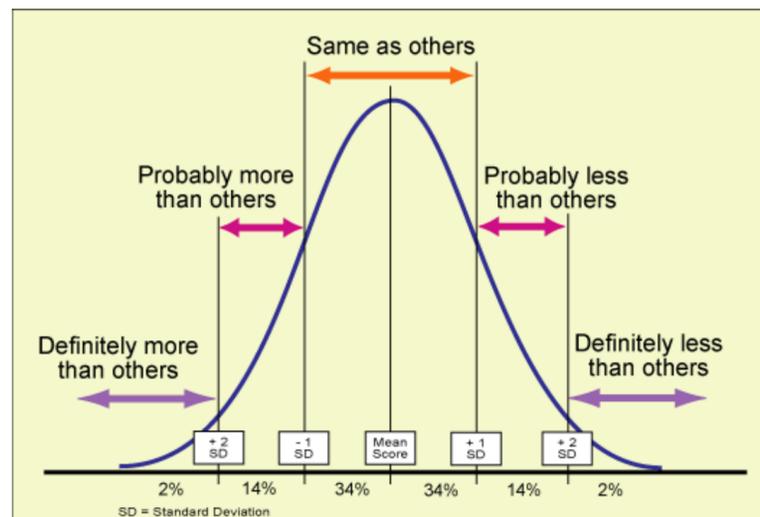
Brian, that's all very interesting!
But when are you going to show us how this applies to Hospitality Growth Planning?
OK.. here we go.

The Data = All Hospitality Related (WI) + Basic Segments
We start with a robust data source for Wisconsin (or any other state) and some basic segmentation.

All Hospitality Related
2,608

Primary SIC Codes	Count
Hotels & Motels	1,494
Resorts	636
Bed & Breakfast Accommodations	220
Restaurants	31
Skiing Centers & Resorts	27
Hotel & Motel Management	22

The Segmentation = Differentiating Capability #1

Brand Segmentation
Next, we separate **Brands** from Independent locations to isolate them - but retain the ability to see all competitors - even those that are "Unbranded". Then we upload known brand logos for easy identification and visualization.

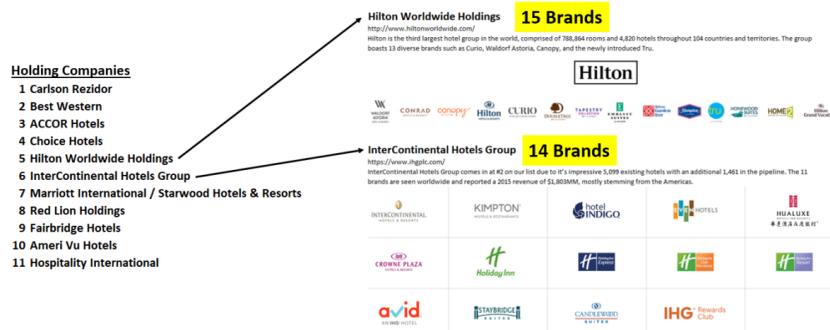| Known Brand	Count	%
Yes	623	41.8%
No	869	58.2%
Grand Total	1,492	100.0%

67 Brands

Holding Company Rollup = Differentiating Capability #2
As the Hospitality Industry is one that features rapid change and Holding Company dominance we built a table that allows us to roll up the brands by major holding company. This is very helpful as holding company executives and multi-location investors have shown an interest in creating **"Markets or Corridors of Dominance"**.

Interestingly, local and regional developers are often unaware of the holding company hierarchy. For example, **Hilton Worldwide Holdings** is actually behind **15 separate brands** while **InterContinental Hotel Group** is the controlling entity behind **14 different brands**.

Brands by Holding Company

Holding Companies
1. Carlson Rezidor
2. Best Western
3. ACCOR Hotels
4. Choice Hotels
5. Hilton Worldwide Holdings
6. InterContinental Hotels Group
7. Marriott International / Starwood Hotels & Resorts
8. Red Lion Holdings
9. Fairbridge Hotels
10. Ameri Vu Hotels
11. Hospitality International

Hilton Worldwide Holdings — 15 Brands
http://www.hiltonworldwide.com/
Hilton is the third largest hotel group in the world, comprised of 708,864 rooms and 4,820 hotels throughout 104 countries and territories. The group boasts 13 diverse brands such as Curio, Waldorf Astoria, Canopy, and the newly introduced Tru.

InterContinental Hotels Group — 14 Brands
https://www.ihgplc.com/
InterContinental Hotels Group comes in at #2 on our list due to it's impressive 5,099 existing hotels with an additional 1,461 in the pipeline. The 11 brands are seen worldwide and reported a 2015 revenue of $1,803MM, mostly stemming from the Americas.

That's looks very powerful Brian.
So, can you give me a clear example of why it is important?
Yes!

If you are a Developer or Motel Brand Manager and would like to know:
Which <u>Wisconsin Interstate Interchange</u> has the <u>Greatest Potential</u> **without** a **Branded Motel?**

Which WI Interchange?

Has greater Potential?
* Population Base
* Most Businesses

Without a Branded Motel?

Optimization Modeling

We Know the Answer!

You should call or email!

FORWARD TO A FRIEND REQUEST

Recently heard that asking readers to "Forward to a Friend" can help improve results from email campaigns. So, if you know someone that might find this of interest - please share!

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