

Sustainability index could help managers compete

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(PhysOrg.com) -- Researchers from Cornell and Boston University have developed a standard measurement of expenses for energy and supplies to be used as a sustainability gauge for the hotel industry.

The researchers, Rohit Verma, Cornell professor of hotel administration, and Boston University researchers Jie Zhang and Nitin Joglekar, describe their index in a new report from Cornell's Center for Hospitality Research, "Developing Measures for [Environmental Sustainability](#) in Hotels: An Exploratory Study."

To develop an index that would apply across the industry, the researchers analyzed operating statement accounts for 984 U.S. hotels between 2001 and 2008. They then compared the expenses as a percentage of revenue per available room.

"Looking at the [hotel](#) chart of accounts, we see that managers have to analyze expenses in at least five areas of their operating statement to get a sense of their energy and resource use, which affects their operation's sustainability," said Zhang.

Data were supplied by PKF Hospitality Research, which has data from hotels' operating statements back to 1936.

With this analysis, managers can compare their sustainability scores against their competitors', and also track their scores over time to see the financial effects of their hotel's sustainability efforts. For example,

hotels operated by a franchise brand or chain tended to have lower resource use than did hotels operated by third-party management firms. The analysis also quantified the additional expenses incurred by hotels that offer food and beverage service.

Provided by Cornell University

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