Scandic Hotels

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A company profile

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BASIC FACTS

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	1992	1991	1990	1989	1988
Employees	5,350	6,240	6,735	6,497	5074
Wage costs (mil. Skr.)	--	783	764	668	--
Hotels	100	112	108	98	85
No. of hotelrooms	--	--	15,323	13,590	11,567
of which Scandic Hotels	--	--	10,272	9,568	8,773
of which Scandic Crown	--	6,500	5,051	4,022	2,794

Source: annual reports

1. HISTORY AND ACTIVITIES

Scandic was formed in 1963 and is part of the Ratos group, a large Swedish investment company. In 1986 it started expanding beyond Sweden.
In 1990 it embarked on an ambitious strategy of doubling its number of hotels in 5 years. It considered taking over 47 Crest Hotels from Bass, but lost the deal to Trusthouse Forte.

The Scandic Hotel Group is Scandinavia's largest hotel group. It operated in 1992 100 hotels in 9 countries and 40 road-side restaurants, a decrease compared with 1991. In 1991 it operated 112 hotels and 47 roadside restaurants (only in Sweden and Denmark, 7 providing accommodation), 6 new hotels were opened (of which 5 Scandic Crown). It operated 22 four star Scandic Crown hotels on the continent and 5 in Scandinavia. It also operated in 1991 77 three star Scandic Hotels in Scandinavia, mainly in Sweden (49) and Denmark (18). According to recent press releases, Scandic now has altogether 98 hotels, which means a decrease with another 2.
Most of Scandics activities are to be found in Scandinavia - Sweden, Norway and Denmark - Scandic includes holdings in Germany, Belgium, the United Kingdom, Austria and the Netherlands.

Scandic is an up market brand, aimed at providing a high quality product for the business traveller and. Scandic attaches great value to its image as a Swedish company. Its Scandinavian profile stands for good quality. Especially in Germany this seems to work out very well.

Scandics activities are executed under the following brand names:
Hotels:

Scandic Hotels (3-stars: full service, high quality along Nordic trunk roads)
Scandic Crown Hotels (4-stars: first class business hotels in major European cities).

Restaurants (Sweden and Denmark only):

Scandic Vägkrog, Checker's, Monarch.

The road-side restaurants provided for 8% of total turn-over in 1992, the Scandic Hotels for 51% and the Scandic Crown Hotels for 41%.

2. WHO OWNS SCANDIC?

Scandic is a wholly owned subsidiary of Ratos Förvaltings AB (Sweden). Ratos is basically a family-owned investment company. The Söderberg family holds 29.1% of the voting shares, the Torsten Söderberg foundation 11.1% and the Ragnar Söderberg foundation 10.6%. Ratos' strategy has been to move from a purely portfolio company, holding non-controlling shares in companies, to an industrial holding company for some wholly owned operations in the trading, service and property sector. Ratos include 4 subsidiary companies: Inter Forward (freight fir), Stancia (property firm), and Dahl (wholesaler). These 4 accounted for 42% of Ratos' total capital in 1990 and over 50% in 1992.

All operational activities must be able to stand on their own feet as profit centres, no long term strategy of synergy is pursued. This makes it possible to from a reasonable adequate picture of Scandics financial situation, eg compared to companies who are inter-woven in complex ownership and operational networks.

3. COMPANY STRUCTURE

In 1992 Scandic Hotel Svenska AB was made the parent company of the Scandic group, to achieve improved conformity between the legal structure and operating work. This provides for the following structure:

Holding company (since 1992): Scandic Hotel Svenska AB

Legal entities 1991 (all 100% owned) and their book value in thousand Skr.

Sweden	
Coq Blanc Hugman Rest. AB (sold 1992)	764
Källaren Diana AB (sold 1992)	113
Scandic Development AB	80
Scandic Active Hotel AB	50
Scandic Cater AB	50
Scandic Restaurant AB	50
Stockholmskrörgarna Scandic AB	50
Checker's Restauranger AB	50
Outside Sweden	
Scandic Hotel A/S Norway	31953
Scandic Hotel A/S Denmark	8961
Scandic Hotel Betriebs GmbH Austria	6098
Scandic Hotel GmhH Germany	46517
Scandic Vermögens Verwaltung GmbH Ger.	3486
Scandic Hotel Nederland BV Netherlands	6600
Scandic Hotel NV Belgium (*)	---
Scandic SA Switzerland	860
Scandic Hotel Ltd. Great Britain	44120
Oy Scandic Hotel AB Finland	4804

(*): 1% owned by holding company, other 99% shares are owned via the Danish subsidiary.

This year Scandic Hotel has opened a regional office in Koblenz, Germany for the 19 hotels within Scandic Europe.

Scandic reports results of operations according to 4 regions: Sweden/Finland, Den-

Denmark/Norway, Germany/Austria, and Great Britain/Belgium/The Netherlands.

In 1991 the group was re-organized, reducing the number of decision-making levels and dividing operations into 8 business areas, 4 of which based in Sweden. Further investments into the sales organization were made. In 1992 a new reporting system was introduced, to improve effective control and target orientation of individual hotels. Also the organisation was decentralised and made flatter, whereas the sales organisation was extended.

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4. MARKET POSITION

Scandic ranges among the top five for 3 and 4 star hotel chains in Europe. It aimed at becoming one of Europe's three largest chains. In Sweden and Denmark (1991:18 hotels), Scandic is the largest hotel chain.
Germany and Great Britain were targeted as the main fields of expansion. With 11 hotels opened in 5 years time, the otherwise fragmented German hotel market has become a stronghold for Scandic. This gives the company a chance to make arrangements with large travel agencies and large German companies.

Markets (%)	1992	1991
- Sweden	48	50
- Germany	15	13
- Denmark	11	11
- Norway	9	9
- UK	7	¦
- others	10	17
Total	100	100

Source: annual reports

In 1990 the road side restaurants expanded beyond Sweden, when the group signed a contract for nine new roadside restaurants in Denmark.

5. STRATEGY

ownership or management

Whereas in Sweden itself, Scandic seems to be owning an important of its hotel property, Scandic Hotels UK has preferred to run management contracts or leases in the UK, not becoming involved in the development and ownership of hotels. But in november 1992, Scandic has taken the freehold on the 150-bedroom Scandic Crown Gatwick hotel, and in return will give up management of the Scandic Crown Euston hotel, which is owned by Muirgold, a holding concern under the control of Gulshan Bhatia. Muirgold will now manage the Scandic Crown Gatwick, and the deal has allowed Scandic to make a considerable gain.

Scandic Hotel has seen the purchase of two hotels in the UK: Edinburgh and Scandic Crown Hotel Victoria London, by Anglo Scandinavian Hotels (ASH), owned by Anglo Scandinavian Estates, itself owned by the directors of Commercial Estates Management, from the receivers of Dancon (Denmark), construction concern which originally built and owned the outlets and went into receivership some time ago. Scandic was running the hotels under a management contract to the receivers, but had no long-term lease. Scandic Hotel UK has now moved into a 20-year contract.

In the Netherlands, Scandic planned the acquisition of the Scandic Crown Victoria Hotel, which is owned by Gunnar Lundgren, and was run under Scandic management. Scandic planned the take-over in partnership with a Swedish financier and was willing to provide Dfl. 6 million still needed for a renovation project.

Prime Hotel Nederland, Lundgren's Netherlands holding concern, was made officially bankrupt on 15 September 1992, making an acquisition possible. Prime owed its creditors some Dfl. 140 million, including Dfl. 1.5 million owed to Scandic Hotels, which instituted the bankruptcy proceedings. Scandic did not succeed in taking over the property which now is in the hands of Red Sea Hotels.

partnerships

As in many other industries, hotel companies have found out that they cannot go for it alone, and do not have enough means to expand on their own strength. So, partnerships are becoming increasingly important.

In august 1991 Scandic signed an agreement with Choice Hotels International under which 14 Scandic Crown Hotels would become Clarion Scandic Crown Hotels. The hotels, all four-star properties, were located in Austria, Belgium, Germany, London, the Netherlands and Scotland. The hotels would continue to be operated by Scandic, but

would take part in the marketing programs and reservations system associated with Choice's upscale Clarion Hotels & Resorts brand.
The scheme ran for two years with a view to expanding it if it is successful. Choice is a subsidiary of Manor Care and is the largest franchise hotel operation in the world.

In january 1993 Scandic Hotels announced to be seeking a new marketing partner for 18 of its hotels in Europe, including four located in the UK, after the breaking off of relations with Choice Hotels International. Following the ending of the two-year franchise deal by mutual consent, Scandic is now in talks with eight other hotel chains, including Marriott, and is considering marketing deals with airlines and travel agents.

While in 1991 Scandic announced to start a joint operated sales company in Finland, together with Rantasipi, in February 1993 it announced plans to merge the marketing, reservation and sales efforts with Finland-based Arctia Hotels. While not a full-scale merger, the partnership is set to make Scandic/Arctia Hotels the largest lodging chain in Northern Europe, with more than 150 hotels between them. They plan to represent each other in their home markets. Scandic will have a joint reservation office with Arctia subsidiary Arctia Hotel Partners in Helsinki and the two companies will co-ordinate sales teams and marketing campaigns.
Arctia has 45 Finnish and 7 foreign hotels in Russia, Estonia, Denmark and Belgium. Arctia is expanding with three members this year including the Hotel Commodore in St Petersburg; Taru Hotel in Tartu Estonia; and Arctia Hotel Brussels, Belgium.
'It's a win-win concept,' said Gunnar Brandberg, Scandic's marketing director. 'Instead of competing with each other, we are making each other stronger. We complement each other.' Scandic, with only two hotels in Finland, has been wanting to expand there for quite some time. Arctia, which also owns only two hotels in Sweden, has been hunting for a Swedish partner ever since its last partner, Sara Hotels, merged with Reso Hotels last summer. 'Sweden was our second-biggest market,' said Matti Miettinen, managing director of Arctia Hotels, 'and very important to us.' Instead of building new hotels and aggressively conquering each other's markets, a difficulty in today's recessionary times, the current arrangement promotes business with minimum effort. New brochures will be printed mentioning both hotel chains, clients will be notified of the expansion, and staffs will be trained to sell the other hotels. Otherwise, the hotel facilities are very similar. Most are three- or four-star full-service hotels, with restaurants, pools, saunas and leisure activities geared to the business traveller. Rooms run from $ 70 to $ 100 per night. In larger cities, Arctia have fancier five-star hotels just like Scandic. The alliance also means that all Scandic Hotel products and special discounts will be honoured by Arctia Hotels and vice versa. In addition, a centralized booking centre set up in Helsinki will handle reservations for both chains.

The two hotels also will cooperate in the future on joint marketing campaigns. While the names of the hotels are not likely to change, each chain can send clients to the other.

international expansion

In 1988 Scandic started construction of 9 hotels in Germany. It also entered the Belgium market by first taking over the Quality Inn Hotel in Antwerp followed within a year by the Hyatt Regency Brussels Hotel, with a management contract for 10 years. The hotel was renamed Scandic Crown Hotel Brussels.

In 1988 also, Scandic was planning to enter the UK hotel market by opening two hotels together worth 70 m Pounds (pds). The company planned to have at least five four-star hotels open in the UK within the next three years. The company's expansion throughout Scandinavia and Northern Europe had already created a chain of 74 hotels. The first UK premises was be a 45 m pds, 212-bedroom hotel opposite London's Victoria Station, the second hotel costing 25 m pds in Edinburgh. The Scottish hotel was promised to provide 200 permanent jobs.

In 1991 the group concluded that its international investment programme was now complete, having opened 36 hotels outside Sweden in 4 years time.

economics of scale

Scandic claims to have enough volume in operations in Sweden, Norway, Denmark and Germany to achieve economics of scale. This is mainly noticed on the purchasing side (eg all hotels have to serve Ramlösa mineral water), but is also apparent in bookings and marketing.

quality

Although customers have become more price-conscious and are moving away from the expensive 'luxury' hotels, Scandic have been looking for competitive advantages in providing extra services. For example, in 1992, Scandic Crown has opened a health and fitness centre at its Euston hotel in London, in a link with the Sports Council with equipment paid for by the Sports Council. Edinburgh's Scandic Crown Hotel has introduced satellite teleconferencing in a bid to become one of Scotland's foremost conference venues.

integration vs specialization

Scandic, with two different chains and three chains of road side restaurants, seems to be well focused. Concentration on core businesses have been strengthened after the selling of its 4 high end restaurants in Stockholm, although these were seen as beneficial to the whole group. Scandic said it operated these showpiece restaurants to guarantee competence and a high gastronomic profile. Also the selling of the Swiss Senior House in 1992 helps concentrating on core business, but could harm future prospects, as it is clear that tourism by seniors offers great opportunities.

6. SECTOR BACKGROUND

The idea of hotel chains is fairly new. It is one of the post-war inventions to originate from the US. The idea is to have a strong brand name to be marketed in general, for a series of hotels of the same category, offering more or less a homogenous product.
The biggest ten hotelchains in Europe already have as many rooms as the next forty chains combined. Accor clearly dominates the sector (69.171 rooms). Second is Club Méditeraneé (39.595) in which Accor owns a small share. The industry is marked by very low occupancy rates at the moment. Moreover, the is a hugh battle going on over the control of the European hotel industry. For example airlines have been merging with large tour operators thus making the hotel sector more dependent. But also hotel chains are buying into tour operators.

The hotel industry is made up of three parties, which may or may not form separate companies: investors (real estate), chains (building, marketing, equipment), and hoteliers. Companies which owned their own hotels, are tending to part from this strategy, as we have also seen for Scandic.
For example, Marriott (700 hotels) decided to split its hotel management operations and property assets into two separated companies. The downturn in the property market inspired Marriott to place all its debt together with the property assets and airport and toll road concessions into one company: Marriott Host, and the hotel management operations in Marriott International.
Other hotel chains have made similar separations as Marriott did. This means that the hotel operations may be sheltered from the risk of the property market. But for workers it may also cause problems. When a certain hotel, which is often incorporated in a separated company, runs into financial problems, the banks may decide to sell the property to get their loans back. In many countries, this property then may be sold as plain real estate. This means that employees have no right what-so-ever to claim a job with the new owner, which in some countries is the case when a company is sold (see chapter 8 on the problems of the Scandic Crown Victoria Hotel).

Large hotel and restaurant chains are not to be compared with other types of multinationals, because only very rarely does the chain company directly own and operate all hotels which bare the chain brand name. The relation between the mother company and the different establishments can be formed on the basis of:

-a-	equity participation
-b-	management contract (this is the most important form)

-c- leases

-d- franchising

Some hotel chains are mainly based on their capacity to raise capital and manage port-folio's, they will concentrate on form a. Some of these groups are more into the real estate business than into the hotel business. Others are based on their expertise in management, they will use form b mainly. Scandic and also for instance SAS Hotels falls into this category.

Others still are based on their ability to market a brand name; they will concentrate on forms c and d. Many mixed forms exist however. For example Hilton International, owned by Ladbrokes, owns or leases 92 out of its 157 hotels, 50 are under management contract and 15 are partial owned. Much of this is caused by different national tax regulations. Holiday Inn, owned by Bass, has 85% of their 1700 hotels run by franchisees, which have access to its worldwide reservation system. The biggest franchisee of Holiday however is another hotel chain; Queens Moat House. There are also chains of independent hoteliers bearing a common name like Best Western. Companies with roots in other areas of business are diversifying into the hotel industry, e.g. property companies, and the construction industry.

Franchising has been giving away to management contracts in the 1980s, to ensure more homogenous group operation. As the 'product' is fairly homogenous, a centralized management structure is possible. At the same time hotel chains dispose of their business risks by reducing their assets and concentrate on the management instead of ownership of hotels. The above mentioned factors, result in a very complicated ownership structure within the sector and even within companies.

Strategies of multinationals within the HRC sector

The main elements of the multinational strategies can be summed up as follows:

- internationalisation,
- mergers and concentration,
- quality management,
- diversification vs. core businesses strategies, in relation to vertical integration.

internationalisation

For smaller hotel chains like the Scandinavian, internalization have meant basically moving into the EC. Also, international marketing agreements are important to them.

Just like Scandic Hotels joined in a marketing venture with Finland-based Arctia Hotels; Reso Hotels has a marketing agreement with Sokos Hotels in Finland for the past 11 years and SAS with Swissotel.
The internationalisation have added to the tendency towards overcapacity, as every company moved towards the same places. For instance ever since the mid 1970s, London saw no new hotel improvements and developments to match the changes that were being experienced in 1991-92. In 1991 Scandic Crown opened its fourth London property, the 400-room Scandic Crown Nelson Dock. The idea is that London is that significant for international travelling, that a large presence here will make the whole chain more attractive. The same is the common idea in respect to Brussels, where capacity and competition have also risen sky high.
For bigger chains "Globalization" was the key word by the end of the 1980s. Whereas American chains have started to operate outside the U.S. decades ago, the European chains are still largely tied to their homemarket. Only recently they have tried to get a foothold in the US and Asia, but this has been halted by the recession.

mergers and concentration

The hotel business is (ill-?)famous for the speed in which chains change hands. The buying mania has been somewhat diminished now, due to the recession.
In Europe, opportunities for expansion of city centres hotels are limited by high prices of real estate and limited space for re-development. Thus, concerns are trying to take-over stock instead of setting up new hotels.

quality management

As tourist and travellers are getting used to certain standards, their wishes and demands become more outspoken. Also the increased competition in the industry lead companies to compete on quality, avoiding too much price competition. This leads to a upgrading of accommodations to gain competitive edge. It also is one of the factors leading to the establishment of complex hotel developments in which a hotel is an integral part of a larger facility, including offices, residential area, conference rooms, retail, sports and leisure areas, etc.
The European travellers appear 'to be less and less willing to trade quality for cheap prices, even at the lower end of the package holiday market. This desire for improved quality can be expected to lead to even greater pressure on the travel and tourism workforce and to more intense competition within the industry in the coming years'(OECD 1992). It also provides for opportunities of avoiding price-competition by offering new products and by developing an exportable quality policy. Scandic seems to be very well positioned in this respect.

vertical integration

SAS owning as an airliner activities within the catering, tourism and hotel business, is a typical example of vertical integration. The idea is that by combining these different activities, a company can strengthen its market position, offer extra services and/or profit on efficiency and synergy. As the travel and tourist industry is a market driven business, those controlling market channels are in charge. Others, not selling directly to the customer, like airliners, are in a disadvantaged position. Travel agents have a central position. But this is still a very fragmented sector, with only a few big companies, and many small local agencies.

Several factors lead to integration:

- the need to secure quality standards
- the search for economics of scale
- new technology, especially the use of computernetworks in reservation, booking, communication and marketing

However carriers in the travel business move into the travel agent sector and hotel sector too. This is partly to offset the market power of giant travel agents and other tourist industries, which can negotiate very cheap contracts with the carriers. Also a giant hotel company like Accor haven been strengthening its tourism activities, with casino, resort, gulf course and tour-operator activities. So competition is increasing with more well-organized companies operating on the market. However, Accor seems to have been paying dearly for its activities outside its centre of expertise and is planning to shed some of these, like car rental firm Europcar and its share in Club Med. Hotel Thus, for strategic reasons, tour operators, airlines and hotels may want to pursue a vertical integration strategy, but lack of resources and lack of expertise may hamper this ambition.

So, one may conclude that no clear tendency exists as to whether a strategy of integration or a specialization/core business will become dominant in the travel industry. However it is evident that boundaries between carriers, tour operators, travel agencies, the hotel business and others within the sector can be crossed quite easily, and will be crossed more often. Moreover increasing importance of scale economics and brand name chain marketing will increase the possibility for giant tourist industry firms to dominate other parts in the tourist industry than their originating business.

7. PERFORMANCE

Given the state of the Swedish economy, it comes as no surprise that the mother company Ratos is making losses, both in 1991 and 1992. 1992 losses almost doubled to 505 million SKr. The largest loss makers are the operational activities, due to restructuring charges of 479 million Skr in 1991 and 300 million Skr in 1992, and in 1992 also real estate (-248 mil Skr). The restructuring charges in 1992 were divided between Scandic (140) and Inter Forward (160).

The next chart shows the most important financial figures for the Scandic Group.

FINANCIAL FACTS (mil Skr)	1992	1991	1990	1989	1988
Turnover	2,712	2,795	2,702	2,355	1,728
Result after fin. income and expenses	-96	-110	62	66	68
Net result	6	-10	-4	9	--
Restructuring costs	-140	-141	-23		
Investments	231	350	582	857	
Interest free liabilities	533	512	--	--	--
Interest bearing liabilities	1,117	1,351	1287.8	997.1	718.1
Current liabilities	--	1,596	1,528	1,164	--
Long-term liabilities	--	267	207	193	--
Shareholders equity	376	391	401	390	--
(id. % of total assets)	19	17	19	22	25
Total	2,026	2,254	2,136	1,747	--
Return on capital employed (%)	2	2	9.5	9.9	11.1
Return on share holders equity (%)	-18	-19	11.5	13.5	14.3

Source: annual reports

Note the improved balance sheet, where in 1992 shareholders equity as a % of total assets increased. This means that the company is less heavily indebted. In 1991 interest expenses were slightly higher than operating income before expenses. Still 19% shareholders equity seems rather low. Net result improved also in 1992, whereas turnover decreased a bit. Ever since 1990, Scandic have faced troubled conditions. In 1990 it was not able to meet the financial targets it had set for itself, due to the Gulf war, doubled VAT on hotels in Sweden, rising petrol prices, etc. Therefore it has been restructuring the company continuously since that time. The rapid decline of the Swedish economy combined with the over-heated expansion scheme of the company, resulted in 1991 in a sharp fall of income after net financial items, compared to the year before, resulting in a Skr 110 million loss. The 1991 difficulties were also caused by an inadequate adaption of the organization to the new market conditions. Also 1992 showed no profits. Ratos decided to appoint new management and once again Scandic have been re-organised.

The hotels struggle with falling occupancy caused by recession and over supply. For example, the average Swedish occupancy was 38%, Scandic's rate was substantially higher: 50%, which resulted in an increased marketshare. Generally, the operations outside Sweden generate less income, due to start up costs.

In 1992 15 hotels were sold or leased out. Five roadside restaurants and the four Stockholm show piece restaurants were sold also. The cuts were mainly made in locations of limited strategic importance, or in over-established locations in which Scandic has several hotels. In addition, a number of rental contracts were renegotiated and adapted to the current depressed economic conditions. In Great Britain, Scandic changed its agreement structure which means improved profitability and a lower risk level for Scandic (and hence a higher risk for the hotelier and/or the real estate company).
All this resulted in improved earnings for Sweden, but Denmark and Norway remained weak, and Germany deteriorated.

In May 1991 the firm took over the running of the three Barkman's hotels in Copenhagen, Denmark. Scandic, despite seeing large losses of tens of millions of crowns over the last three years, is still convinced that hotel operations in Denmark can be profitable. Scandic's Danish operations saw losses in 1992 but had an improved result vs the 1991 figure of DKr 41 mil losses on DKr 373 mil turnover. Efficiency has been improved in a very difficult market.
Although already in 1991 a large restructuring started in Norway, in 1992 Scandic, with nine hotels in Norway, planned a campaign to improve the firms competitive situation. Around every third hotel in Norway was making a loss and has lost the majority of its equity capital. Scandic has improved efficiency at its hotels following rationalisation.

8. LABOUR ISSUES

In 1990 Scandic opened a new head office in Stockholm, with approximately 100 employees. In 1991 a reorganization at headoffice staff cut 35% of the jobs. In 1992 the workforce decreased with -14%, whereas at headoffice level staff has been halved.

The company operates its own Scandic Business School in Sweden, with four types of training courses:

- front-line training
- management training
- senior management training
- cultural training for non-Scandinavian employees (to teach the values of 'Swedishness')

The concept of 'Swedishness' is associated with high and uniform service quality and a management style described as 'Open Door management'. This presumes a flat organization with easy access to departmental managers for both customers and employees. For instance in the Victoria hotel, management consisted of a management-team of General manager and 8 departmental managers.

Scandic noted with satisfaction in the 1990 annual report that staff turnover has fallen.

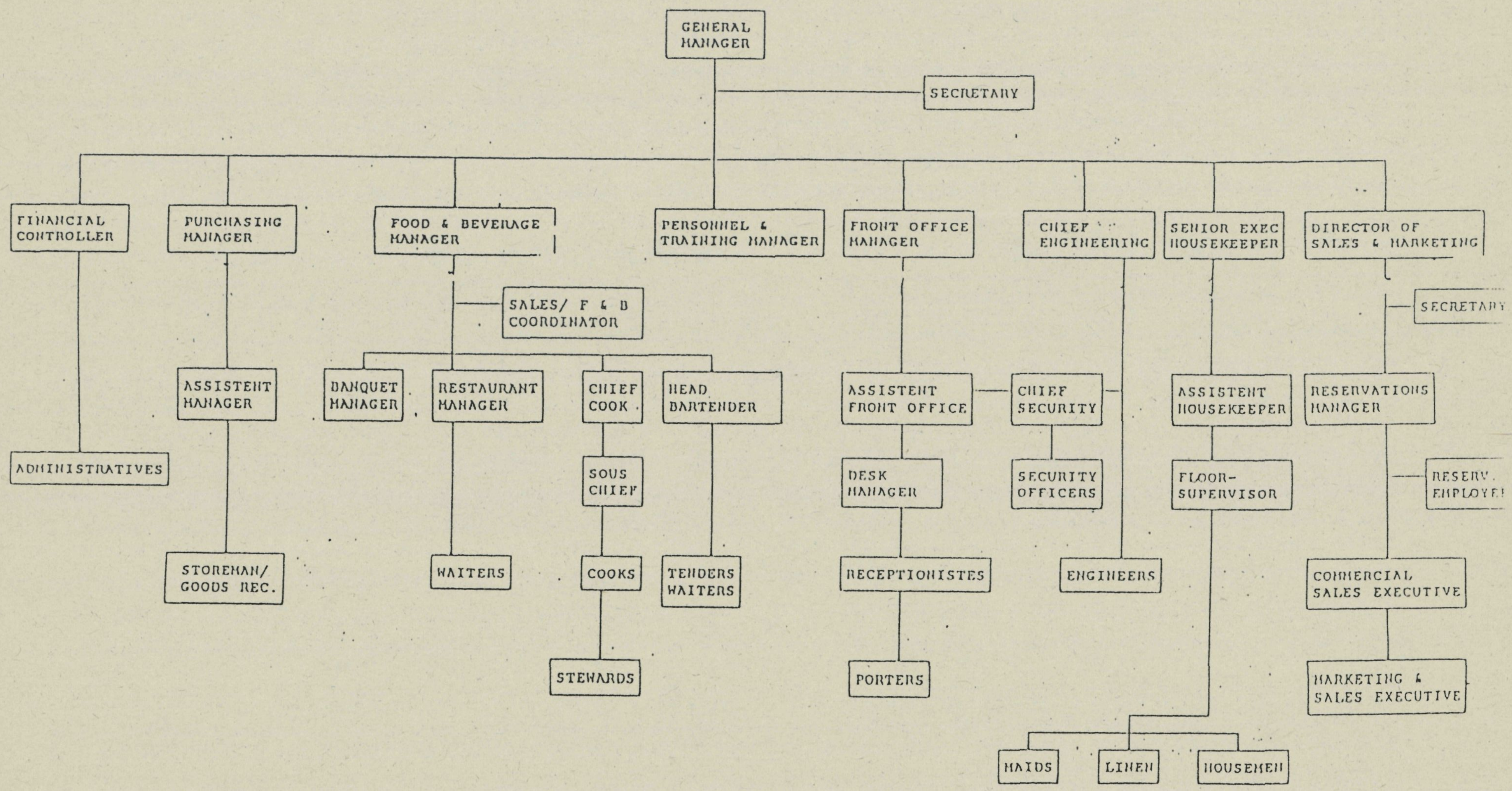
In the Netherlands, Scandic planned the acquisition of the Scandic Crown Victoria Hotel, owned by Gunnar Lundgren, and operated under Scandic management. Prime Hotel Nederland, Lundgren's Netherlands holding concern, was made officially bankrupt. Scandic instituted the bankruptcy proceedings.
It was very uncertain what would happen to the Victoria 's 130 employees, who were on not on Scandic's but on Lundgren's payroll. That was to depend on the official receiver.
The unions resited fiercely the possibility of a take over of the property for other than hotel purposes. In the end to new owner took over, continuing the hotel with 120 staff members.

The next chart pictures an average example of the internal organization of a Scandic Hotel. Although this points to the Victoria Hotel in Amsterdam, which is not a Scandic Crown Hotel anymore, it refers to the situation where it was still operated under

Scandic management. It may be seen as representative, although for instance the decree to which temporary workers are used in for example house keeping and Food & Beverage may differ from country to country. It is also much larger than the other Scandic Crown Hotel in the Netherlands, with 120 rooms and a staff of 50 in Utrecht.

The 321 room Victoria hotel employs its own technical staff of 6.

insert chart


GENERAL MANAGER
SECRETARY
FINANCIAL CONTROLLER
ADMINISTRATIVES
PURCHASING MANAGER
ASSISTENT MANAGER
STOREMAN/ GOODS REC.
FOOD & BEVERAGE MANAGER
SALES/ F & B COORDINATOR
BANQUET MANAGER
RESTAURANT MANAGER
WAITERS
CHIEF COOK
SOUS CHIEF
COOKS
STEWARDS
HEAD BARTENDER
TENDERS WAITERS
PERSONNEL & TRAINING MANAGER
FRONT OFFICE MANAGER
ASSISTENT FRONT OFFICE
DESK MANAGER
RECEPTIONISTES
PORTERS
CHIEF SECURITY
SECURITY OFFICERS
CHIEF ENGINEERING
ENGINEERS
SENIOR EXEC HOUSEKEEPER
ASSISTENT HOUSEKEEPER
FLOOR-SUPERVISOR
MAIDS
LINEN
HOUSEMEN
DIRECTOR OF SALES & MARKETING
SECRETARY
RESERVATIONS MANAGER
RESERV. EMPLOYE
COMMERCIAL SALES EXECUTIVE
MARKETING & SALES EXECUTIVE

Annex: Figures per country

Sweden					
Turnover (mil SEK)	--	1,406	1,520	1,490	1,219
Scandic Hotels (no)	--	49	51	50	49
Scandic Crown Hotels (no)	--	4	3	3	2
Roadside rest. (no)	--	39	42	42	28
Showpiece rest. (no)	0	4	4	4	4
Employees	--	3,152	3,664	3,753	--
Finland					
Turnover (mil SEK)	--	22	18	8	0
Hotels (no)	--	2	2	1	0
Employees	--	46	68	22	0
Denmark					
Turnover (mil SEK)	--	316	292	224	146
Hotels (no)	--	9	9	7	7
Employees	--	496	572	511	--
Norway					
Turnover (mil SEK)	--	238	219	180	190
Hotels (no)	--	9	9	7	7
Employees	--	537	430	536	--
Germany					
Turnover (mil SEK)	--	363	263	195	118
Hotels (no)	--	11	9	7	5
Employees	--	862	955	940	--
Austria					
Turnover (mil SEK)	--	92	100	72	27
Hotels (no)	--	2	2	2	2
Employees	--	169	235	215	--
UK					
Turnover (mil SEK)	--	156	89	43	7
Hotels (no)	--	5	3	1	1
Belgium					
Turnover (mil SEK)	--	89	96	86	9
Hotels (no)	--	2	2	2	1
Employees	--	94	122	110	--
Netherlands					
Turnover (mil SEK)	--	80	75	48	12
Hotels (no)	--	2	2	2	1
Employees	--	38	48	50	--
Switzerland					
Employees	--	33	37	30	--

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