

Purpose

This policy provides Rival Hospitality hotel managers with the framework, philosophy, and practical process for successfully negotiating and securing Local Negotiated Rate (LNR) agreements with corporate and group clients. Our goal is simple: book the business, protect revenue, and build lasting partnerships with local companies.

LNR agreements are a cornerstone of our hotel revenue strategy. They provide guaranteed, recurring room night production from corporate clients in exchange for a preferential rate tied to a pre-set LNR level. This policy defines how to position, quote, and close those agreements with confidence.

What Is a Local Negotiated Rate?

A Local Negotiated Rate (LNR) is a contracted corporate room rate agreed upon between the hotel and a qualifying company. Once a rate is negotiated:

- The rate is attached directly to the Company's profile in our property management system (the "Company Card").
- All reservations linked to that Company Card automatically receive the agreed LNR.
- The rate remains in effect for the duration of the agreement period (typically one calendar year).

Each of our hotels maintains a defined set of LNR rate levels. These levels are set by Revenue Management and represent the floors at which we are willing to contract business. Examples of these tiers may include:

LNR\$109	LNR \$119	LNR\$129
\$109 per night	\$119 per night	\$129 per night

Note: Your specific hotel's LNR levels are in your current rates. Always refer to your current, approved LNR tiers before entering any negotiation.



Local Negotiated Rates – These are set-up based on your market and competitors. If you feel they are incorrect, need to be adjusted, or simply need additional levels, please reach-out to your Area Director.

Our Negotiation Philosophy: Ask First, Then Offer



GOLDEN RULE for LNR Negotiation:

WHAT RATE ARE YOU LOOKING TO PAY?

Always ask the client their target rate before quoting anything. Their answer is your guide.

Too often, managers lead with a number before understanding what the client actually expects to pay. This approach leaves money on the table when the client would have accepted a higher rate, and it makes negotiations feel transactional rather than consultative.

Our philosophy is rooted in three principles:

#1. Listen	#2. Match Closely	#3. Book the Business
Ask the client what rate they are looking to pay before revealing any numbers. Their answer determines your entire approach.	Offer the LNR tier closest to what the client stated. You are guiding them to an existing rate level, not creating a custom rate.	The goal is always to close. Revenue from a booked account is infinitely better than a lost one. Never walk away from business.

Step-by-Step: How to Negotiate and Book an LNR

Step 1 - Qualify the Opportunity

Before discussing rates, confirm the company is a good fit for an LNR. Gather the following information:

- Company name and primary contact
- Estimated room nights per month / year
- Typical check-in and check-out days
- Type of travelers (project crews, corporate travelers, relocations, etc.)
- Length of stay patterns (extended stay vs. transient)

Step 2 - Ask the Magic Question

Once you understand their needs, ask: "What rate are you looking to pay?" Then stop talking and listen. Their answer tells you everything you need to know to position the right LNR tier. Do not interrupt. Do not pre-empt their answer by offering a number first.

Step 3 - Match to the Closest LNR Tier

Based on their stated target rate, identify the hotel's LNR tier that is closest to that number.

- If their target is at or above your lowest tier: offer the closest matching LNR (always try to offer the tier at or just above their stated target first).
- If their target falls between two tiers: start with the higher tier. Explain the value included at that rate. Be prepared to move to the lower tier if needed.
- If their target is at or near your lowest tier: offer that tier and confirm the value they receive (rate consistency, no blackout dates, guaranteed availability, etc.).
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Step 4 – Present the Rate with Confidence

Avoid saying "the best I can do is..." or "I might be able to..." Instead, present your LNR tier as a clear, value-based offer: "Based on your travel volume, I can offer you our corporate rate of \$[LNR amount] per night. This rate is loaded directly to your company profile and available year-round for your team."

Step 5 – Handle Pushback/Objection

If the client pushes back on the rate, do not immediately drop your price. Instead:

- Reinforce the value: rate consistency, ease of booking, no negotiation needed for each trip.
- Ask what rate would make them commit: "If I could get to \$[X], would you be ready to move forward today?"
- If the number they need falls within your LNR tiers, you already have a path forward.

Step 6 – Complete the Company Profile (Company Card)

Once the rate is agreed upon, create or update the Company Card in the system with all required information. Attach the agreed LNR tier to the Company Card. This is the mechanism that delivers the rate on every reservation. Do not skip this step or leave it incomplete.

- Company name and billing information
- Primary contact name, phone, and email
- Agreed LNR rate tier (attach to Company Card in the Contracts)
- Any special notes or preferences

Step 6 – Confirm and Follow Up

Send a confirmation to the client summarizing the agreed rate and how to book. Provide them with your direct contact information and let them know you are their point of contact for any issues. A simple follow-up email goes a long way toward building a lasting relationship.

The Most Important Rule: Never Lose the Business



Bottom Line Up Front:

A booked room at a lower rate is always better than an empty room as long as it is over your walkout rate.

Your job is to book the business. Rate optimization matters, but losing the account altogether is never an acceptable outcome.

There will be situations where a company's target rate falls below all of your hotel's current LNR tiers. This is a critical decision point. Here is how to handle it:

OPTION A: Make the Decision Yourself. If the situation requires an immediate decision and you believe the business justifies going below the current LNR floor, you are empowered to do so. However, you must be prepared to:

- Clearly explain your decision and the reasoning to your Area Director after the fact.
- Document the client's projected room night volume and the rate you agreed to.
- Be accountable for the revenue impact of your decision.

Use this option when: the volume is significant, the timeline does not allow for escalation, and you are confident the business is worth it.

OPTION B: Escalate to Your Area Director. If time allows and you are uncertain whether the requested rate is appropriate for the volume or circumstances, contact your Area Director before committing to a rate outside your LNR tiers. Provide them with:

- The client name and estimated room night volume
- The rate being requested
- Any additional context (competitive landscape, urgency, relationship value, etc.)

Your Area Director will guide you on whether to approve the exception, hold the line, or offer a creative alternative. This is not a sign of weakness. It is the right process.

WHEN TO DECIDE ON YOUR OWN	WHEN TO CALL YOUR AREA DIRECTOR
• The client needs an immediate answer • The volume clearly justifies an exception • The rate is only slightly below the LNR floor • You are confident and prepared to explain it	• Time allows for a brief conversation • The requested rate is significantly below floor • The account is large or high-profile • You are unsure of the right call

Quick Reference Reminders

-  Always ask what rate the client is looking to pay BEFORE quoting anything.
-  Match the client's stated target to the closest approved LNR tier.
-  Start with the higher LNR tier when the client falls between two levels.
-  Complete the Company Card fully and attach the correct LNR before confirming the agreement.
-  If you must go below your LNR floor, own the decision or call your Area Director.
-  Do NOT quote a rate before asking the client what they want to pay.
-  Do NOT create custom rates outside the approved LNR structure without approval.
-  Do NOT let a negotiation fail without exhausting every option to close.