

# Preliminary Requirements Definition

## Hotel Franchise Calculator

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Our goal is to provide a value-added tool to the Hive4Hospitality site. Following is an analysis and discussion of details we need to consider and questions that must be answered before an initial high level blueprint and functional requirements can be drafted.

### **QUESTIONS FOR USE CASE SCENARIOS**

*In order to design the Franchise Calculator, we must have use case scenarios: who will be using it, what they need to know, and how they will use the results. Answers to the following questions are the foundation of the information architecture.*

1. Who will be using this tool?
  - User already owns a hotel and is thinking about franchise
  - User does not own a hotel and is thinking about franchise
  - User already has a franchise hotel and . . . ?
  - Other
  
2. What information does the user expect upon arriving at the website's franchise calculator?
  - User comes to the site already having researched hotel chains and has selected one. S/he only needs cost figures.
  - User is told to go do research on hotel chains on his/her own. S/he returns to the site expecting to get only cost figures.
  - User expects guidance in researching hotel chains in addition to cost figures.
  - Other
  
3. Given #2, what does the user know about franchising?
  - Does user know what factors are involved in owning a franchise, in terms of various expenses as well as logistics?
  - Does the user understand the formula/model used for calculating franchise fees?
  - Does user know the basics about what franchising is, how it works, and why an individual chooses to do it?
  - Does user know the practical and legal requirements for owning a franchise?
  - Other considerations?
  
4. Given #2 and #3, how does the user go about selecting a franchise?
  - What does user need to know about individual franchise brands?
  - What are the criteria upon which the user will make a decision about a franchise? (Costs may be viewed as an array of criteria; additional criteria need to be specified.)
  - Does user need to be able to compare different hotel chains based on an array of criteria? (Note: an online tool is unlike printed book in that user cannot flip pages to make comparisons; functionality for comparisons must be built in.)
  - Other considerations?
  
5. Given #2, #3, and #4, what information CAN we provide to educate users about franchising? (This question is anti-usability but is necessary for practical reasons!)
  - Content explaining factors involved in owning a franchise, in terms of various expenses as well as logistics
  - Content explaining the formula/model used for calculating franchise fees

- Content explaining the basics about what franchising is, how it works, and why an individual chooses to do it
  - Content explaining the practical and legal requirements for owning a franchise
  - Content explaining the criteria to be used in selecting a franchise
  - Content describing the features of individual hotel franchises
  - Other content?
6. How will the user USE the results generated by the franchise calculator, assuming that the only action available upon completion of the calculation is "PRINT PAGE"?
- User will have reached a final decision upon printing the page and will contact the franchise s/he has selected.
  - User will print out results for several franchises, perhaps do more research, and make a decision later, eventually contacting the franchise s/he has selected.
  - User will print out results for several franchises and contact all of them.
  - User was just curious.
  - Other possible uses?
7. Finally, what is going to be the greatest value of the franchise calculator to the user? What are the advantages of using the franchise calculator online, as opposed to using other means? What are the other methods that can be used to obtain the same information?

### **ANALYSIS OF FUNCTIONALITY**

*The Analysis of Functionality assesses what the Franchise Calculator needs to do from the user's perspective. The analysis shown here is preliminary because it is dependent upon answers to the questions about use case scenarios.*

### **OVERVIEW**

The basic functionality of the Franchise Calculator is simple: an intro is shown; the user selects a hotel brand; a calculation is performed using a formula; and results showing franchise fees for the selected hotel brand are presented to the user. The challenge is to make the process and results meaningful to the real people using the Calculator, putting the user in control of the process and providing results the user can use to accomplish his/her business goals.

### **INTRO**

In William Lee's diagram, the "introduction" part of the Franchise Calculator occupies two pages. The first page is similar to a title page in a book. Page elements include a title ("2001 Hotel Franchise Fee Model"), a byline (William D. Lee), and a logo (HVS/ H&MM), with instructions to "use the logo to enter." The second page offers a written description and a button to click to the next page.

At this stage, depending upon the content available, I believe the introductory material can be combined into a single page, as indicated in the architectural page outline below.

### Franchise Fee Calculator

[2001 Hotel Franchise Fee Model](#) –credit to William Lee & define model

[About William D. Lee](#) -- credentials

[What this tool does](#)—explain process, what info user needs to have ready to use the tool, what results will be provided, and how results can be used.

[About H&MM and HVS](#) – where this info comes from (credibility)

[Franchise Fee Analysis Guide](#) – opportunity to promote the print guide

I am assuming that, on the introductory page, the user wants to know what the tool is, why they should use it, how they can use the results, and why it's a credible resource.

I'm also assuming brief, summary-type information with links to further details.

Promotion of [the Franchise Fee Analysis Guide](#) is just a suggestion.

### Questions

1. Exactly what is the name/title of the tool?
2. Will all content proposed above be available?
3. Exactly what headings should be used for each section of content?
4. Do we want to promote the [Franchise Fee Analysis Guide](#)?
5. The button taking the user to the next page will not be a logo. What label is preferred? (Recommendations will follow in later iterations.)

### SELECT HOTEL BRAND

In William Lee's diagram, the proposed first step in the franchise calculator is "select hotel brand" according to three categories: limited, mid-rate, and first class. I see a couple of potential problems here that can be addressed based on use case scenarios. One problem is that the lists of hotel brands may be long and difficult to navigate. Another problem is that the categories themselves (limited, mid-rate, and first class) may not be self-evident to all users. So I'm thinking we may be able to reduce the amount of hunting the user has to do if we can sort hotel brands by criteria that will be meaningful in different user scenarios.

One option is to allow users to search for a hotel brand alphabetically (selecting a letter provides a list of all hotel brands that start with that letter). This would be good only if the user knows the name of the hotel brand they are interested in and if there is no ambiguity in the starting letter.

Another option is to allow users to search by investment range. For example, I see that the total initial cost for both AmeriHost Inn (Economy) and Country Inn & Suites (mid-rate) is \$40,000. I also notice that the total ten-year cost for the economy AmeriHost Inn (\$1,492,993) is more than the total ten-year cost for the mid-rate Best Western (\$1,025,830). So to do this, we'd have to have a meaningful way to sort the investment numbers. Also, the user would have to know what his/her investment range is. I notice that other sites dealing with franchise fees offer calculators to help the user determine their investment range, but since an application like this would have to be a separate project, the bigger question is whether the user will know what their investment range is in advance.

### Questions About Selecting Hotel Brand

1. How do users "recognize" the hotel brands for which they want to calculate franchise fees? Do they already know the brand names? Do they know which brand they are looking for when they come to the Franchise Calculator? Do they know what "class" the brands fall into?

2. Are there other ways we can slice the pie to make it easier for users to find the hotel brands they want? What categories will be meaningful to users of the franchise calculator? (Keep in mind questions about use case scenarios at the top of this document.)
3. How many hotel brands will need to be listed based on each selection method? (This will determine how the lists are displayed—drop down lists, check boxes, radio buttons, separate pages, etc.)
4. Will users want to select more than one hotel brand in order to compare costs?
5. Will users know what their investment range is?

## ASSUMPTIONS

In William Lee’s diagram, it is proposed that, once the user selects a hotel brand, s/he is presented with a list of assumptions for the category. The user is then told to "click here" to calculate the franchise fees for the selected hotel brand. One problem I see here is lack of interactivity and customization.

I’m thinking we could offer two options: a “Sample Calculation” and a “Custom Calculation.” The “Sample Calculation” would be the generic results based on the numbers provided in the “assumptions” page of the spreadsheet. The “Custom Calculation” would allow the user to fill in custom numbers to obtain results calculated using the same formula. A possible problem, if assumptions can be customized, is the potential for the user to enter inappropriate figures. For example, let’s say the user selects Marriott and enters “10” in the room count field and “\$3” in the average rate field. What happens?

### Questions about “Custom Calculation”

1. Which fields should be customizable? I’m thinking room count, average rate, occupancy, and maybe average length of stay are variables that could be customized.
2. Would it be appropriate for a user to customize some but not all fields?
3. What guidance or controls can be provided to help the user fill in appropriate numbers in the fields?
4. Will users want to select different hotel brands at this stage to compare results? If so, might they want to change their initial selection criteria, or would they want the same list of hotel brands?
5. What, besides “assumptions” and preferably a verb, would be a meaningful label for the activity the user is undertaking at this stage?

## RESULTS

Based on our phone conference 4/11/01, it is assumed that the results of the calculation will be a printable page showing the total 10-year cost and percentage of rooms revenue for the selected hotel brand. Hence, results will look something like this (*ignore format of table*):

Hotel Brand	Total Ten-Year Cost	% of Total Rooms Revenue
Howard Johnson	\$1,546,482	10.1%

I’m thinking that individual cost factors could make a difference to the user, especially if they are comparing brands against each other. Let’s say the user has less to invest initially but expects to be able to handle higher costs later on, or the user has an initial investment range in mind but is concerned about specific expenses (and their timing) along the way. Below, I’ve shown a comparison of Howard Johnson and Baymont, both economy class brands. Baymont has the lower Total Ten-Year Cost and Percent of Total Rooms Revenue, and Total Initial Cost is \$1000

less. But Baymont's Total Frequent Traveler Cost is almost double Howard Johnson's. Will these factors be important to a potential franchise buyer, or is the user interested only in the bottom line?

Hotel Brand	Total Ten-Year Cost	% of Total Rooms Revenue
Howard Johnson	\$1,546,482	10.1%
	<b>Details:</b>	
	Total Initial Cost	36,000
	Total Royalty Cost	612,938
	Total Reservation Cost	383,086
	Total Marketing Cost	306,469
	Total Frequent Traveler Cost	31,974
	Total Misc. Cost	176,015

Hotel Brand	Total Ten-Year Cost	% of Total Rooms Revenue
Baymont	\$1,471,350	9.6%
	<b>Details:</b>	
	Total Initial Cost	35,000
	Total Royalty Cost	766,172
	Total Reservation Cost	153,234
	Total Marketing Cost	236,469
	Total Frequent Traveler Cost	63,794
	Total Misc. Cost	146,680

I also think the results should be presented with the assumptions. The question is whether the user will want to change numbers in the assumptions to see different results. If so, what guidance will the user need to understand which variables will affect the results—the idea being to save the user the trouble of testing random numbers?

Additionally, might a user want to save results from the Franchise Calculator? If such functionality would be useful to users, I'm thinking it would be nice (pending development scope definition) to provide a place in the Account area where results of various calculations are stored on a single page so that the user can compare them. This would be especially useful if there is additional "research" information available for the user to follow up on, and also if there are any future plans for adding RFI functionality.

### Questions About Results

1. Does the user need to see additional details about costs?
2. Does the user need to be able to enter new numbers into the assumptions to view different results?
3. Does the user want to save results from the Franchise Calculator?
4. Is Total Initial Cost a one-time fee, whereas the other numbers represent total costs projected over a ten-year period?