

Chapter 1: The Traditional Hotel Industry

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Objectives of Chapter 1

- Appreciate the size and scope of the industry and its products
- Be able to understand and compute:
 - Occupancy
 - Average Daily Room Rate (ADR)
 - Revenue per Available Room (REVPAR)
 - Double Occupancy
- Understand Hotel Classification Systems
- Start to understand industry terms/jargon

Lodging in the...

- 18th Century, Agriculture Age
- 19th Century, Industrial Age
- 20th Century, Service Age
- 21st Century, Technological Age

Cyclical Industry

- Hotels follow a rollercoaster economy
- Build during good times
- Overbuild into the downturn
- World oil supply impacts travel and occupancy

How Hotels Count and Measure

- Occupancy
 - The relationship between demand (the number of rooms actually sold) and supply (the number of rooms available for sale)
 - Measures the hotel's "share of the market," so it measures quantity
 - $\text{Occupancy} = \text{number of rooms sold} \div \text{number of rooms available for sale}$
- Sales per Occupied Room (Average Daily Rate, ADR)
 - The amount received for each room sold
 - Measures the quality of the business. Normally, price (ADR) increases as occupancy percentage increases
 - $\text{Average daily rate} = \text{room sales (measured in dollars)} \div \text{number of rooms sold}$

How Hotels Count and Measure

- RevPar (Revenue per Available Room)
 - The relationship between revenue per room and the total room inventory available
 - Measure how well front-office managers fill rooms without cutting prices
 - $\text{RevPar} = \text{room revenue} \div \text{number of rooms available for sale}$
- Double Occupancy
 - Refers to any room in which there is more than one person
 - Double occupancy increases per-room revenue because of the additional charge
 - High double occupancy skews room revenue, and hence ADR, upward
 - $\text{Percentage of double occupancy} = (\text{number of guests} - \text{number of rooms occupied}) \div \text{number of rooms occupied}$

How Hotels Count and Measure

■ Break-even Point

- The point at which there are neither profits nor losses
 - Below this point fixed costs to be paid exceed revenues leading to losses
 - Some fixed costs: interest, lease/mortgage payments, salaries
 - Any revenue above this point makes a huge contribution to profits, once semi-fixed and variable costs are paid
 - Semi-fixed costs: utilities
 - Variable costs: wages, laundry, soap used by guests
- Over the years, the break-even point has dropped from 70% occupancy to 55% to 60% occupancy
- Management strives to reduce fixed and semi-fixed costs to lower the break-even point

Calculating Daily Statistics – Example

- Given (Exhibit 1-3, pg. 7)

Notation	Item	Hotel
(A)	Number of rooms available for sale	800
(B)	Number of rooms in the hotel	820
(C)	Number of rooms sold to guest	600
(D)	Number of dollars received from guests for rooms	\$48,000
(E)	Number of employees on staff	500
(F)	Number of guests	700

- Calculate for both hotels the following:

Item	Hint	Hotel
Percentage of Occupancy	$(C) \div (A)$	75%
Sales per occupied room (ADR)	$(D) \div (C)$	\$80
Sales per available room (REVPAR)	$(D) / (A)$	\$60
Mathematical check	$ADR \times \text{Occupancy} = \text{REVPAR}$	$\$80 \times 75\% = \60
Employees per guest room	$(E) \div (A)$	0.625
Percentage of double occupancy	$[(F) - (C)] \div (C)$	16.6%

Calculating Daily Statistics – In-class Assignment

■ Given

Notation	Item	Hotel A	Hotel B
(A)	Number of rooms available for sale	1000	2000
(B)	Number of rooms in the hotel	1050	2100
(C)	Number of rooms sold to guest	750	1400
(D)	Number of dollars received from guests for rooms	\$75,000	\$280,000
(E)	Number of employees on staff	650	3000
(F)	Number of guests	850	1800

■ Calculate for both hotels the following:

Item	Hint	Hotel A	Hotel B
Percentage of Occupancy	$(C) \div (A)$		
Sales per occupied room (ADR)	$(D) \div (C)$		
Sales per available room (REVPAR)	$(D) \div (A)$		
Mathematical check	$ADR \times \text{Occupancy} = \text{REVPAR}$		
Employees per guest room	$(E) \div (A)$		
Percentage of double occupancy	$[(F) - (C)] \div (C)$		

Special Characteristics of the Hotel Business

■ Perishability

- At midnight, value of unsold inventory is \$0
- Tomorrow we are selling tomorrow's inventory
 - Puts pressure to sell “now”

■ Location

- Fixed
 - Cannot move or “deliver” to high demand areas
- Changing value of fixed location
 - Re-routing of highway could devastate business
- Marketing and sales promotion very important
 - Need to bring customers to hotel

Special Characteristics of the Hotel Business

- Fixed Supply, but Varying Demand
 - Example: Our hotel only has 100 rooms
 - Today only 50 are sold, revenue is lost
 - Tomorrow, Super Bowl in town, but I can only sell 100 rooms!
 - No way to make up lost revenue
 - No way to increase production to meet increased demand

Special Characteristics of the Hotel Business

- High Operating Costs
 - Capital Intensive
 - Cost per room is \$50,000 to \$1 million
 - Labor Intensive
 - Hassles of dealing with labor
 - Costs of dealing with labor
 - High Fixed Costs – Low Variable Costs
 - Even at low/no occupancy we incur fixed costs
 - Mortgage, utilities, salaries, marketing, etc.
 - Variable costs per occupied room are low
 - Cost of cleaning, replacing linen, utilities used, etc.
 - Need to make or exceed **Break Even Point**
 - High profits, once break-even point exceeded

Special Characteristics of the Hotel Business

■ Seasonality

■ Within Year

- Business fluctuates from winter to spring to summer to fall in most hotels

■ Within Month

- Business fluctuates from early to mid to late part of the month

■ Within Week

- Corporate/Downtown hotels busy on weekdays, empty on weekends
- Leisure hotels busy on weekends, empty on weekdays

Special Characteristics of the Hotel Business

■ Solutions to Seasonality

■ Extend Season

- Have new activities and sales promotions before and after “traditional” season to extend it

■ Seek New Markets

- Disney gets families in summer and winter holidays and targets conventions, “empty-nesters” year round

■ Location

- Open properties in areas with counter-season
 - Shift employees between properties

■ Mixed Use Development

- Build hotel in area with multiple sources of guests
 - Westin Galleria in Dallas gets corporate crowd on weekdays and tourist/shopper crowds on weekends

Hotel Classifications

■ Size

- The number of available room is the standard measure of size
 - Mega hotel: 1500 rooms or more
 - (Exhibit 1-6, pg. 14)
 - Large hotel: 300 rooms or more
 - Medium hotel: 150 to 300 rooms
 - Small hotel: 100 rooms or less
 - Less than \$3 million in annual sales
 - Mom-and-pop hotels: Small independent roadside motels family owned and operated
 - Declining in numbers from a high of about 60,000 in the 1960s

■ Class

■ By Rate

- More expensive the hotel, better it is!
 - Not always true
 - \$200 will get a small/medium room in Paris, France, but a great room in Paris, TX, USA!
 - Room rate may be a function of location/real estate value, not room itself!
 - Rooms are more expensive in core downtown areas

Hotel Classifications

■ Class

■ By Level of Service

- The more services, the better the hotel
 - Not true always
 - More services are offered where labor costs are lower
 - Even small, cheap hotels in India offer room-service and money changing service

■ By Level of Amenities

- The more amenities, the better the hotel
 - Not always true

■ Different Rating Systems

- A standardized rating system allows the guest to make an informed decision
 - Systems of stars, diamonds, etc.
 - Authors' rating system for hotels in the USA (Exhibit 1-9, pg. 19)
 - The more stars or diamonds, the better and more expensive the hotel
- Ratings are valid only within system or country
 - A "Five Star" hotel in India is not the same as a "Five Star" hotel in France.
 - Look for amenities/level of service needed to qualify!

Hotel Classifications

- Type
 - Commercial/Business/Corporate
 - Residential
 - Landlord/tenant relationship between hotel and guest
 - Extended-Stay
 - More home-like with kitchenettes, fireplaces, laundry facilities
 - Extended Stay America, Residence Inns (Marriott)
 - Resort
 - Bed and Breakfast
 - Boutique Hotels
 - Small, “individual” properties that offer personalized service
 - Trophy Hotels
 - Big name hotels often bought for prestige rather than for profit
 - Waldorf-Astoria in New York City

Hotel Classifications

- Plan
 - European Plan
 - Room Only
 - Continental Plan
 - Room + “Light” Breakfast
 - Continental Breakfast = Juice + Rolls + Tea/Coffee
 - Bed & Breakfast
 - American Plan (A.P.)
 - Room + B/F + Lunch + Dinner
 - No credit for meals not consumed!
 - Modified American Plan
 - Room + B/F + Dinner or Lunch
 - May need to specify which one in advance
 - May use coupons for either meal
 - Always check what you will get in advance!
 - Same terms mean different things to people!
- Crossover of these types is common!

Objectives of Chapter 1

- Appreciate the size and scope of the industry and its products
- Be able to understand and compute:
 - Occupancy Percentage
 - Average Daily Room Rate (ADR)
 - Revenue per Available Room (REVPAR)
 - Double Occupancy
- Understand Hotel Classification Systems
- Start to understand industry terms/jargons

Chapter 3: The Structure of the Hotel Industry

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Objectives of Chapter 3

- Understand the Organizational Structure of a Hotel
 - Link between hotel size/type and its organization
- Understand the role of the Front Office
 - Importance of the Front Office (F.O.)
 - Relationship between F.O. and other departments
 - Organizational Structure of the Front Office
 - Identify Job Titles and their roles
- Understand the Hotel Product/Service (Room)
 - Floor Design
 - Room Space
 - Room Type
 - Exposure
 - Bed Types

The Organizational Structure

- The General Manager (GM)
 - The “Boss” of an individual hotel
 - Responsible for everything in the hotel
 - Supervises and controls all the departments
 - An employee, responsible to the owner/s (Exhibit 3-1, pg. 76)
 - From Host to Executive
 - Was “Mine Host” interacting with guests
 - GM was the “Face” and “Soul” of the hotel
 - Long tenure of GM in a property, so knew the guests
 - Now an Executive dealing with business issues
 - Barely sees the guest or most employees, (Exhibit 3-2, pg.78)
 - Average tenure in a given hotel is relatively short
 - Role of Support Departments is increasing
 - Legal, Human Resources, Technology (MIS), Marketing issues
 - Understanding of business issues is critical

The Organizational Structure

- Food and Beverage (F&B) Department
 - Deals with:
 - Production and service of food and beverages
 - Needs to work in close coordination with F.O.
 - Headed by Food and Beverage Manager
 - Service and Production are two sub-departments
 - Service - Supervises restaurant, banquet, and bar Managers
 - Food production is headed by a “Chef”

The Organizational Structure

- Hotel Manager/Resident Manager/House Manager/Rooms Division Manager/Guest Services Manager
 - Responsible for all operating departments except Food & Beverage
 - Reports to GM
 - Career stepping stone to GM
 - Job Description: Exhibit 3-5, pgs. 90,91
- Housekeeping Department (HK)
 - Responsible for general cleanliness of guestrooms, corridors and public spaces
 - Headed by Executive Housekeeper (EHK)
 - Coordination between FO and HK is essential
 - HK handles linen, uniforms, laundry, Lost & Found

The Organizational Structure

■ Security Department

- Deals with:
 - Safety, fire control & prevention, loss-control, accidents, death, suicides, crimes, scams, drunks, prostitutes, drugs, etc.
- Serves as deterrent, then restraint, rarely as police force
- Should be an iron hand in a velvet glove
- Now high-priority and extensively staffed
 - Liability issues
 - Increased crime in hotels
 - Provision of electronic locks, in-room safes, better lighting
 - Improvements driven by insurance costs and P.R. issues
 - Security Checklist: Exhibit 3-4, pgs. 85,86

■ Other Departments

- Facilities maintenance, shops, doctor, pool, spa, golf, etc
 - Depends on size and complexity of the operation

The Organizational Structure

■ The Rooms Manager

- Reports to Hotel Manager
- Supervises reservations, telephone, concierge, and uniformed services
- In a large hotel, duties may be delegated to "Front Office Manager"

■ Room Reservations

■ **Handles requests for rooms from prospective guests arriving in the future**

- Reservations come by phone, fax, email, in-person, letter etc.
- Can be for a day ahead to years ahead
- FO person matches request with availability
- Balances needs of groups and individuals
- Maximizes revenues for hotel
- Computerization has:
 - Increased accuracy, improved revenue management, increased speed of response, reduced paperwork

The Organizational Structure

- Uniformed Services Department/Bell Dept.
 - Members included - Baggage porters, elevator operators, transportation clerks, door attendants
 - Now less important as:
 - Guests wheel in own baggage (lighter)
 - Shorter average stay means less baggage
 - Better telecommunication facilities
 - Guests prefer self-service (no tipping!) mode
 - Management prefers lower staff levels and labor
- Concierge
 - Originally “Keeper of the Keys” or guard
 - Now provider of services from A to Z (Exhibit 3-7, pg.94)
 - Concierge Floor – A premium priced exclusive floor with its own keys and concierge

The Organizational Structure

- Telephone Department
 - Was extensively staffed - many operators & supervisors
 - Manual operation of incoming and outgoing calls
 - Problems of mistakes due to manual operations
 - Billing, guest messages, and wake-up calls
 - Now minimally staffed or handled by F.O. itself
 - Automation of incoming and outgoing calls
 - Automated billing – less complaints
 - Less mistakes due to automation
 - Voice mail, in-room alarm clocks, auto wake-up calls
 - Costs and Revenues
 - Was costly to operate due to labor and equipment
 - Cost recovery through surcharges – guest complaints too
 - Now cheaper to operate due to automation
 - Reduction in revenue flows with calling cards and cell-phones

The Organizational Structure

- What is Front Office?
 - The place in the lobby where guest-services are managed and coordinated
- Why is Front Office important?
 - Room sales account for 50% to 100% of revenue
 - Rooms department is far more profitable than F&B
 - 73% of gross revenues in rooms to 21% of gross in F&B
 - Hotel is selected for its rooms
 - For guests, F.O is the “hotel”
 - Managing Guest Services – Organizational Structure
 - Front Office is managed by Manager of Guest Services
 - This manager reports to Hotel Manager, who reports to GM
 - These managers need technical, math, and people skills
 - Exhibit 3-5, pgs 90, 91

The Organizational Structure

- Working Hours of the Front Office
 - F.O. should be manned around the clock
 - The Shifts (Or Watches)
 - Day Shift: 7.30 AM – 3.30 PM
 - Swing Shift: 3.30 PM -11.30 PM
 - Graveyard Shift 11.30 PM - 7.30 AM
 - Issues to consider
 - Night shift is not preferred in general
 - Premium may be paid for night shift to compensate
 - Employees must be rotated through shifts
 - Fairness and cross-training issues
 - Overlap shifts if possible
 - With multiple employees, stagger changes

The Organizational Structure

■ Working Hours of the Front Office

■ The Split Shift

Employee	Timings
Employee A	7.00 AM-12.30 PM
Employee B	12.30 PM-6.30 PM
Employee A	6.30 PM-11.00 PM
Night Auditor	11.00 PM-7.00 AM

- Great for management, bad for workers
- More common in smaller/isolated areas
- Less common due to unionization, commuting

The Organizational Structure

- F.O. should be manned around the clock
 - Forecast Scheduling
 - Schedule employees based on reservation forecasts
 - Goal is to maximize coverage with minimal costs
 - Use part-timers to cover peak periods
 - Schedule off-days/vacations on slow periods
 - Cross-train employees for more flexibility
 - Ensure that computers are multi-functional too

The Organizational Structure

- Design of the Front Office
 - The Lobby
 - Less formal/intimidating, more open/inviting now
 - Creates excitement/personifies hotel
 - Multi-story atrium lobbies pioneered by Hyatt Hotels
 - Exhibits 3-9 & 3-10, pgs. 100, 101
 - The Desk (Exhibit 3-12, pg. 103)
 - 3.75 feet high, 2.5 feet across in general
 - Lower by 0.5 foot on employee side
 - Drops equipment below guest eye-level
 - Permits guest-employee eye-contact
 - Becoming smaller now with computerization
 - Security of hotel and F.O. personnel are issues in design
 - Needs unobstructed view of lobby/elevators
 - Hotels with heavy group arrivals have separate desk for groups

The Organizational Structure

- F.O. Clerk/Guest Service Agent/Receptionist
 - Duties center around
 - Room Sales
 - Guest Relations
 - Record Keeping
 - Coordination
 - Increasing automation is changing roles
 - Hardly any mail, message handling
 - Reduced key handling, info dissemination
 - Exhibit 3-13, pgs. 104, 105
 - Reduced credit issues due to use of credit cards

The Organizational Structure

■ Cashiers

- Duties center around
 - Billing
 - Posting
 - Cash and credit transactions
- May report to accounting or FO manager
- Reduced role due to increased credit card use, reduced cash advances, check cashing etc.

The Building Structure

- The Old versus the New
 - The Old: Rooms could be (Exhibit 3-14, pg. 108)
 - Inside, odd shaped, small, of many types, sharing bathrooms
 - Pricing and allotment got complicated
 - The New: Rooms are (Exhibit 3-15, pg. 109)
 - Larger, more luxurious, more amenities, outside view, have themed suites and all-suites, less variation
 - Have back-to-back utility shafts for economy in construction and maintenance
 - Corner Rooms are most desirable with double exposure
 - Other amenities may be added to command premium price
 - Motor Inns tend to have low rise sprawling designs
 - Emphasis on easy parking next to room
 - Exhibit 3-18, pg. 113

The Building Structure

- Numbering for Identification
 - Floor Numbering
 - Tend to be numbered upward sequentially
 - Western hotels omit floor 13 and room 13
 - Asian hotels omit floor 4 and room 4
 - Americans number first sleeping floor as 1
 - Others number starting with ground floor as 1
 - 10th floor in USA is probably 11th floor elsewhere
 - With multiple buildings, use building names, then floor numbers
 - Some sequentially number floors starting with a building
 - In all cases provide clear signage on elevators and floors

The Building Structure

- Numbering for Identification
 - Room Numbering
 - Depends on the hotel design – often arbitrary
 - May be numbered odd and even along opposite sides of corridor
 - Can get very confusing if new wing is added
 - In all cases provide clear signage
 - On walls, near elevators exits/entries
 - Respect local custom; i.e. avoid 13, 4 etc.
 - Adjoining or Connecting Rooms
 - Rooms that abut along a corridor
 - May be connected with a door
 - Ensure secure bolts when connection is not needed
 - Popular with families, small groups
 - All connecting rooms adjoin; but all adjoining rooms do not connect!

The Building Structure

- Room Shape and Size
 - Room Shape
 - Varies, but rectangular shape most practical and common
 - Size is first increased by adding to depth, then width
 - Balconies and French/sliding doors provide sense of spaciousness
 - Room Size
 - Larger rooms cost more money to build, furnish, maintain, leading to higher rates
 - Economy hotels – 210 sq.ft
 - Standard hotels – 250 to 350 sq.ft
 - Luxury hotels – 500 sq.ft
 - Suites from 380 to 650 sq.ft
 - Square footage of hotel twice that of rooms
 - Lot of effort is put into making the room look bigger

The Building Structure

- Bed and Bath
 - Bed Sizes and Bed Symbols
 - Single Bed (S) – 1 person, 39"x72", not popular
 - Twin Bed (T) – 2 beds in one room, each 39" x75"
 - Double Bed (D) – 57" x 80", not popular
 - Queen and King Beds (Q & K) – 60" & 72" x 80"
 - Most popular, but also most expensive
 - Hollywood Bed – 2 twins with a common headboard
 - Can be converted into a King bed
 - Studio Bed (Room) – Sofa by day, bed by night
 - Not popular, as bed is uncomfortable
 - Sofa Bed – Primarily a sofa, may be in sitting area of a suite
 - Rollaway Bed (Cot) – Portable bed for temporary use for 1
 - Water Bed – not very common in hotels
 - Futon – cotton quilted bed, easily stores, couch use too
 - Murphy Bed – folds up into wall, not popular now

The Building Structure

■ Bed and Bath

■ The Bath

- Not the tub, but the room
- Contains, tub/shower, toilet (WC), sink
- Acts as sound barrier between room and corridor
- 20% of room size
- From 35 sq.ft. (Economy) to 70 sq.ft. (Mid-range) to 120 sq.ft. (Luxury)
- Stall showers popular in older, renovated properties
- Bathrooms getting larger with more amenities
- Americans prefer showers, Europeans, Japanese prefer tubs

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 - Organization Structure of the Front Office
 - Identify Job Titles and their roles
- Understand the Hotel Product/Service (Room)
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 - Room Space
 - Room Type
 - Exposure
 - Bed Types

Chapter 4: Forecasting Availability and Overbooking

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Objectives of Chapter 4

- Utilize and define basic terms and jargon
- An ability to perform a room count
 - Unadjusted and adjusted room count
 - Differences in “rooms available” calculations
 - Forecasting rooms available for sale
 - Impact of overstays, early arrivals, no-shows, and cancellations on rooms available for sale
- A working knowledge of overbooking issues
 - Legal ramifications of overbooking
 - Anti-service issues at stake
 - Possible solutions

Forecasting Available Rooms

- Automated Inventory Tracking Systems
(Exhibit 4-1, pg. 132)
 - Computer updates reservations in real time
 - Shows projections a week at a time
 - Shows today's arrivals by name, room type, group affiliation, other codes
 - Shows reservations by quality
 - Shows room availability by room type and status

Forecasting Available Rooms

- Room counts done for each day in advance
 - Less accurate as we look further ahead
 - Exhibit 4-6 & 4-7, pgs. 141, 142-43
 - Done many times each day
 - 6 AM, 11AM, before and after 4/6 PM
- Terms to know:
 - **Committed Rooms**
 - (Yesterdays stayovers + today's reserved arrivals)
 - **Out of Order (OOO) Rooms** = Rooms **temporarily** unavailable due to fixable problems
 - Can be fixed quickly if absolutely essential
 - Can be sold at a discount if un-fixed, with disclosure
 - **Out of Inventory (OOI) Rooms** = Rooms unavailable **long-term** due to **non**-fixable problems
 - **Cannot** be sold today due to unacceptable condition
 - Exhibit 4-5, pg. 137 for inventory calculation issues

Forecasting Available Rooms

- Terms to know:
 - **Understay** – Guest who leaves earlier than expected
 - **Overstay** - Guest who stays longer than booked
 - **Stayover** - Continuing guest, as per booking
 - **Overbooking** - More rooms sold than available
 - **Expected Arrivals** - Guests booked to arrive today
 - **Expected Departures** - Guests booked to depart today
 - **No show** - Guest with confirmed/guaranteed booking who does not arrive, but has not cancelled
 - **Early Arrivals** - Guest who arrive day/s before booking
 - **Walk-ins** - Guests without reservations needing rooms
 - **Room Count** - Status of rooms sold and available
 - **House Count** - Number of guests in hotel
 - **Walking the guest** - Sending a guest with a confirmed or guaranteed booking to another hotel as we are full

Forecasting Available Rooms

- Components of the Simple Room Count (Exhibit 4-2, pg. 133)
 - Only accounts for basic issues
 - Rooms available (A) = 1,000
 - Occupied last night (B) = 950
 - Expected check-outs (C) = 300
 - Stayovers (D = (B-C)) = 650
 - Today's reservations (E) = 325
 - Rooms committed today (F = (D+E)) = 975
 - Rooms available for sale (A - F) = 25
 - Occupancy percentage (F/A) = 97.5%

Forecasting Available Rooms

- Adjusted Room Count (Exhibit 4-3, pg. 134)
 - More sophisticated, accounting for many issues
 - Computing Rooms Available
 - Rooms available (A) = 1000
 - Occupied last night (B) = 950
 - Expected Check-outs (C) = 300
 - Add Understays (6%) = + 18
 - Subtract Overstays (2%) = - 6
 - Adjusted Departures (C1) = 312
 - Adjusted Stayovers (D1 = (B - C1)) = 638
 - Today's reservations (E) = 325
 - Less Cancellations (2%) = - 7
 - Less no-shows (5%) = - 16
 - Add early arrivals (1%) = + 3
 - Today's Adjusted Reservations (E1) = 305
 - Rooms committed today (F = (D1 + E1)) = 943
 - Adjusted rooms available for sale (A - F) = 57
 - Anticipated occupancy percentage (F/A) = 94.3%

Overbooking

- Overbooking - More bookings than rooms
 - Done deliberately for number of reasons
 - Some guests will be no-shows
 - Last minute change of plans
 - Some guests deliberately make multiple bookings
 - Some guests will be early departures
 - Some guests will be last minute cancellations
 - Too late to fill these last-minute empty rooms
 - So hotels overbook to protect itself from revenue loss
 - Done with historical statistics as guide
 - Can go wrong for many reasons
 - Problems if done too aggressively

Overbooking

- Reservations as legal contracts
 - Courts say that reservations are legal contracts
 - However, not worthwhile for individuals to sue
 - Meeting planners have sued and won
 - Looming Legislation
 - Some states have passed laws to limit overbooking
 - Hotels say others at fault too
 - Guests may overstay without notice (Most common excuse)
 - Some states allow guests to be physically ejected
 - Tour operators book multiple hotels in a city, but clients may predominantly prefer one hotel
 - Conventions are notorious for overbooking

Overbooking

- Common Overbooking Policies
 - Hotel overbooking solutions (Exhibit 4-9, pg. 147)
 - Check nearby hotels for room availability
 - “Walk” overbooked guest to another property
 - Chains do it within chain
 - Watch for unethical FO Clerks who do it for money
 - Pay for taxi, phone call, comparable room
 - Air-taxi in the Bahamas
 - Apologize with gift etc.
 - Overbooking and anti-service syndrome
 - Industry should police itself, or Congress will pass laws
 - Airlines are regulated by law - ask for volunteers and give them money and free tickets
 - Problem is due to few hotels with poor service
 - Do not train employees to handle overbooking
 - Pretend the guest never made a reservation

Overbooking

- Minimizing the Overbooking Problem
 - Accurate and updated room counts
 - Well trained employees
 - Hotel not being too greedy
 - No-Show/Change Policies like airlines
 - Harsh cancellation penalties
 - Early departure fees
 - Third Party Guarantees
 - Trip Insurance, Credit-Card Guarantees, Travel Agents Guarantees, Corporate
 - Advance-Deposit Reservations
 - Quite a hassle in general, but may improve with technology
- Ultimately, balance risk of antagonizing guest with protecting revenue!

Objectives of Chapter 4

- Utilize and define basic terms and jargon
- An ability to perform a room count
 - Unadjusted and adjusted room count
 - Differences in “rooms available” calculations
 - Forecasting rooms available for sale
 - Impact of overstays, early arrivals, no-shows, and cancellations on rooms available for sale
- A working knowledge of overbooking issues
 - Legal ramifications of overbooking
 - Anti-service issues at stake
 - Possible solutions

Forecasting Available Rooms – In-class Assignment

- Simple Room Count (Exhibit 4-2, pg. 133)
 - Only accounts for basic issues
 - Rooms available (A) = 2500
 - Occupied last night (B) = 2275
 - Expected Check-outs (C) = 625
 - Stayovers (D = (B-C)) =
 - Today's reservations (E) = 900
 - Rooms committed today (F = (D+E)) =
 - Rooms available for sale (A - F) =
 - Occupancy percentage (F/A) =

Forecasting Available Rooms - In-class Assignment

- Adjusted Room Count (Exhibit 4-3, pg. 134)
 - More sophisticated, accounting for many issues
 - Computing Rooms Available

■ Rooms available (A) =	2500	
■ Occupied last night (B) =	2275	
■ Expected Check-outs (C) =	625	
■ Add Understays (6%) =	+	
■ Subtract Overstays (2%) =	-	
■ Adjusted Departures (C1) =		
■ Adjusted Stayovers (D1 = (B - C1)) =		
■ Today's reservations (E) =		900
■ Less Cancellations (2%) =	-	
■ Less no-shows (5%) =		-
■ Add early arrivals (1%) =		+
■ Today's Adjusted Reservations (E1) =		
■ Rooms committed today (F = (D1 + E1)) =		
■ Adjusted rooms available for sale (A - F) =		
■ Anticipated occupancy percentage (F/A) =		

Chapter 5: Global Reservations Technologies

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Objectives of Chapter 5

- Global Distribution System (GDS)
 - The role that airline reservation systems played
- Seamless Connectivity
 - Last room availability
 - Electronic switch technology
- Reservation Channels
 - Travel agents
 - Central Reservations Services (CRS)
 - Internet and web-based reservations
- Changing electronic reservations environment
 - Growth of on-line reservations
 - Voice recognition technology
- Automated revenue/yield management systems
 - Assumptions and components of revenue/yield systems

Global Distribution

■ **Airlines - Global Distribution Systems (GDS)**

- Exhibit 5-2, pg. 165
- Exhibit 5-3, pg. 167

■ **Hotels - Central Reservation Systems (CRS)**

- Started in 1960s
- Linked airlines with Travel Agents (TAs)
 - Put terminals in TAs offices, enabling them to book
 - Hotel chains linked up their CRSs into this GDS
 - System of blocking rooms manually
 - Problems of overbooking and sales refusal

■ **Seamless Connectivity**

- Move from half-duplex (one-way) to full-duplex (2-way)
- Last room availability
 - Everyone sees same availability, updated in real-time
 - Faster, more accurate, sells more rooms at higher rates

Global Distribution

- Seamless Connectivity
 - Electronic switch technology
 - Earlier, airlines and hotels had incompatible systems
 - Complicates training, causes errors, increases costs
 - Now, incompatible systems “speak the same language”
 - Now one terminal is used for booking air, lodging, car rentals
 - All bookings done in real-time
 - Inventory updated in real-time
 - Customer confirmation provided instantly

Global Distribution

- Application Service Providers (ASPs)
 - Software companies that offer a suite of software applications via Internet-based access
 - Through an Internet Web site, each hotel runs off the same suite of software by simply using any Internet-ready computer
 - Four primary functions in their arsenal of applications (Exhibit 5-4, pg. 169)
 - A CRS
 - GDS connectivity
 - Connections to “alternate” distribution systems
 - Internet reservations

Global Distribution

- Application Service Providers (ASPs) - Continued
 - Benefits associated with ASP applications
 - No need to make large capital investments in hardware and software
 - No need to employ many specialized software engineers to maintain the system and program new applications
 - Avoid multiple versions of poorly integrated applications
 - New software enhancements are implemented immediately at the ASP site and available to all users instantaneously
 - Single-Image Inventory allows all users to feed from the same database which results in a lower error rate in reservations bookings and an improvement in overall customer service (Exhibit 5-8, pg. 176)

Global Distribution

■ Taking the Reservation

- The Travel Agent (TA) – An intermediary between the hotel and the guest
 - Books the room for the guest
 - Bills the guest and pays the hotel
 - Collects a 10% or more commission from the hotel
- The hotel/travel agent relationship
 - Hotels want TAs business, but dislike paying their commission
 - Marketing problem – TAs send business only in peak periods
 - Bookkeeping problems – Too much paperwork/hassle/costs to deal with individual TAs not providing regular business
 - TAs complain about late/non-payment of commission
 - Will steer guests towards high/prompt commission payers
 - Hotels developing Info/booking Web Sites to bypass TAs
 - Saves commission and gains direct guest relationship

Global Distribution

- Central Reservations System (CRS) or Office (CRO) or Res Centers
 - A central call-center to handle incoming reservations
 - May handle millions of phone calls a month
 - Average call time is 2 to 3 minutes
 - Automated systems route callers to the right operator
 - Press "1" for USA, "2" for Europe etc.
 - Hold time is used for sales messages
 - System is expensive to set up and maintain
 - Hotels are billed for each reservation made, plus annual fees
 - Call centers being moved to India and Philippines
 - Availability of cheap, skilled English-speaking workers
 - International telecom costs are dropping, supporting this trend

Global Distribution

- Taking the Reservation
 - Direct or In-house reservations center
 - Many guests call hotel directly
 - Hotel better informed – CRS deals with 1000s of hotels
 - May have rooms available, despite CRS refusal
 - Group reservations, meetings often booked directly
 - May be a single center for several properties
 - May be a whole department or just FO Clerk

Global Distribution

- Internet and Web-Based Reservations
 - Travel related bookings are the largest category of Internet transactions
 - Exhibits 5-1, 5-5; pgs. 164, 170
 - Search Engine Optimization
 - Need to be in the top .0005% of the search to be listed in the top few
 - Paid search results – Pay for placement and per-click through to search engines
 - Organic search results – Develop sophisticated website, optimized to rise to the top of the search
 - Hotel Web Sites
 - 40% of annual marketing budget may be spent on online products
 - Booking through own website nets more revenue than 3rd party sites
 - Exhibit 5-9, pg. 177; Exhibits 5-11 a & b, Pgs.179, 180
 - Chain Sites - Encourage bookings through chain site by
 - Enhancing quality of website
 - Offering lowest price guarantee
 - Letting users search for multiple brands at multiple price points with one-click
 - Exhibit 5-12, pg. 181

Global Distribution

■ Internet and Web-Based Reservations (Continued)

■ Third Party Travel Sites

- Sites that are not controlled either by the hotel or the chain

- Exhibit 5-10, pg. 178

- Examples: Travelocity, Priceline, Hotwire, CheapTickets

■ Meta Search Technology

- Sites that search all available websites to present side-by-side comparisons and booking options

- Example: Sidestep, Kayak or TravelZoo

Global Distribution

- Other Trends in Electronic Reservations
 - Voice Recognition
 - Possible with limited choices
 - Days of week, dates, credit card types, etc.
 - Capabilities are improving dramatically
 - Supplemented by touch-tone or operators
 - Mapping Capabilities
 - Links reservation queries with maps, using Internet technology (Yahoo Maps, etc.) to give directions
 - Guest History Databases
 - Electronic systems capture huge amounts of data and permit sophisticated analysis
 - Excellent tool for cross-selling, promotions, etc.

Global Distribution

- The Hotel Representative
 - Sales/Reservation offices maintained for individual hotels or small chains
 - May represent and sell several non-competing hotels/chains
 - Promotes them in trade shows, etc.
 - Example – Utell International
 - International reps provide language operators/liaison with local TAs, etc.
 - Hotel Reps maintain their own CRS systems
 - Cost-effective for smaller chains, independent hotels
- Independent Reservation Services
 - CRS for hire, used by smaller chains, independent hotels

Automated Revenue Management Systems

- The Yield Management Revolution
 - The act of controlling rates and restricting occupancies to maximize gross room revenues.
 - Price–Occupancy Mix
 - Revenue is a function of rooms sold **and** revenue per room
 - High ADR can balance low occupancy and vice-versa
 - A \$2 increase in ADR in a 400 room hotel at 68% occupancy = almost \$200,000
 - True, only if there is no corresponding decrease in occupancy %
 - Exhibit 5-14, pg. 189, Exhibit 5-15, pg. 190
- A brief history of yield management
 - The airlines' role – Invented yield management
 - After airline de-regulation they competed on price, but found it difficult to track, so they developed computerized systems
 - Airlines have high fixed costs, low variable costs, and highly perishable products
 - Need to sell “today”
 - Any income that exceeds fixed costs is welcome
 - Hotels have similar characteristics

Automated Revenue Management Systems

- The Yield Management Revolution
 - Market demand assumptions for yield management
 - Demand is price sensitive, different segments have varying levels
 - Price sensitivity of demand can be measured and manipulated
 - **Corporate guests** – Less price sensitive, seek flexibility, weekday travel, book at the last minute, cannot wait for deals
 - **Leisure guests** – Very price sensitive, weekend travel, will trade price for restrictions, are motivated by deals
 - **Group guests** – Place and date more important than rate
 - Hotel needs to balance total value of group against room rates lost from regular guests
 - Books well in advance, reducing hotel's risk

Automated Revenue Management Systems

- The Yield Management Revolution (continued)
 - Tools for Measuring Results
 - ***PHASER Complete Access Reports***
 - Breaks the hotel rates into two categories, GDS and CRAS, and looks for the lowest available rate in each of these areas
 - Features include
 - Highlighted rates that have risen or dropped by a user defined amount
 - Total hotel availability status by day in both the GDS and CRS
 - Details for every rate offered in the CRS by room type across each competitive hotel during the selected time period
 - ***Smith Travel Research's STAR Reports***
 - Based entirely on historical data
 - Answer questions: How well did I do in terms of average daily rate, occupancy, and RevPar against my competitors last week? Last month? Last year?
 - Does not share specific performance data for each competing property
 - Hotel can't see how well each competing hotel performed individually

Automated Revenue Management Systems

- Tools for Measuring Results (Continued)
 - ***Travel Information Management Services (TIMS)***
 - Rates are gathered through the CRS' seamless connection
 - Displays discounts and lowest available rates for all hotels in the competitive market set
 - ***Hotelligence Report (Exhibit 5 -17, pg. 194-195)***
 - Compares a manager's rooms available with those available in the competitive market set and room-nights sold for the manager's hotel against room-nights sold across the competitive set
 - Compares actual history with theoretical market share
 - Shows growth trends for current periods against similar periods the previous year

Automated Revenue Management Systems

- Tools for Measuring Results (Continued)
 - ***Expedia Competitive Price Grid Report***
 - The hotel wants to see the rates it is listing in Expedia as well as the rates listed by competitors in order to manage its own hotel-direct Web site
 - ***Other Reports***
 - Sabre. Net Reports
 - Hotel Information Service (HIS) Reports
 - TrendFx

Automated Yield Management Systems

- Role of Yield Management Systems
 - Establishes and monitors rate structure
 - Continually monitors reservations activity and sets inventory controls as needed
 - Aids rate negotiations with bulk buyers
 - Monitors and restricts the number of reservations that can be taken for any particular room rate/room type
 - Enables reservationists to sell, rather than be order taker
 - Matches the right room product and rate with the customers' needs and price/other sensitivities
 - Provides reports to management for basis of accepting and rejecting bookings and can give suggestions for improving yield

Automated Yield Management Systems

- Artificial Intelligence/Expert Systems
 - Use stored data to form rules that govern decisions
 - Rules and Triggers Example
 - 200 Rooms: 100 rooms Leisure, 100 Corporate
 - 25% of leisure rooms are expected to sell 181 days in advance
 - If 35% of rooms are sold 181 days ahead, computer sees high demand and raises rates for that segment
 - Boxed Dates
 - Blocking arrivals a day before heavily booked periods
 - Minimum length of stay – Example: 3 days for New Year Eve
 - Yield Management Controls
 - Nests and Hurdles – Hurdle point is set, lower rates rejected
 - Hurdle at \$100, discounts closed off, only high rated rooms sold
 - Fenced rates – Logical rules that give options based on sensitivity
 - Discounts for 21 day/14 day advance and weekend stay, non-refundable – no discounts for weekday, last-minute bookings

Objectives of Chapter 5

- Global Distribution System (GDS)
 - The role that airline reservation systems played
- Seamless Connectivity
 - Last room availability
 - Electronic switch technology
- Reservation Channels
 - Travel agents
 - Central Reservations Services (CRS)
 - Internet and web-based reservations
- Changing electronic reservations environment
 - Growth of on-line reservations
 - Voice recognition technology
- Automated revenue/yield management systems
 - Assumptions and components of revenue/yield systems

Chapter 6: Individual Reservations and Group Bookings

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Objectives of Chapter 6

- Understanding both essential and optional information required for a reservation
- An ability to contrast the difference between manual and electronic reservations
 - Storage and alterations of the existing reservations
 - Potential customer service and marketing benefits
- Knowing reservations vocabulary and jargon
- Understanding the group business cycle
 - Distinctions between group and individual reservations
 - Financial benefits of group business
 - Why some hotels refuse group business

Components of the Reservation

- Information contained in the Reservation
 - Essential Reservation Data
 - Arrival and departure dates, number of nights
 - Both are required to avoid confusion
 - Guest may not be aware of check-in/out cycle (Noon)
 - Number of persons and who they are
 - Determines types of bed/cot/crib needed
 - Number of rooms required
 - Party size and type
 - Groups may be referred directly to hotel/sales dept.
 - Type of rooms required
 - Linked to quality desired/price sensitivity

Components of the Reservation

- Essential Reservation Data (continued)
 - Corporate Affiliations
 - Pre-negotiated rates with some companies, corporate rates
 - Price
 - Quoted top-down or as suggested by yield system
 - Up-sell by giving benefits of more expensive rooms
 - Cross-sell by suggesting other properties in the chain
 - Name
 - Verification and record – billing, info, lost property
 - Guest history, Frequent Guest Programs (FGP), personalized service
 - Quality of the reservation
 - Probability of **no-show**
 - Essential information needed to complete reservation

Components of the Reservation

- Optional Reservation Data (nice to know)
 - Estimated time of arrival
 - Save room for late arrivals
 - Schedule F.O. staff, van drivers, airport pick-up, etc.
 - Special Requests
 - Handicap access, ocean-view, desired floor
 - Noted, but **rarely** guaranteed – try on arrival
 - Smoking preferences
 - Options may range from choice of smoking/non-smoking rooms/floors to a complete smoking ban within any hotel across the chain
 - Discounts or Affiliations
 - AAA, AARP, Convention Rate, etc.
 - May be denied if not asked for at reservation time
 - Address
 - Needed for record and to mail confirmation
- Confirming the Reservation
 - Unique Confirmation Number is generated by computer
 - Unique number serves as “proof,” enables tracking
 - Printed confirmation mailed to guest on request

Components of the Reservation

- Reservation Information Flow
 - Guest History Database
 - *How does James Bond like his martini?*
 - Earlier guest history was on a **property** level
 - **Problem:** Known preferences of guest in *Four Seasons-Chicago* was **not** recognized in *Four Seasons – New York*
 - Centralized guest history possible with computerization
 - **Now chain-wide** access to “recognition” and needs
 - Creates a personal connection to the hotel/chain that builds **brand loyalty**
 - Important tool for cross-selling and promotions
 - Enables company to measure **“Customer Value”** for chain
 - History and preferences pop up on screen at time of reservation and arrival

Components of the Reservation

- Reservation Information Flow
 - Automatically updates all linked systems
 - Different departments have access to expected arrivals
 - Useful info for long-term and short-term employee scheduling
 - Good for Sales, Public Relations, HK, F & B, etc.
 - Advance Deposits to reduce no-shows
 - Done by cash or check earlier
 - Checks normally held, but not cashed
 - Problem of bounced checks
 - Less popular now as too many costs and hassles with handling
 - Credit Card Guarantees
 - Guest guaranteed that hotel will hold room indefinitely; in return, guest promises to pay with credit card, **even if no-show**
 - Credit Card **not** charged unless **no-show**
 - Guests try to fool hotel by giving wrong number, so verify
 - Credit Card companies favor card-holder over hotel
 - Balance between securing revenues and retaining guests

Components of the Reservation

- Reservation Information Flow
 - Amendments/alterations to the reservation
 - Fairly common
 - Changes in dates, names, numbers, room types, etc.
 - Need to identify and retrieve original booking to avoid confusion and duplication
 - May need to mail out confirmation of changes made
 - Cancellations
 - Important to encourage guests to cancel well in advance
 - Computer generated cancellation number given to avoid disputes
 - Cancellation number not needed for non-guaranteed reservations
 - Important to note special requests no longer needed due to cancellation, so they can be sold to others
 - Computerized systems do this automatically

Components of the Reservation

- Reservation Coding
 - **Needed for various reasons**
 - Advance Deposits
 - Note on guest folio to give credit to guest
 - Cancel reservation if deposit not received
 - Late Arrivals
 - Ensure that room is held, particularly if guaranteed
 - Credit Card Guarantee - Indefinite hold, bill if no-show
 - Corporate Guarantee - Indefinite hold, bill corporation if no-show
 - Travel Agents - Ensure commission is noted, if eligible
 - VIPs (Very Important Persons), CIPs (Commercially IPs)
 - Place fruit basket, met by manager, etc.
 - Riding Reservation – Allowed to “ride” till arrival (Rare)
 - Convention/Group Delegate – Note specials for them
 - Separate codes for different groups

Convention and Tour Group Business

- The Group Room Contribution
 - Group business is a sizable market
 - Estimated at over \$80 billion
 - **Group delegates spend more dollars**
 - When company is paying the bill, why not splurge on extras
 - Exhibits 6-10, 6-11; pgs. 221, 222
 - Groups provide economies of scale
 - We know in advance how many, when, where; so easy to plan
 - One transaction handles many rooms/people
 - Scheduling employees, reducing wasted food, etc.
 - Casino Hotels
 - Balance room revenues against gambling revenues
 - Propensity to gamble varies with the group
 - Why some hotels refuse groups
 - Groups may alienate non-group guests
 - Reduces image of “exclusivity” in luxury properties
 - Group rate is substantially lower than individual rates

Convention and Tour Group Business

- Categories of Group Business
 - Tour Groups
 - Convenient for hotel, but low revenue per room
 - Dealt with by Sales Office, rather than reservations
 - Only 40% of original reservation may show up
 - Need to control room allocations tightly
 - Status control/"Sell and Report" requires final rooming list 7 to 30 days before arrival
 - Convention Groups
 - Booked by Association Executive, who bargains hard
 - Members deal directly with hotel for room reservations
 - Hotel is responsible for billing and collecting from individuals
 - Association makes money by charging members for extras
 - Exposition and Trade Shows
 - Similar to conventions, but stay may be longer

Convention and Tour Group Business

- Booking the Convention
 - Adjusting the Room Block
 - Blanket reservation is made initially
 - Reservation block is adjusted as dates come closer
 - Convention hotels cooperate to determine “show rate” of a particular group from past records
 - Still, each meeting has unique factors
 - Convention and Visitor Bureaus (CVBs)
 - Publicly funded, quasi-governmental organizations to represent a city’s hospitality industry
 - CVB representatives bid for large and small conferences
 - Expanded Service offered by CVBs
 - CVBs want to be “one stop shop” for all meeting needs
 - One bid for all services, with freebies thrown in
 - Simplifies job of meeting planner, but cuts into independents’ turf

Convention and Tour Group Business

- Booking the Convention
 - Role of the Housing Bureau
 - Needed for large conventions where delegates may stay in many hotels
 - Coordinates guests' room requests, by priority, with availability
 - Relays needs to hotels – hotel then sends confirmations
 - Each hotel may have its own rate structure
 - Overflow Hotels
 - Hotel other than the main convention hotel
 - May require advance deposit for full stay
 - May ask for 48 or 72 hour cancellation notice
 - Guests may move to main hotel after a day

Convention and Tour Group Business

- Negotiating Convention Rates
 - Attrition/Pick-Up Rate (Exhibit 6-17, pg. 235)
 - Ratio of rooms booked to rooms actually used
 - 100 booked, 40 used means 60% attrition, 40% pick-up
 - Hotels cooperate with past hotels to determine this
 - Rooms are released if not picked-up by a cut-off date
 - Comp Rooms
 - “Complimentary” or free rooms given to groups
 - 1 “comp” per 50 sold is normal
 - Supposed to be for business purposes during convention and **not** a bribe to the meeting planner
 - Rate Quotes
 - Flat Rate/run of the house – Some get suites, some get singles, all pay same rate
 - Organizers may give list of who gets better rooms
 - Spread Rate – A negotiated discount below the rack rate. Members pick the rate they want to pay

Convention and Tour Group Business

- Negotiating Convention Rates
 - Selling Against the Room Block
 - As individual room requests arrive at the hotel, they are booked against the group room block
 - Reservation received after the closeout date, 20 to 30 days before the convention starts, are accepted on an availability basis only
 - Unidentified Delegates
 - Convention guests who try to get a better rate by using other deals
 - Insist on convention rate later, if it suits them
 - IT Packages
 - Hotels sets up and sells own package to individuals
 - This package may be better than the group rate

Convention and Tour Group Business

■ Handling Tour Group Reservations

- Handled by Sales/Tour department rather than reservations
- Yield management a big factor in negotiations
- Premium is charged for single occupancy
- Hotels ask for rooming list in advance
- Room blocks are pre-assigned for easy scheduling of arrivals/departures/HK
- Hotel may have separate group desk, lobby, entry/exit for groups
- Bell gratuities are included in the price

Objectives of Chapter 6

- Understanding both essential and optional information required for a reservation
- An ability to contrast the difference between manual and electronic reservations
 - Storage and alterations of the existing reservations
 - Potential customer service and marketing benefits
- Knowing reservations vocabulary and jargon
- Understanding the group business cycle
 - Distinctions between group and individual reservations
 - Financial benefits of group business
 - Why some hotels refuse group business

Chapter 8: Arrival, Registration, Assignment, and Rooming

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Objectives of Chapter 8

- An understanding of the check-in process
- Working of a self-check-in terminal
- Understand the role of employees in the overall arrival and check-in process
- Understand the check-in process at full-service and limited-service hotels
- Understand terms used in the arrival process
- Understand the role of the registration card
- Gain an awareness of queuing/line management
- Understand the duties of the bell staff in the arrival and rooming process

The Arriving Guest

- A Moment of Truth (Exhibit 8-1, pg. 289)
 - On arrival, the guest sees the hotel for the first time
 - First impressions do matter
 - The Valet Parking Attendant
 - Often the first employee the guest sees
 - Greets the guest, parks the car, and gives guest a receipt
 - Brings the car from the parking lot whenever the guest needs it
 - Seen in upscale hotels **OR** where parking is a problem
 - May be contracted out to a specialized parking company
 - Fees charged for this service provide revenues to the hotel to cover cost of parking lot and insurance
 - Valet is compensated largely with tips
 - The Doorperson
 - Seen in luxury properties
 - Opens the door, helps guest unload baggage from car, hails taxi for the guest, gives directions, etc.

The Arriving Guest

- Guest Registration
 - Two types of guests
 - With prior reservation
 - Without prior reservation
 - Handling guests with reservation
 - Register the guest and assign a room if available
 - Even if reservation is not found, assign room if available
 - No need to tell guests that we cannot find their reservations
 - If sold out, then “walk” the guest
 - Handling guests without reservations
 - Get details of room requirements – dates, room type, etc.
 - Assign room if available for **duration of stay**, decline if not

The Arriving Guest

■ Guest Registration

■ Walk-in Guests

- Come to the hotel needing a room without a reservation

■ Registered, Not Assigned (RNA)

- Arrivals for whom we have a vacated room, but that room is not ready **yet** (Room is known as “on change”)
 - Happens when hotel is very busy with many conventions
 - Guest is assigned a **specific** room and may be allowed to bill charges to **that** room
 - May be assigned another room temporarily if guest insists

■ Early check-In Policies

- Check-in time is 1.00 PM but guest arrives at 7.00 AM
 - Room is given, but guest is charged for “previous day”
 - Not a good idea to charge – Hotel wins **today**, but....
 - Better to build goodwill by permitting early check-in
 - Hotel wins by clearing the check-in rush early

The Arriving Guest

- **Waiting Lines**
 - **Long Lines Equal Poor Service**
 - People have less patience today in the “instant” society
 - If made to wait, guests assume hotel is incompetent
 - **Principles of Waiting**
 - **Unoccupied time goes slower than occupied time**
 - Give guests something to do/look at while waiting
 - Disney has clowns and jugglers to entertain people in line
 - **Unknown wait goes slower than known wait**
 - Keep guests informed of approximate wait time
 - Signs can be posted at the end of the line with wait-time
 - When on hold, the message says: “Wait time is approximately 15 minutes, please call in the evening for faster service”
 - **Avoidable wait is more frustrating than unavoidable wait**
 - Tell guests how they can help to reduce waiting
 - “Have your reservation slip and credit card ready,” etc.

The Arriving Guest

- Creative Solutions to Long Lines
 - Have a single long winding line (Snake)
 - There is a constant forward movement
 - Guest is not forced to guess which line will move faster
 - Have separate lines for separate categories
 - FGP member line, Convention Guest line, etc.
 - Enables VIPs/CIPs to be processed quickly
 - Allows dealing with complications separately
 - Allow some (special) people to jump to head of line
 - Airlines call out for passengers who are late to go ahead
 - Use technology to speed up line
 - Operators with special devices check-in people at the back of the line
 - Give discounts to delayed guests
 - Free drink if you wait for more than 10 minutes for check-in

Registration

- Self-Check-in Kiosks (Exhibit 8-7, pg. 297)
 - An ATM type machine that allows the guest to
 - register, assigns a room, verifies credit, issues a key, activates services, prints directions, issues coupons, permits check-out, prints out receipts, etc.
 - Saves labor costs
 - May enable guest to use credit card as a key, saving key costs
 - Reduces wait time at front desk
 - Permits very late arrivals when difficult to staff desk
 - More hotels are using this
 - Airlines are using this with e-check-in on a routine basis
 - These machines are expected to get more sophisticated and perform a lot of functions

Registration

- The Registration Card (Exhibit 8-8, pg. 299)
 - Card asking for details of the guest along with a signature to establish a contractual relationship
 - In some countries a copy of card is provided to police department, so passport and other details are asked
 - Details needed
 - Number in the party
 - Name/s
 - Address
 - Room Number
 - Date of Departure
 - May be asked to initial to reduce overstay/understay problems
 - Discounts or Corporate Affiliations

Registration

- The Registration Card (Continued)
 - Clerk Identification
 - The FO clerk who checked-in the guest has to initial the card to fix responsibility and trace errors
 - Computer systems do this automatically as part of clerk sign-in
 - Folio Numbering
 - Each guest account is assigned a unique folio number for identification and control purposes
 - Used to have sequentially numbered forms earlier
 - Now computer generates unique number, so less of an issue
 - Points of Agreement
 - To avoid disputes Guests may be asked to initial the registration card
 - Disclaimer of Innkeeper Liability
 - Registration card gives limits of liability to protect hotel

Assignment

- The Registration Card (Continued)
 - No-smoking rooms
 - Ask guest to initial the card for non-smoking room
 - Alert guests to charges for smoking – up to \$200!!
 - Catering to Pets
 - This is the choice of the hotel
 - Good idea to require the pet to be registered in case of disputes
 - Exhibit 8-14, pg. 307
 - Green Hotels
 - The hotel's environmental conservation programs are sometimes mentioned on the registration card
 - Profitable in two ways from a marketing standpoint as well as a cost-savings one

Room Assignment

- The Room Selection Process
 - Blocking/Pre-assigning Rooms
 - Not needed **if** all rooms are identical
 - Rarely the case
 - Ensures that special requests will be accommodated
 - VIPs, Handicapped access, non-smoking, etc.
 - Enables faster check-in by avoiding confusion
 - Clearly identifies tight or over-booked positions
 - Pre-assignments need to be changed with changes, cancellations, etc.

Room Assignment

- The Room Selection Process (Continued)
 - Assigning Rooms
 - **Property Management System Algorithms**
 - Computer program to match reservations with rooms on a priority basis
 - Management can change priority issues
 - Examples – To rotate rooms, to fill a building, save energy
 - **Upgrading**
 - Giving the guest a better room at a lower price
 - Ex: Giving the guest a luxury suite for the price of a single room
 - Used to avoid “walking” the guest
 - To please VIPs/CIPs, FGP members, etc.
 - **Up selling**
 - Persuading a guest to take a better room at a higher rate
 - Ex: “Sir, for \$10 more, you can have a suite with a Jacuzzi!”
 - Hotels may give incentives to FO staff for this
 - Revenues can be increased substantially if up selling is routine

Room Assignment

- Establishing Guest Credit
 - First priority is to establish identity
 - Ask for photo ID for all-cash guests
 - Credit Cards
 - Credit verification less of an issue now with widespread use of credit cards
 - “Run” card on arrival to verify validity
 - Back-Office Records
 - Need to record FGP information
 - Travel agency information for commission purposes

Room Assignment

■ Assigning Rooms (Continued)

■ **Did Not Stay (DNS)**

- A guest who registers but does not stay
 - Could be due to dissatisfaction or an incident in the hotel
 - Could also be due to personal issues not related to hotel
 - Maybe the guest wants to move to main convention hotel from overflow hotel
 - Call the convention hotel and check first

■ **Cash Only guests**

- Guests pays room rent in cash, in advance, and is required to pay cash for all other transactions
 - It is legal to collect cash in advance for the room
 - However, less common these days with credit cards
 - Problem of other departments extending credit anyway
 - Need to collect the money on the same day

■ **Special Attention required for VIP Guests/Star Guest/Distinguished Guests(DGs)/SPATT Guest**

Rooming the Guest

■ Uniformed Service

- Valet Parking, doorpersons, concierges, hotel security, and bell staff
 - Have maximum guest contact
 - Have first and last guest contact
 - To many guests, they are the “hotel”
 - Have opportunity to sell hotel services
- Guest Communication
 - Encourage staff to communicate with guest – eye-contact, greeting
 - Many guests return to hotel because of relationships with staff
- Uniformed Services Training
 - Bad employees or disgruntled ones can also spoil image of hotel
 - Difficult to supervise interaction as they are out-of-sight
 - Mystery Shopper service can be used to evaluate uniformed staff

Rooming the Guest

■ The Bell Staff

- Reduced role of this department due to improved telecommunication technology and vending machines for ice, drinks, etc.
- Rotation of Fronts
 - Bell staff makes money through tips
 - They are rotated so each one has a chance to get a tip
 - First in line is called “front,” becomes “last” after returning from tippable job.
 - Bell Captain keeps written track of this and time out too for control and security purposes

Rooming the Guest

- The Bell Staff
 - Responsibilities of the Bell Staff
 - Depends on the hotel – may be a “gofer” for all things
 - Luggage Duties – Gets luggage from car to FO desk, after registration takes luggage to room, may unpack for guest
 - Reverse process on check-out
 - Final Inspection Duties – Checks room, shows how things work, suggests hotel services, leaves room
 - Group Luggage Handling
 - Groups are pre-registered using the rooming list
 - Bell staff unloads baggage from bus and takes it to rooms from the rooming list, using pre-numbered stickers
 - Process is reversed on check-out
 - Tips are fixed in advance per person for each group

Rooming the Guest

- Rooming Slips (Exhibit 8-18, pg. 316)
 - A slip given to guests to verify name, room number, and rate – corresponding to information on the registration card
 - Contents of the rooming slip – varies a lot
 - **Identification** – Card to show guest is registered, room number, arrival/departure dates, etc.
 - Information about hotel services
 - **Marketing** – Sells hotel services, other hotels in chain
 - **Regulations** – Dress code, pets, gratuity rates, etc.
 - **Instructional** – Safety, security, operation of in-room facilities, etc.

Objectives of Chapter 8

- An understanding of the check-in process
- Working of a self-check-in terminal
- Understand the role of employees in the overall arrival and check-in process
- Understand the check-in process at full-service and limited-service hotels
- Understand terms used in the arrival process
- Understand the role of the registration card
- Gain an awareness of queuing/line management
- Understand the duties of the bell staff in the arrival and rooming process

Chapter 10: Billing the Guest Folio

**PowerPoints developed by
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**Associate Professor, Hospitality Management
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Objectives of Chapter 10

- Viewing a guest as an account receivable
- Understanding terms/jargons used for accounting practices at the front desk
- Understanding front-office accounting procedures
- An appreciation of the role and systems of communication in account management
- Understanding the role of the Front Office as the centralized hub of guest accounts

Accounts Receivable

■ Account Receivable

- A customer who owes a business for services that have not been paid
 - The bill containing the account of a guest is a “**folio**”
- Hotels have two types of customers
 - **Transient guests** – Those currently registered and occupying rooms
 - The guest in Room #314
 - **City Guests** – Persons or organizations that owe the hotel but are not currently staying at the hotel
 - VISA, AMEX, Corporation ABC

Accounts Receivable

- Types of Accounts Receivable
 - The Ledger – an accounting concept – that visualizes a set of accounts
 - **The Transient Ledger, Front Office Ledger, Guest Ledger, or Rooms Ledger**
 - Where the folios of the current registered guests are kept
 - It is maintained at the Front Desk
 - Charges are “posted” continually, as incurred by guests
 - Bill is presented to the guest on departure
 - **The City Ledger**
 - Where the folios of non-registered guests/organizations are
 - It is maintained in the Accounting Office
 - Charges are posted periodically and bill is presented for payment periodically
 - What is and is not accounted for
 - When guests pay cash directly, no “accounts receivable” is created

Accounts Receivable

- Folio, Bill, Guest Bill, Guest Account, or Visitors Account
 - **The individual account receivable**
 - Location and filing of folios
 - Kept at the FO in paper form in manual systems
 - Exhibit 10-2, pg. 380, 381
 - Kept in computer system and printed on demand at the FO in a computerized system
 - Exhibit 10-1, pg. 378
 - Number of folios
 - One per room is most common
 - One per guest, when rooms are shared
 - One per many rooms, if one guest is paying

Accounts Receivable

■ Master Accounts

- Used for single-entity groups for common charges, not billable to individuals
 - A convention asks individuals to pay for their rooms, but the organization pays for meals, cocktail parties, etc.
 - **Split billing**
 - The distribution of charges between a **Master Account/Folio (A Folio)** and a guests personal folio (**B Folio**)
 - **Casino Comps**
 - Posted to A Folio, personal items posted to B Folio
 - **Preferred-guest Programs**
 - Room rate to A Folio, personal items posted to B Folio

Accounts Receivable

- Understanding Charges and Credits
 - Charges/Debits - Charges incurred by the guest that increase the amount owed
 - Guest eats a meal in the restaurant and signs the bill, so the guest now owes that much more money to the hotel
 - Guest's account is 'debited' by \$15 for the meal
 - Credits - Payments made by the guest that reduce the amount owed
 - When guest checks-out, guest pays the whole bill of \$325 in cash, so guest's account is "credited" by \$325

Accounts Receivable

- Understanding Charges and Credits
 - Assets - Something a business owns
 - Cash, accounts receivable
 - Incomes - increases are made with credits
 - Sale of room, food, beverages
 - Decreases in income are made with debits
 - Liabilities - Something a business owes
 - Accounts payable
 - Salaries to be paid at the end of the month
 - Equality of debits and credits
 - The main principle of dual-entry bookkeeping is that every debit should be matched with an equal dollar amount credit

Posting to Accounts Receivable

- Overview of the Billing Procedure
 - Preparation of the Folio
 - The folio is created when the guest arrives and registers; may be pre-printed if computerized
 - Exhibit 10-2, pgs. 380-381 (manual)
 - Exhibit 10-9, pg. 393; Exhibit 10-10, pg. 395 (electronic)
 - Paper and pencil folios are sequentially numbered for control purposes
 - All relevant information is on the folio
 - Filing the folio
 - Electronic folios are in computer memory and printed on demand
 - Manual folios are filed sequentially by room number at the FO in cashiers well or pit or bucket (Exhibit 10-3, pg. 382)
 - Presenting the bill
 - Credit is a privilege; hotelier has the right to demand pre-payment
 - Bills are normally presented on departure
 - Bills may be presented weekly, or when credit limit is reached

Posting to Accounts Receivable

- Overview of the billing procedure
 - Communications
 - Guests incur charges throughout the hotel
 - It is vital to get that charge information from the Point of Sale to the FO quickly and accurately
 - Before the age of electronics
 - Bellboys, runners, waiters used to physically carry **vouchers**
 - Vouchers delayed, lost, or misplaced in the process
 - Resulting problem of difficult to collect late charges
 - Pneumatic tubes used in larger properties to send vouchers
 - Just like drive-through banks
 - Need to prepare Department Control sheet at POS
 - Exhibit 10-7, pg. 391
 - With electronic systems
 - Point of Sale (POS) systems integrated into Property Management Systems (PMS) (Exhibit 10-8, pg. 392)
 - Instantaneous, automatic, and accurate posting of charges

Accounts Receivable

- Posting Debits (or charges) to Accounts Receivable
 - Understanding the Line of Posting
 - Reference Numbers – each department charge has a number
 - Getting the posting onto the folio
 - The Rooms Department
 - Normally, room rent is charged every night, by the night auditor, to each individual folio, **without** a supporting voucher
 - Done manually room folio-by-folio; it is tedious and error-prone
 - Done by the press of a button in an electronic system more accurately
 - Exceptions where this is not done overnight are
 - Day rates, late check-outs, early departures, paid-in-advance
 - Other Departments
 - Charges are posted as incurred in restaurants, bars, gift shop, etc.
 - Sales Taxes
 - The hotel collects the tax from the guest and remits it to the government
 - Though the hotel gets the money first, it is not income

Accounts Receivable

- Posting Settlements to Accounts Receivable
 - When guests make payments, their folio balance is **credited** and they owe the hotel less money
 - When guests pay in full, the credit balance on their folio equals the debit balance and their balance is zeroed
- Three means of setting accounts
 - **Cash:** (\$, other currency, personal/travelers checks)
 - **Credit:** Credit Cards, or transfer to City Ledger by signature to an authorized account
 - **Allowance:** Reduction in the guests bill

Accounts Receivable

■ Allowances

- Stores give you a partial or full refund (Credit), if you return your purchase, for an error, etc.
- Hotels give you an allowance for such issues
 - **Comp Allowances** - When the whole bill or some items are given free or “comped;” Example - High-roller in a casino
 - **Allowances for poor service** - Discount given for poor service, bad or delayed food/drinks, etc.
 - **Allowances to correct errors** - Mathematical errors, “I never made that call/saw that in-room movie,” etc.
 - **Extended-Stay allowance** - Discount given as a condition of extended stay; Full rate is charged and allowance given at end
- **Recording the allowance**
 - A supporting Allowance Voucher should be made, and approved by a manager (Exhibit 10-11, pg. 399). Daily allowance report needed

Accounts Receivable

■ Transfer

- An accounting technique that moves a figure from one folio/account to another
 - One account is credited (reduced), the other debited (increased) by the same amount
- Folio formats
 - Debits and credits may be indicated by "+" or "-" signs
 - Exhibit 10-13, pg. 404
 - "CR" used to designate credits
 - Exhibit 10-10, pg. 395
 - Separate columns used
 - Exhibit 10-12, pg. 402

Accounts Receivable - Transfers

■ Transfers

■ Transient Ledger to Transient Ledger

- When one guest folio balance is transferred to another
 - Guest A checks out from Room #314 and says Guest B in Room #324 will pay
 - Exhibit 10-2, pg. 380-381
 - Room #314 checks out; folio is paid by a transfer to the A folio of a Master Account

■ City Ledger to Transient Ledger Advance Deposits

- Credit balance of guest paying in advance is transferred from City Ledger to their guest folio on registration

Accounts Receivable - Transfer


- Transient Ledger to City Ledger: Credit Cards
 - Most common; used when guest pays by credit card
 - Folio balance of the guest is transferred to the folio of credit card company (AMEX, VISA, Discover, etc.) in the City Ledger
 - Exhibit 10-2, pg. 380-381
- Transient Ledger to City Ledger: Direct
 - When the folio balance of guest is transferred to an authorized individual/corporate/organizational account
 - Example: Guest folio amount is transferred to UNT account, as guest came on official visit invited by UNT
 - When a guest leaves without payment or is a “skipper”
 - Attempt should be made to trace skips and recover the amount
 - This is why we ask for ID and lots of info at registration
 - We can bill to credit card and say “Signature on file”
 - Ultimately transferred to a “bad debts” account

Objectives of Chapter 10

- Viewing a guest as an account receivable
- Understanding terms/jargons used for accounting practices at the front desk
- Understanding front-office accounting procedures
- An appreciation of the role and systems of communication in account management
- Understanding the role of the Front Office as the centralized hub of guest accounts

Computerized Guest Bill (Folio)

(Exhibit 10-1, pg. 378)



NAME: Iona Carr
ADDRESS: S.N. Eaky Rd.
Mousie, KY 40288

1000 NOAH VAIL
ROTTEN PUMPKIN POND
MASSACHUSETTS 01266
1-800-555-5555

RES# 43 BLG 1234 ACCT# 5941
IN 11-02- OUT 11-04-
RATE 100 ROOM 444

DATE	DESCRIPTION	REFERENCE	CHARGES	CREDITS	BALANCE
			100.00		100.00
11/02/	ROOM	444 18-1			105.50
11/02/	ROOM TAX	444 18-2	5.50		119.48
11/03/	COFFEE SHOP	444 38-1	13.98		130.58
11/03/	TELEPHONE	444 43-2	11.10		159.18
11/03/	FAX	444 43-3	6.00		159.18
11/03/	LOUNGE	444 26-2	22.60		-0-
11/04/	DISB#111111	444 50-4		159.18	

.... If you were a Vallen Associate Member,
you would have earned 320 Club Membership points.

TRANSFER TO CITY LEDGER
I AGREE THAT MY LIABILITY FOR THIS BILL IS NOT
WAIVED, AND AGREE TO BE PERSONALLY LIABLE IF
THE INDICATED PERSON, ASSOCIATION, OR COMPANY
FAILS TO PAY ANY PART OF THESE CHARGES.

SIGNATURE

For Reservations: 1-617-555-5555 • Fax: 1-617-555-5554 • E-mail: vallen@hotel.com

Manual Folio (Exhibit 10-2, pgs. 380-381)

ROOM NO. <u>409</u>		E69080	
<i>m</i> <u>M/M Art E. Fiskal</u> <u>86 Bates Boulevard</u> <u>Hitchcock, Texas 01020</u>			
ARRIVED 12/23/	RATE 78	PERSONS 2	COT N/A
REG. CARD # 69080		PREV. INV. # N/A	
CLERK SB			

DATE	12/23/	12/24/							
BROUGHT FORWARD		99 24							
ROOM	78 -								
TAX	6 24								
RESTAURANT	15 -								
"									
TELEPHONE-LOCAL									
-LONG DISTANCE									
TELEGRAMS									
LAUNDRY & VALET									
CASH ADVANCES									
"									
NEWSPAPERS									
TRANSFERS From 407 #69081		84 24							
TOTAL DEBIT	99 24	183 48							
CASH									
ALLOWANCES									
CITY LEDGER									
ADVANCE DEPOSITS									
CREDIT CARDS		183 48							
TRANSFERS									
BALANCE FORWARD	99 24	0							

ALL ACCOUNTS ARE DUE WHEN RENDERED

Computerized Folio (Exhibit 10-5, pg. 385)

Hilton
Resort

Daytona Beach

2637 S. Atlantic Avenue
Daytona Beach, Florida 32118
904-767-7350

Name: VALLEN, JEROME MR.

Address: SECOND AVE
DAYTONA BEACH, FL 32115
DABHHHFXOCT22AGNR BEL

DB
In Out Folio
10/25-10/28 12977

Rate 59.00 PAGE 1 A

Room 621

TRAVEL AGENCY DEAC01

Date	Description	ID	Ref. No.	Charges	Credits	Balance
10/25/	ISLANDER 01	XAQ	419354	9.00		
10/25/	VID-COM	XAQ	E3	8.43		
10/25/	VID-COM	XAQ	E5	8.43		
10/25/	ROOM	XAP	621	59.00		
10/26/	201-595-7796	XAQ	18:18	3.36		
10/26/	VID-COM	XAQ	E5	8.43		
10/26/	ROOM	XAP	621	59.00		
10/26/	ISLANDER 01	XAQ	419995	19.62		
10/27/	ROOM	XAP	621	59.00		
10/27/	SUNROOM CAFE 01	XAQ	814544	7.31		
10/28/	DIRECT BILL	BEL			241.58	
10/28/	C/O TIME 08:16	BEL		.00		
10/28/	DIRECT BILL	BEL			241.58	
10/28/	ADJUST MOVIE	BEL			8.43	
10/28/	ADJUST PHONE	BEL			3.36	
10/28/	DIRECT BILL	BEL			229.79	.00

Checked In 07:16 pm TDO
CR: OT: AB: RN HH:

Checked Out 08:16 am BEL
AL: A#

Guest: Jerome Vallen

Firm: _____ Address: _____

City: _____ State: _____ Zip: _____

Rates do not include applicable sales, occupancy or other taxes.

Transfer to credit ledger

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Guest Signature _____

Check-In Check-Out: Managing Hotel
Operations, 8th Edition; Gary Vallen, Jerome
Vallen

Department Control Sheet (Exhibit 10-7, pg. 391)

_____ DEPARTMENT CONTROL SHEET

NAME _____

VOUCHER NO.	ROOM NO.	GUEST NAME	AMOUNT	MEMO
11370	409	Fisher	\$ 15	

KAYDO NCR FORM NO. 11B

THIS REPORT MUST BE SENT TO NIGHT AUDITOR BY 12 O'CLOCK EACH NIGHT.

Allowance Voucher (Exhibit 10-11, pg. 399)

REBATE CREDIT
Allowance Voucher

Date July 6 12501

Name Jones L. K. Room 1617

Explanation		
<u>Laundry lost tie</u>	<u>23</u>	<u>50</u>

GUEST SIGNATURE L.K. Jones Cashier ABC

Kirco NCR Form 120 O.K. BY h Manager

Chapter 11: Credit and the City Ledger

**PowerPoints developed by
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Objectives of Chapter 11

- Understanding the role of credit in business
- Understanding credit card systems
- Understanding the role of management in formulating and implementing credit policies and procedures
- Understanding terms and jargon pertinent to credit issues

The City Ledger

■ Credit Cards

- Brief history of credit cards
 - Started in the USA in 1915
 - Became big in 1950 with the founding of Diners Club
 - American Express (AMEX) founded in 1958
 - BankAmericard in 1960, becoming VISA later
 - MasterCard in 1970
 - Hotel chains started issuing their own credit cards, but dropped the idea later with increasing acceptance of general cards

The City Ledger

- Brief History of credit cards (continued)
 - Partners with lodging
 - Four major cards (Visa, MasterCard, AmEx, and Discover)
 - Each major card supports a different need
 - Visa's contribution is a national educational program concentrating on reservations and no-shows
 - MasterCard supports the Education Institute of the American Hotel & Lodging Association (AH&LA)
 - MasterCard's major trust is developing service skills at the front desk
 - American Express partners with the AH&LA in legislative affairs and contributes regularly to the American Hotel Foundation
 - Discover Card's national contribution is unclear, but it is forming strong single-company relationships
 - All credit-card companies participate in the lodging industry's regional and national meetings

The City Ledger

- Credit Cards
 - Kinds of credit cards
 - Bank Cards
 - Issued by banks, VISA & MasterCard
 - Customers get credit and can pay in monthly installments with interest
 - Banks make money from annual fees, merchant fees, interest
 - Customers get convenience, “float” and flexibility in spending
 - Travel and Entertainment Cards (T & Es)
 - Issued by AMEX, Diners Club with strict credit checks
 - No credit, bill is to be paid in full each month
 - AMEX makes money by card fees and merchant fees (both high)
 - Some merchants do not accept AMEX as a result
 - Private Label Cards
 - Gas company, department stores, etc. issuing their own cards
 - Due to limited use, they are slowly disappearing
 - Co-branded or Affinity Cards
 - VISA or MasterCard affiliated to an organization like UNT
 - A small percentage of the fees go to the organization

The City Ledger

■ Credit Cards

■ How the system works

- Customers get convenience, float, credit, security
- Merchants get additional business, less cash handling costs and headaches
- Banks get annual fees and interest from customers, and fees from merchants (1% to 5%)

■ Other Cards

■ Debit Cards

- Transfer funds instantly from customers bank account
 - No float for customer, less fees for merchants

■ Smart Cards

- Credit cards with memory chips that can store other information
 - ID, medical info, insurance info, etc.
 - Slowly becoming more popular

The City Ledger

- Other City Ledger Categories
 - Master Accounts
 - Accumulate charges for groups
 - Four common errors that irritate meeting planners
 - Split billing
 - Unauthorized signatures
 - The sequence of posting
 - Comp rooms
 - Groups, Packages, and Company Sponsored Functions
 - Split folios
 - Major items such as VIP rooms and group meals are posted to the A folio, the master account, for which the entity pays
 - Personal incidentals are charged to B folios and paid as the individual guests check-out

The City Ledger

- Other City Ledger Categories
 - Individual City-Ledger Receivables
 - Travel Agencies
 - A travel agency can become an account receivable in the city ledger when guest pays the first night's room charge with the travel agency's coupon
 - Miscellaneous Charge Order (MCO)
 - A standardized voucher issued by an airline, authorizing the holder to utilize hotel services
 - Hotel collects the MCO from the guests and bills the airlines
 - Banquet Charges
 - An open account created by a catered party in the hotel; with open credit, guest pays after the fact
 - Credit Cards are increasingly replacing this
 - Late Charges
 - Charges that appear on the folio after the guest has checked out
 - May be "written off" as un-collectible if amount is too small to pursue

The City Ledger

- Individual City-Ledger Receivables (continued)
 - Delinquent Accounts
 - Accounts that have not been paid in a long time
 - May be transferred to “Bad Debts” account and “written off” if found to be uncollectible
 - Executive Accounts
 - Personal account of Managers in the hotel
 - May receive discounts for hotel services
 - Need to distinguish personal and official entertainment
 - Due Bills or Trade Advertising Contracts or Trade-outs or Reciprocal Trade Agreements
 - Hotels trade their room nights for other services like newspaper or TV advertising
 - The voucher issued by the hotel is often traded like real money!
 - The guests presents the Due Bill on check-in for payment

Managing Credit

- Cost-Benefit Decision
 - If you do not extend credit you will certainly have no losses due to “bad debts,” skippers, etc.
 - However, you will also miss out on good business that was turned or scared away by your rigid credit policies
- Components of Credit Management
 - Having reasonable credit policies that balance business needs with financial risks
 - Training FO staff in credit policies and procedures
 - Continually monitoring credit standing of all accounts
 - Following up promptly on accounts due to the hotel

Managing Credit

- The Management Function
 - Extending Credit
 - Less of an issue with growing use of credit cards
 - Shift risk to credit card company
 - Worth credit card fees to reduce credit losses
 - Ask guests without credit cards or “suspicious” guests to pay cash in advance
 - Managing the Specifics
 - Chargebacks
 - When the credit card company refuses to pay the bill
 - The guest refuses to pay (no-show fees, etc.)
 - The hotel did not follow card company procedures
 - Minimizing Chargebacks
 - Communicating charges/fees clearly to the guest
 - Avoiding late charges by better training and good systems
 - Training employees in following correct procedures

Managing Credit

- The Management Function (continued)
 - Monitoring Credit
 - Watching the credit limit or floor limit for the premises
 - The floor limit is the maximum credit that the hotel can extend to any one guest without getting prior approval from the credit-card company
 - Monitoring the ceiling of the guest's own credit line
 - Examining questionable folios in detail
 - Watching for the telltale signs of skippers

Managing Credit

- The Management Function (continued)
 - Collecting Receivables
 - Billing promptly and following up persistently reduces bad debts
 - Chance of getting payment reduces dramatically with time
 - Exhibit 11-12, pg. 442
 - Investment in Electronics
 - Moving to paperless Electronic Draft Capture (EDT) systems
 - Credit cards reduce need for paper trail by transferring data with a swipe
 - Transaction information is transferred electronically to the front office billing system, the city ledger, the guest, and the credit card company
 - Credit card company transfers funds electronically to the hotel (EFT)
 - Reduces errors, reduces recovery time, and reduces expenses. Its worth the costs!

Managing Credit

- Travel Agency Records
 - Why it does not always work
 - Many travel-agencies world-wide
 - Hotels can not recognize all of them or extend credit to all
 - Problems of delayed and non-paid commissions
 - Guest pays agent; agent issues voucher; hotel accepts voucher; hotel bills travel agent
 - Less delays and problems in system if travel agent pre-pays hotel
 - Increasing use of pre-loaded credit cards used by travel agents for international travelers
 - Increasing use of electronic commission processing services to reduce expenses and delays for all

Objectives of Chapter 11

- Understanding the role of credit in business
- Understanding credit card systems
- Understanding the role of management in formulating and implementing credit policies and procedures
- Understanding terms and jargon pertinent to credit issues

Chapter 13: The Night Audit

**PowerPoints developed by
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Objectives of Chapter 13

- Understanding the role of the night audit for
 - Summarizing the day's accounting activities
 - Providing reports for management
 - Providing data for permanent entry into accounting books
- Understanding terms/jargon used in night audit
- Understanding the Housekeeper's Report and its relationship with the night audit
- Understanding the differences between a manual audit and a computerized audit

The Audit and the Auditor

■ The Night Auditor

■ Work Shift

- Graveyard Shift: 11/12 midnight to 7/8 AM
- Required to remain until job is completed
- Relieves the Swing Shift and is relieved by the Day Shift

■ General Duties

- Night Audit plus all Night Manager Duties in smaller hotels
 - Security, FO, HK, Maintenance, etc.
- Restricted to auditing duties only in larger hotels
 - FO staff and others handle night operations

The Audit and the Auditor

- The Audit
 - Reconciling Accounts Receivable
 - All businesses need to reconcile accounts periodically
 - Hotels need to do it daily, as it may be too late otherwise
 - The Closeout Hour
 - Hotels never close, so we have to pick a time to “close”
 - “Closing” means one day’s accounts are closed and the next day’s accounts begin
 - Most hotels chose midnight to “close”
 - Can be done later, if F & B outlets are open later
 - Later closing puts pressure on night auditors, but it accounts better for sales of outlets for the day

The Audit and the Auditor

■ Posting Room Charges

■ Posting Room Charges Manually

- Each folio has to be taken out of the “pit” and room and tax charges entered manually, room by room
- The day’s charges are totaled, and brought forward to get a cumulative running total
- Manual System Errors
 - Manual system is prone to handwriting, entry, copying, and totaling errors

■ Posting Room Charges Electronically

- Room and tax for all rooms is posted at the press of one button instantaneously
- Totals are updated automatically, and a summary made
- No math or entry errors

■ Room Charges Not Posted By the Auditor

- Day rate, use rate, part day rate guests
- Extra room charge for late check outs

Reconciling Using a Property Management System

■ Verifying Basic Data

■ Closing Routine

- The press of one button does all steps of the manual night audit
- Need to tally department totals with FO totals only if POS systems are not interfaced with PMS system
- Reports and print-outs of folios generated automatically

■ Express Check-out

- Printed folio is put under guest room door late at night and amount is charged to credit card, guest comes to FO for check-out only if there is a problem
- Similar procedure can be done with in-room TV
- If guest needs a copy of bill, it can be mailed

■ PMS Posting Errors

- Errors still possible in PMS
 - Mostly entry errors of cashiers
 - System reduces errors by rejecting wrong entries
 - Can be systematic errors due to bugs in the system

Reconciling Using a Property Management System

■ Reports form the Night Audit

■ Turnkey Systems

- A standardized system installed by a vendor that the user simply “turns the key” to start
 - (as opposed to designing a system from scratch)
- Main Benefits
 - Hardware and software work together
 - System is consistent across chain

■ Kinds of Reports

- Exception Reports
 - Highlights only exceptions from the norm
 - Lists only those over credit limit as opposed to credit status of each guest
- Downtime Reports
 - Print outs of core information in case of system breakdown
- Credit Reports
 - Credit status of problem guests

Reconciling Using a Property Management System

- Reports from the Night Audit
 - Kinds of Reports
 - Reservation Reports
 - Report of rooms sold, un-sold, sold-by, demanded, refused, walked, projected occupancy, etc.
 - Rooms Management Reports
 - List of guests, rates, convention member, VIP, etc.
 - Room Status Reports
 - List of occupied, vacant, OOO, OOI rooms, etc.
 - Accounts Receivable Reports
 - Lists details of City Ledger, credit card transactions, departmental totals, etc.

Reconciling Using a Property Management System

- Report to the Manager
 - A report of the key issues of the previous day
 - Exhibit 13-10, pg. 526
 - Room Count, House Count, Room Income
 - These are reported daily and accounted for
 - Room Statistics
 - Rooms sold, ADR, Occupancy %, Comps, RevPar are reported daily
- Summary
 - PMS allows night audit to be a real management tool, rather than an accounting procedure to catch mistakes quickly

Reconciling Using a Hand Audit

■ The Audit

- Reconciling Revenues Before PMS
- The role of the audit is to prove that each folio is accurate and that each guest is billed correctly
- The Hand Transcript
 - Separates charges of individual folios by department
 - Exhibit 13-12, pg. 525
 - Rule: Department totals must match totals on folios
 - Each row represents a guest folio
 - Each column represents a department/account
 - Each row total = totals of an individual guest
 - Each Column total = totals of a department
- Department totals must equal control sheets of department
- Finally, row totals must equal column totals

Reconciling Using a Hand Audit

- Proving Charges with Hand Audit
 - Department totals must agree with department reports
 - There are no supporting vouchers for rooms, so rooms must agree with room rack report or Room Count Sheet
 - Exhibit 13-12, pg. 527
- The Housekeepers Daily Report
 - A report on actual status of each room made by HK
 - Exhibit 13-16, pg. 530
 - Evening report must match Room Count Sheet of FO

Reconciling Using a Hand Audit

- Balancing the Transcript's Mathematics
 - **Step 1:** Post room and tax to each folio
 - **Step 2:** Total each folio and carry forward balance to next day
 - **Step 3:** Copy each folio to transcript
 - **Step 4:** "Prove" each department total against department report/control sheet/cashiers report, etc.
 - **Step 5:** Verify today's Opening Balance against yesterday's Closing Balance
 - **Step 6:** Verify row totals of all charges against total charges and department totals
 - **Step 7:** Verify the three credits - Cash, Allowances and Transfers, against FO cashiers sheets
 - **Step 8:** Balance entire transcript by tallying row and column totals
 - **Step 9:** Opening Balance + Charges - Payments = Closing Balance - **Verify This!**
 - **Trace errors and make corrections at each step to tally**

Objectives of Chapter 13

- Understanding the role of the night audit for
 - Summarizing the day's accounting activities
 - Providing reports for management
 - Providing data for permanent entry into accounting books
- Understanding terms/jargon used in night audit
- Understanding the Housekeeper's Report and its relationship with the night audit
- Understanding the differences between a manual audit and a computerized audit

SUMMARY

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1. THE FRONT OFFICE IN THE ACCOMODATION AND FOOD & BEVERAGE SECTORS

1.1 DEFINITION OF THE FRONT OFFICE

It is the service place where guests arriving to the accommodation business are welcomed, accommodation records are obtained, reservations are taken, accounts and records are kept, consultancy services are provided and cooperation with other departments is ensured and thus, it can be considered as the heart of the facility.

It also implies an activity zone, covering all services offered to the guest during his/her stay in the accommodation, from arrival to departure.

1.2 PHYSICAL LOCATION OF THE FRONT OFFICE

- The front office should dominate entrance of the building and the lobby.
- It should be positioned so as to control entries and exits.
- It should be located so as to see the elevators and stairs.

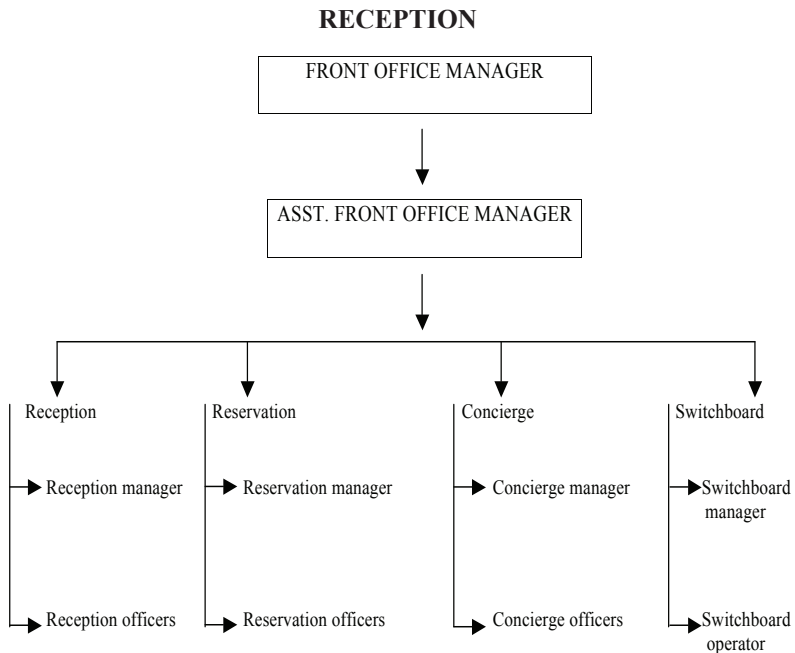
1.3 AIM OF THE FRONT OFFICE

- Performs room sales in coherence with the policy of the concerned business,
- Keeps records and accounts of guests in a regular and systematic manner,
- Performs sales of other revenue -generating departments of the business,
- Endeavours to offer good quality services,
- Takes all complaints and proposals into consideration,
- Performs all services concerning information, communication and messages in a substantial manner.

1.4 IMPORTANCE OF THE FRONT OFFICE

- The front office is the section where all guests are welcomed and bid farewell.
- The department ensures that politeness and good quality service results in more loyal customers.
- The increase in room sales also increases sales of other departments.

2. SECTIONS OF THE FRONT OFFICE ORGANIZATIONAL CHART OF THE FRONT OFFICE



This department operates for offering quality services concerning information, assistance and orientation during the accommodation in the concerned facility where all necessary operations related with C/in, c/out and accounts are carried out.

The reception deals with following operations:

- Welcomes and bids farewell to guests in a friendly manner
- Makes room sales
- Keeps quest records and accounts
- Enables communication and exchange of messages
- Takes guest complaints into consideration

2.1 RESERVATION

It is the unit which sells rooms to the guests prior to their arrival and gives necessary information about the facility, available rooms and prices.

2.2 CONCIERGE

It is the support unit providing services directly or based on instructions taken from reception during the accommodation of the guests.

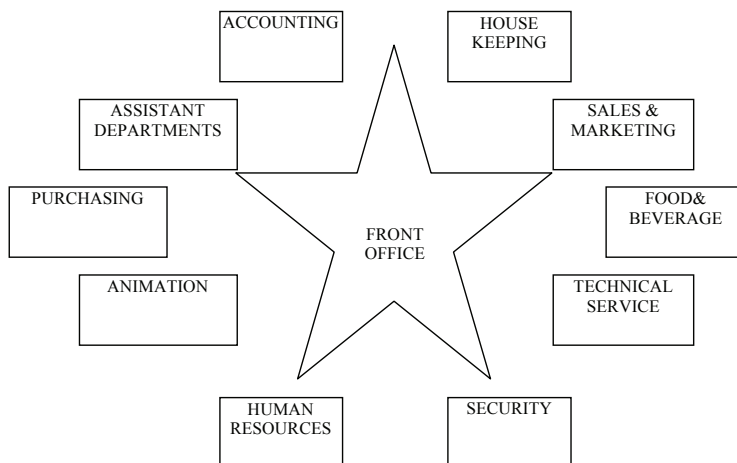
Concierge department is the unit which:

- Welcomes the guests,
- Arranges luggage in a regular order,
- Directs the luggage to rooms,
- Offers information services
- Takes care of guests' vehicles

2.3 SWITCHBOARD

It is the unit providing communication, telecommunication and routing services for guests and the staff.

3. RELATIONS OF THE FRONT OFFICE WITH OTHER DEPARTMENTS



3.1 FRONT OFFICE - ACCOUNTING

- 1- The front office should transmit the reports concerning guest accounts to the accounting department , on a daily basis
- 2- The accounts of credit invoices together with all supplementary documents should be sent to the accounting department.
- 2-All daily proceeds and expenses should be delivered to the accounting department on a daily basis.
- 3- Front office and accounting department should cooperate for the collection of credit accounts.
- 4- Front office should cooperate with the accounting department on the rate of foreign exchange sales.

3.2 FRONT OFFICE - HOUSEKEEPING

Compared to other departments, front office has the most comprehensive cooperation with the housekeeping department.

- 1- H/K (Housekeeping) should clean the rooms and inform it to the front office in report format (twice a day)
- 2- Front Office should inform H/K about c/out status of all the rooms
- 3- Front office should prepare the report concerning the occupied rooms and

forward it to the H/K on a daily basis.

4- If there is any incompatibility between the H/K report and Room Rack, an “incompatibility report” is prepared and sent to the H/K for re-inspection.

5- Guest requests related to additional bed or baby bed should be communicated immediately to the H/K.

6- “Room Change Form” should be issued and sent to the H/K when the guest room is changed

7- Communication should be established with H/K department for some items to be put in the guest room (Flowers, VIP equipment etc.).

8- Laundry folios of the guests should be forwarded to the cashbox.

9- The F/O should send 3-day forecasts to the H/K

10- The memorandums of arriving groups should be sent to the H/K.

3.3 FRONT OFFICE-TECHNICAL SERVICE

1- All complaints received from guests about defects and malfunctions should be immediately communicated to the Technical Service.

2- The Technical Service should immediately inform the Front Office about malfunctions occurred in the facility

3.4 FRONT OFFICE-FOOD AND BEVERAGE DEPARTMENT

1- The Front Office should forward the group memorandums to the Food and Beverage Service department in a timely manner.

2- Breakfast and meal time of groups should be communicated to the Front office in a timely manner.

3- The Food and Beverage department should communicate information about wedding ceremonies, cocktails and seminars to the Front Office in a timely manner.

4- The Food and Beverage department should forward extra folios of the guests for this department to the cashbox.

5- The group rooming lists should be sent by the Front Office to the Food and Beverage department.

3.5 FRONT OFFICE-PURCHASE DEPARTMENT

The “Stock Request Form” should be filled in and sent to the storage depot to supply some documents and writing materials needed by the Front Office and the guests.

3.6 FRONT OFFICE-PERSONNEL DIRECTORATE

- 1- All works concerning health cares, leaves and social rights of Front Office staff should be carried out by the Personnel Directorate
- 2- The Front Office should regularly send weekly schedule to the Personnel Directorate.

3.7 FRONT OFFICE-SECURITY

- 1- The information about individual or individuals causing disorder in the facility should be sent to the Security department
- 2- The Security department should be in constant contact with the Front Office.

3.8 FRONT OFFICE-SALES AND MARKETING

- 1- The Front Office should forward the inquiry forms to Sales and Marketing Department.
- 2- The Front Office and Sales-Marketing department should cooperate and exchange information during all agreements and negotiations.

3.9 FRONT OFFICE-ASSISTANT DEPARTMENTS

The assistant departments cover servicing units in the facility such as physician, nurse, sauna, swimming pool etc.

- 1-Opening and closing time tables of assistant services should be known.
- 2-Extra folios of the guest for this department should be sent to the cashbox
- 3-The information whether individuals requesting service from those departments are staying guests should be asked to the Front Office.
- 4-The Front office should immediately inform the facility doctor if a guest gets sick.
- 5-The doctor and the nurse should always inform the Front Office about their location.

4. PERSONAL HYGIENE AND APPERANCE

The personal hygiene means personal health and cleanliness. The personal hygiene is much more important for the Front office personnel who are constantly in face-to-face communication with guests.

The human body carries millions of bacteria. Bacteria are living organisms causing putrefaction, fermentation and diseases. Regular cleaning is the only means to get rid of or prevent growth of bacteria.

4.1 THE NAILS SHOULD BE CLEAN AND IN GOOD SHAPE

- Clip your nails regularly and in good shape
- Clean nail interspaces using nail brush.
- Do not bite your nails.

4.2 MALE PERSONNEL SHOULD BE CLEAN SHAVED

- Change your razor often,
- Clean your electrical razor after every use,
- Keep your beard and moustache well- cared.

4.3 TEETH SHOULD BE BRUSHED REGULARLY

- Brush your teeth after every meal,
- Have your dental problems treated,
- Seek treatment regarding bad-smelling breath ,
- Renew your tooth-brush often,
- Apply good brushing techniques,
- Use dental-floss,
- Brush your teeth, palate and tongue.

4.4 DEODORANT SHOULD BE USED

- Deodorants contribute to the prevention of sweat and bad bodily odor.
- Avoid excessive use of make-up, perfume, lotion, cologne or shaving lotion.

4.5 YOUR PHYSICAL APPEARANCE IS OF IMPORTANCE FOR CREATING AN IMPRESSION OF PROFESSIONALISM

- Clothes and uniforms should be clean and ironed.
- Clothes and uniforms should not have tears or wears.
- Spare clothes and uniforms should be available.

- The nametag and the emblems should be worn on the left side of the chest.
- A clean sock should be worn on daily basis.
- Fungal problems, excessive sweat and odors should be cured.
- Comfortable shoes with short heels should be worn.
- Shoes should always be clean and polished.
- Make-up should not be excessive.
- Jewelry should not be used, other than marriage ring, watch and ear rings, which are in harmony with the uniform.
- Care should be shown for hair and cleanliness.
- Take shower twice a day.

5. FRONT OFFICE EMPLOYEES

The personnel having tourism awareness do have great share in the success of the facility. Key to the successful management in the field of accommodation business is related not only with facility, location and comfort, but it is also related to quality of the personnel. If employees do not have necessary qualifications and professional knowledge, then the facility will be a defective accommodation enterprise. The accommodation business is an important business that requires special knowledge and skills in conformity with requirements of the modern life.

5.1 QUALIFICATIONS OF FRONT OFFICE PERSONNEL

- Genial
- Polite and cordial
- Calm and indulgent
- Loyal to the job
- Helpful
- Have good memory
- A good listener
- Follows the corporate policy
- Works in team spirit
- Have skills and knowledge
- Disciplined and honest
- Able to make decisions quickly
- Speaks well
- Hardworking
- Vigilant and attentive to the details
- Pays attention to personal hygiene
- Pragmatic
- Has sense of responsibility
- Open to innovation
- Has a good sense of time management

Qualifications of the Front Office employee are explained below using a different model. Each word forming the model in question indicates the most important qualities of the employee.

R ELIABLE
E XPERIENCED
C APABLE
E NTHUSIASTIC
P ROFESSIONAL
T ACTFUL
I NTELLIGENT
O RGANISED
N EAT
I NTERESTING
S OPHISTICATED
T ALENTED

6. RELATIONS WITH GUEST

WHO IS THE GUEST?

GUEST IS THE MOST IMPORTANT PERSON IN THE ACCOMODATION INDUSTRY.

- The guest is not dependent on us
We are dependent on him/her.
- The guest is not an obstacle in our work.
The guest is the aim of our work
- The guest is not an outsider to our work.
The guest is a part of our work.
- We are not showing grace when we provide service.
The guest is showing grace by allowing us to provide him/her with our services
- The guest is a person having requests, needs and expectations
Our work is the satisfaction of the guest.
- The guest has feelings and senses.
The guest is not a statistical figure.
- The guest deserves the most professional service we can provide.

BENEFITS OF REGARDING THE GUEST

IN PART OF GUEST

Happy and amusing memories
Sense of being an individual
Fulfillment of expectations, needs, requests and even more.
Feeling important in the eyes of the establishment
Feeling of getting money's worth

IN PART OF FACILITY

Sufficient guest satisfaction
Loyal and retained guests
Advertisement through word of mouth
Increase in sales
Ability to compete with other establishments

IN PART OF EMPLOYEE

Ability to pay attention to guests

Self esteem

Occupational safety

Work satisfaction

6.1 RULES TO BE TAKEN INTO CONSIDERATION FOR RELATIONS WITH GUESTS

- 1- The officer greeting the guest should have clean and tidy appearance
- 2- The guest should be greeted with smile and in a polite manner.
- 3- The guest should be attended without delay.
- 4- Front office employee should not reflect any discontentment about the work to the guest but the pride in his/her work.
- 5- Requests and problems of the guest should be sufficiently attended, guests should not be interrupted and a visual contact should be maintained while listening.
- 6- It is necessary to address the guest with his/her name and to give the feeling that he/she is important.
- 7- Room number of the guest should not be mentioned out loud and confidentiality should be protected.

- 8- Requirements of the guests should be personally attended, necessary advice should be provided and the guests should not be disregarded.
- 9- It is necessary to behave politely and formally while trying to ensure guests' comfort and to be at arm's length with the guest. Over-familiarity with guests should be avoided.
- 10- Insisting guests to have extra services even though they appear unwilling should be strictly avoided.
- 11- When the suggestions are made for the guest, he/she should not his/her freedom of choice is compromised.
- 12- A professional skill should be observed in order not to disoblige other guests while showing special attention to a VIP guest.

ATTENTION!!!
THE FOLLOWING IS A LIST OF NEGATIVE BEHAVIORS THAT PERSONNEL SHOULD AVOID

- o Resting hands on / behind belts,
- o Showing excessive interest or care,
- o Touching head and/or face without a reason,
- o Folding arms,
- o Putting hands in the pocket,
- o Putting hands in the mouth,
- o Scratching the chin,
- o Answering with head motions,
- o Shrugging the shoulders,
- o Playing with the pen,

Every employee working in the service sector is required to conduct “Good Human Relations”. Here, the aim is to host the guests expecting kindness, geniality, and quality service in the best possible manner and make them feel in peace, safe and happy during their accommodation in the facility.

12 KEYS FOR A GOOD SERVICE

SMILING: Smiling will not only help employee to feel good, but it will also have positive effect on other people.

LISTENING: It refers to listening to requests or remarks of the guest in a careful manner. Listening well will assist employee to find solutions and save time.

POSITIVE MANNER: It is necessary to remember that each employee is a part of the whole; negative manner of an individual may have adverse effect on the integrity of the whole. The positive behaviour is the first step to find solutions for problems.

SHARP APPEARANCE: Stand upright and pay attention to the clothes and to the appearance.

ESTABLISHING EYE CONTACT: While speaking to the guest it is necessary to care for establishing eye contact in order to prevent him from losing his attention. The eye contact is the half of the communication.

ADDRESSING GUESTS WITH THEIR NAMES: Making the guest feel personally regarded will provide positive impression about the enterprise.

REQUESTING HELP FROM THE FRONT OFFICE MANAGER: If the front officer cannot resolve a problem of the guest, help should be asked from the Chief of Front Office.

WHEN THE OFFICER IS BUSY AND THE GUEST IS WAITING : The

officer should persuade that he will pay attention to him as soon as possible.

WHEN THE GUEST HAS A COMPLAINT: First, he/she should be thanked for communicating an important point and if the problem cannot be resolved, chief of the department should be immediately contacted.

AVOIDING BLAMING EMPLOYEES OR ANOTHER DEPARTMENT: It ensures a successful and efficient working environment. The cooperation should be carried out with other departments and their employees to perform the work correctly.

COLLABORATION WITH COLLEAGUES: It is necessary for a successful and productive work environment. It is beneficial for guests as well as employees.

WHEN IT IS NOT POSSIBLE TO MEET THE REQUESTS OF THE GUEST: Other alternatives should be considered. It must not be forgotten that every employee is also a sales officer.

6.2 RULES TO BE TAKEN INTO CONSIDERATION ABOUT COMPLAINTS OF GUESTS

- ~ Greet the guest, paying adequate attention
- ~ Be quiet
 - Never argue with the guest nor get angry.
 - Do not try to find excuses
 - Do not take the complaint personally
 - Be patient
- ~ Apply skills of active listening
 - Have eye contact with the guest
 - Listen to the guest without interruption
 - Establish empathy with the guest
- ~ Define the main points of the complaint
 - Ask questions to clarify the issue
 - Note the details
 - Repeat the main points
- ~ Apologize
- ~ Explain the guest what can be done for the issue
 - Do not promise what cannot be done
 - Do not avoid responsibility
- ~ If possible, involve the guest in the solution by making suggestions
- ~ Check whether the problem is resolved and inform the guest.

While dealing with complaints of guests, avoid following expressions,

- ~ No! Never! Absolutely not!
- ~ You know it wrong!
- ~ You are mistaken
- ~ You are wrong!

7. RESERVATION OFFICER

TASKS

- 1- Responds, in due time, to reservation requests and carries out the correspondence related to the department,
- 2- Receives room reservation, organizes reservation forms and performs necessary correspondence,
- 3- Carries out all filing operations related to reservation regularly ,
- 4- Follows all forms, concerning confirmation and cancellation of reservations in a careful manner
- 5- Helps the front office manager to issue memorandums prior to arrival of groups to the facility,
- 6- Prepares yearly, monthly, weekly and 3-day 'forecasts' and sends them to the concerning department,
- 7- Prepares statistical reports related to reservations.
- 8- Ensures highest level of room sales
- 9- Provides the communication between the facility and sale offices.
- 10- Ensures work office is orderly.
- 11- Acts in a kind and respectful manner towards guests and colleagues and cooperates with them.
- 12- Carries out the tasks in accordance with work and quality policies of the enterprise.
- 13- Participates in trainings and departmental meetings.
- 14- Participates in sales activities of the enterprise, ensures highest level of sales, has up-to-date information about the status of rooms and services
- 15- Has knowledge about the enterprise and its environment.
- 16- Carries out duties assigned by the management of the facility in case of health problems, security issues and fire.
- 17- Has good communication skills

8. TYPES OF ROOMS

The rooms are classified according to the bed characteristics and physical structure in the accommodation facilities. Room names are generally known in English terms.

8.1. ROOM TYPES ACCORDING TO THE BED CHARACTERISTICS

SINGLE ROOM	Room having a single bed for one guest
DOUBLE ROOM	Room having a double bed for two guests
TWIN ROOM	Room having two separate single beds
TRIPLE ROOM	Room having three separate single beds or one single bed and one double bed
QUAD ROOM	Rooms having beds for 4 guests. Rooms with four beds including two single and one double bed or two separate double beds are referred as double double room.

8.2. ROOM TYPES ACCORDING TO PHYSICAL STRUCTURE

CONNECTING ROOM It refers to two neighboring rooms with a connecting door between them. It is possible to combine them by opening the connecting door, when necessary. They can be used as two separate rooms by closing the connecting door. Connecting doors are double-sided and there is sound-proof insulation between them.

ADJOINING ROOM These rooms are also neighboring rooms, but there are no connecting doors in between.

SUITE ROOM It refers to the guest room with a bedroom and a living room, which are furnished in a more luxurious and comfortable way. These rooms take different names according to their sizes. Junior Suite Room is a relatively small suite room and there is a screen between bedroom and the living room. Presidential Suite Room includes an extra furnished bedroom, a large living room, a bar and a kitchen. It is also known as Royal room.

STUDIO ROOM It indicates that the room furnished as a working office. It is preferred that the room is furnished with furniture such as armchair and couch, which may be converted into a bed, in order to be utilized as a bedroom when required.

APART ROOM It is a room with fully equipped kitchen.

HANDICAP ROOM This room is designed specially for handicapped guests.

9. RESERVATION PROCEDURES ACCORDING TO ARRIVAL MODE

9.1 INFORMATION

There are some important points to take into consideration during the reservation procedure for both in part of the possible guest requesting reservation and in part of reservation officer or accommodation officer. Of those points, some concern the facility and others are related to the guest.

9.1.1 INFORMATION REQUIRED TO BE RECEIVED FROM THE GUEST

- Arrival date
- Guest's full name and surname
- Address
- Phone number
- Name, surname, phone number of the person requesting reservation
- Information related to the company or travel agency.
- Departure date
- Type of room requested

9.1.2 INFORMATION REQUIRED TO BE PROVIDED BY THE FACILITY

- Properties of the room type to be given
- Type of the accommodation, price and services included in the price
- Name of the officer who received the reservation request
- Reservation number
- Reservation date.
- Information related to advance payment to be effectuated by the guest for confirming the reservation

The requests can be written or verbal even though the reservation systems may vary among facilities

9.2 VERBAL RESERVATIONS

Here, a dialogue between the guest and the officer receiving the reservation request is the case.

It is very important to use communication, listening and note taking techniques for this kind of reservation. The verbal reservations can be carried out by phone or face-to-face.

9.2.1 RECEIVING RESERVATION BY PHONE

When on the phone

When on the phone, it is necessary to begin with sentences such as “good morning / good day / good evening” based on the time of the day and the name should be stated if deemed necessary by the management

Listen to the reservation request with attention

It is also necessary to listen to the addressed person with attention when receiving reservation request.

Information about the date of reservation requested

First, it is necessary to ask the question concerning the date of reservation in order to understand whether there will be available rooms in the accommodation facility at the specified date.

Verifying the availability of room at the date of reservation requested

Verification is done through checking with the reservation chart or the computer software on the utilized reservation system.

If a room is available, information is requested to fill the reservation form.

The reservation forms may vary. However, the information included on the form is almost always the same.

Filling reservation forms

It is necessary to carefully fill the reservation form.

Confirming information related to the reservation by means of repeating

There can be some misunderstanding during the communication. All information should be repeated in order to avoid such an error. The reservation approval should be communicated to concerning person after necessary conditions are met. In the front office, the word “confirmation” or “verification” can be used interchangeably to mean “approval”.

If there are no available rooms, the situation is kindly communicated to the guest.

Appreciation is stated for the interest shown in the facility

9.2.2 PERSONAL APPLICATIONS FOR RESERVATION

Some people can personally come to the facility in order to make reservation for themselves or for other guests. In such a case, it is necessary to pay attention to the following points.

- The guest should be carefully greeted
- The reservation request should be carefully noted
- It is necessary to answer question(s), if there are any
- It is important to verify whether the requested date is available.
- The reservation form should be filled in completely
- The information should be repeated to the guest
- Advance payment should be collected to accept the reservation

9.3 WRITTEN RESERVATIONS

Means of written reservation change parallel to the advancements in communication technologies. A substantial part of reservation procedures are performed using computers in large scale accommodation facilities. Currently, reservation operations are carried out through internet and network connections.

The written reservation can be carried out via following tools:

- Fax
- Computer
- Internet
- Central reservation system

9.3.1 RESERVATION REQUEST RECEIVED WITH FAX

As a rule, reservation requests received via fax should be responded within 24 hours. Reservation fax should be first read by the front office manager and the following information should be checked:

- Reservation arrival date
- C/in and c/out dates
- Room type and quantity
- Special requests
- Price

The reservation officer should verify the occupation rate according to the forecasts, after all above mentioned issues are clarified. The following operations should be carried out if there are rooms available.

- If there is missing information in the original reservation request, it is requested

- The fax is sent to indicate that the reservation request has been accepted.
- The approval of the client is asked via fax
- The reservation form is filled based on the message received and the fax is attached to the reservation form.
- If the reservation requested is not available, the reservation officer should inform the client within 24 hours via fax.

9.3.2 RESERVATION REQUEST RECEIVED FROM INTERNET

Several accommodation facilities have web pages as a requirement of the advancements in information technologies. The companies and the guests can make reservation requests via the web site of the accommodation facility. This method is largely used, because the reservation process carried out through Internet is cheap and practical.

9.3.3 RESERVATION REQUEST RECEIVED FROM CENTRAL RESERVATION SYSTEM

The accommodation facilities have the possibility to access into the international markets through a network connected to the international reservation system. Developed countries of Europe and America have created the the Central Reservation system.

Each accommodation enterprise working in cooperation with the Central Reservation system present all information indicating room types and characteristics, room prices and other services through a data base management system and these data are used by the Centre.

Any individual or a corporate from any country connected to this system can carry out reservation process for an accommodation facility in a country connected to the same system. The advance payment can be asked in case of reservation confirmation. Time can be saved by benefiting from other services offered by the system.

10. RECEPTION OFFICER

10.1 TASKS

- Greets the guests,
 - Works so as to increase room sales and to satisfy guests,
 - Informs the chief of front office about arrival of important guests as well as the undesirable guests,
 - Makes necessary room changes upon request by the guest, if the guest is not satisfied with the room or if there is a defect in the room that cannot be immediately repaired,
 - Carries out sales of all services that are offered by the facility,
 - Cooperates with the housekeeping staff, checks daily reports of housekeeping, determines inconsistencies and informs the housekeeper and the accounting service thereof,
 - Carries out departure operations for the guest when cashbox officer is absent.
 - Informs the guests about the facility and surrounding environment,
 - Deals with messages sent by/to guests, and ensures messages are received by the guest in a timely manner,
 - Follows payments of extras for credit rooms and groups,
 - Keeps walk-in, early check-out and extension lists and forwards these lists to reservation office for necessary procedures,
- Moreover, cancelled or non-actualized reservations are followed and they are informed to the reservation officer,
- Takes wake-up service orders from guests and communicates them to the central operator,
 - Takes the necessary measures whenever extraordinary events occur in the facility (fire, death, accident etc.) and informs the management without delay.
 - Keeps guest registries without any error.

11. ROOM SALES TECHNIQUES

11.1 FIVE BASIC STEPS USED IN ROOM SALES

- INTERACTION WITH GUESTS AND EVENTS
- PRESENTATION OF SERVICES
- PRICING OF THE SERVICES
- DEMONSTRATION OF GUEST ROOMS
- CONCLUSION OF ROOM SALES

11.1.1 INTERACTION WITH GUESTS AND EVENTS

As it is the case for all sales, the officer should initially market his good manner and approach. This process occurs within several seconds after guest is met. The first impression on the guest will be very effective and it will always be remembered by the guest.

The interaction should begin with a polite smile and a helpful manner. This smile will make the guest feel close to the officer. As long as a friendly attitude is followed, accommodation facility in question will be appreciated more, relative to other facilities nearby.

Greetings should be sincere, tone of the voice should be finely adjusted, officer should be calm and self-esteeming while saying “Welcome” or “Good day”. Inappropriate behaviors should be strictly avoided.

11.1.2 PRESENTATION OF SERVICES

The officer of the front office should bear in mind that intangible elements such as comfort, service, usability, environment, peacefulness, atmosphere and personality are in fact a part of sales in order to carry out an efficient presentation. Tools used by front office employees are words. Pronunciation of words is also very important for the effective presentation.

11.1.3 SERVICE PRICING

The guest should be given opportunity to talk about the type and price of the room he wants. It is important to indicate that value of the room is superior to its price. The value is a relative notion and it may vary among people. However, measures of the price level desired by the seller and the level desired to be purchased by the buyer are harmonized within the concept of price.

After type of room and number of guests are learnt, following procedure will

vary based on mood and status of the guest. A room type should be proposed according to the impression obtained from the guest if the guest does not give necessary information about the room type and price. It is necessary to explain all features of the room and the service offered in exchange of the price paid by the guest.

For example, one can say that the room is cool and spacious in hot days, balcony will let the air in if there is one; the room will be quite warm in a cold day or the corner room on the 4th floor is very calm and without noise, if the guest wants such a room.

If there is not a definite idea about the guest or in case of doubt, it will be necessary to propose a room with medium price. The proposal should be changed if the guest presents a negative reaction. The words and impressions of the guest should be observed. The intelligent sellers know that the buyer can present false reasons to appear unsatisfied. These arguments should be accepted without trying to score higher points. It is necessary to appear on the side of the guest. Efforts should be made to conclude the sales before suggesting another room with a lower price. However, if another room is suggested, it will not pose a value to solely express price of the room. The value of the room will increase or decrease based on what is said by the front office employee besides the room price.

Negotiation should be avoided, if the guest does not want to stay at the facility, he should be thanked for his interest. It is necessary to express that the facility will be happy to see him again later.

11.1.4 DEMONSTRATION OF GUEST ROOMS

The images of the rooms in the brochures on the reception desk can be shown during room sales. The guest can visit the room with the front office staff or the bell boy, if he wants.

While accompanying the guest, employee should act as the host and he should walk in front of the guest, keeping his distance at a desirable level. He should open the door slowly and wait to allow guests to enter the room before properties of the room are explained. For example, the following expressions can be said: Bathroom is sufficiently large, there is always hot water and cable broadcasting is available etc.

11.1.5 CONCLUSION OF ROOM SALES

The best way to conclude the room sales is to offer to choose between two rooms. For example the following question can be useful: “Do you prefer to have a sea view or a forest view?”

It is necessary to ask for guest’s decision for concluding the sales and check-in operations should be carried out after his/hersales decision.

11.2 ROOM SALE TECHNIQUES

The task of the front office is to sell comfort and services so as to increase the enterprise sales and to satisfy the guests. Front Office officer uses following general techniques when they carry out sales operations;

All accommodation availabilities at the facility should be known.

All room types should be known in order to present room features correctly to the guests.

Unless asked, lowest price should not be disclosed.

The rooms with different prices should be proposed by indicating the advantages of a room, such as space, location and furniture etc.

It’s not the room’s price, but its value that should be sold.

The price should not be disclosed before accommodation availabilities and room feature are explained.

The room should be sold according to the needs of the guest.

Guests stay at accommodation facilities for different reasons. The officer of the front office should take these reasons for accommodation into consideration. They may accommodate in the facility for leisure, for business affairs or to attend a congress. Accordingly,

- Suite rooms should be reserved for those interested in suites, famous people or honeymoon couples
- The room with views is for those who come particularly to visit the city
- Businessmen and those who want to rest should be lead to quiet rooms.

Good relations should be maintained to avoid cancellation of a possible sale.

It is possible to sell the room even to the most undecided guest if good relations can be established.

Efforts should be constantly made for selling extra services

Guests who arrive at the facility before meal time can be informed about the restaurant and those who come at night can be informed about room services.

Other simple rules to follow for room sales

- * Reserving rooms starting from lower floors to upper floor will facilitate room service and work organization.
- * Suggesting many different rooms to the guest should be avoided; one or two alternatives at most should be offered,
- * Adjoining or connecting rooms can be suggested for large families
- * It should be taken into account that that older guests will not want climb up and down many stairs or walk too much for going to the restaurant, stairs, elevator or living room, or.

12. CHECK/IN AND CHECK/OUT PROCESSES

12.1 RULES TO BE OBSERVED BY THE FRONT OFFICE STAFF WHEN WELCOMING AND BIDDING FAREWELL OF THE GUESTS

~ Care should be taken for creating a good impression on guests during welcome:

- by smiling,
- by greeting the guest
- by facing the guest,
- by having eye contact,

~ It is necessary to speak in an understandable manner

- An understandable language
- Appropriate speed
- Regular and full sentences

~ It is necessary to work rapidly and efficiently while greeting and bidding farewell to guests

~ It is necessary to make best efforts to satisfy all the needs of the guest

~ It is important to make the guest feel that he/she is valued

~ Emotional state of the guest should be taken into account.

~ It should be kept in mind that the guests expect the best services the facility can offer.

~ Guests should be thanked and he should be made feel happiness due to accommodation in the facility via a sincere approach and later, the guest should be bid farewell in a kind manner.

12.2 GROUP CHECK/IN AND CHECK/OUT PROCEDURES PREPARATIONS PERFORMED PRIOR TO GROUP CHECK-IN

- Group check/in procedures can be performed at another place other than reception desk in order to facilitate the process.
- Final group name list sent by the agency should be taken into account when assigning rooms to groups.
- If possible, same type of room is reserved for each guest in the same group.
- Numbers of the assigned rooms should be written on the rooming list.
- Most up-to-date rooming list should be distributed to the concerning sections and departments
- A group envelop should be prepared for each member of the group.
- The list of groups to arrive the facility should be prepared on a daily basis and for 3-day periods.
- The list of groups to arrive should be distributed to the concerning department.

- The group memorandum should be issued 10 days or one week before group check-in according to the working method.
- The payment processes should be handled for the groups or agencies which make advance payment.

12.2.1 GROUP CHECK/IN PROCEDURES

- ~ The group members should be politely greeted.
- ~ It is necessary to compare the reservation list with the list given by the leader/guide of the group.
- ~ Corrections should be made, if there are any changes on the list.
- ~ A “welcome cocktail” should be given to the group, if it is planned.
- ~ Collective check/in procedure should be carried out and each member of the group should fill in a separate accommodation document
- ~ Room keys should be given to the guide of the group or put into group envelopes and the envelopes should be distributed.
- ~ All necessary registries should be carried out after obtaining information from the leader/guide of the group about wake-up, meal, breakfast, departure hours and other service requests.
- ~ Stickers should be attached on luggage of each group member by matching room numbers jointly with leader/guide of the group.
- ~ Luggage of each group member should be carried to the corresponding room.

12.2.2 GROUP CHECK-OUT PROCEDURES

- All information concerning group wake-up, departure and luggage delivery procedures should be obtained a day before check-out date.
- The check/out lists should be sent in a digital form to the housekeeping, concierge and mini bar at check/out day of the group.
- Reception and cashbox officer should stick the group check/out lists on the desk.
- The group should be awoken in due time and the bell boys should pick the luggage of the group.
- Items that need to be returned (room key, safe box key, if available) should be taken back from group guests visiting the desk.
- The guest should be oriented towards the cashbox for the payment extras.
- The concerning room should be highlighted with a marker.
- As the departure time comes, the guide of the group should be informed if all procedures are completed and the group should be politely bid farewell.

12.3 PERSONAL CHECK/IN AND CHECK/OUT PROCEDURES (C/IN, C/OUT)

12.3.1 CHECK/IN PROCEDURES

CHECK/IN PROCEDURES FOR THE GUEST WITH RESERVATION

- Daily reservation list is checked.
- Guest's name is found on the arrival list.
- The reserved room number is determined if the room is reserved.
- The room type is determined according to the guest's request if the room is not reserved.
- The room number is written on the reservation form.

12.3.2 CHECK/IN PROCEDURES FOR THE GUEST WITHOUT RESERVATION

- The availability of the rooms is checked..
- The information about the room requested by the guest is verified (Single, double, front side, number etc.)
- The guest without reservation is registered on the walk-in list.

12.3.3 CHECK/OUT PROCEDURES

- 1- Learn his name and room number by greeting the guest
 - In order to check folio and not to close account of wrong room.
- 2- Take the extract of extra folios and give a copy to the guest
 - In order to enable him verify the room bill.
- 3- Learn the means of payment
 - For determining type of invoice to be issued
- 4- Request the payment politely
 - For closing the account
 - For avoiding cash deficit in the account
 - For issuing the invoice
- 5- Issue the invoice
 - For documenting income registry of accounting department
- 6- Sign the invoice
 - For approving the payment.
- 7- Fold a copy of the invoice into three equal layers and give the copy in an

envelope to the guest (the other copy will be transferred to the accounting department at the end of the day shift)

- For a professional presentation

8- Kindly request the room key.

- For preventing guest's departure with the key
- For avoiding all material losses for the enterprise/officer
- For making it ready for next guest.

9- Bid farewell to the guest with a smile

- For enhancing the satisfaction of the guest
- For leaving a professional impression.

13. MORNING, EVENING AND NIGHT SHIFTS AT THE FRONT OFFICE

13.1 DAILY, WEEKLY AND MONTHLY PROCEDURES IN THE FRONT OFFICE

13.1.1 DAILY PROCEDURES CARRIED OUT IN THE FRONT OFFICE

- C/out procedures of guests who leave the facility in the morning are performed
- Waiting reservations are taken from the file and preliminary procedures are completed
- Key cards are prepared
- Key box is emptied following completion of check/out procedure
- Transfer of cash account to the accounting department
- Check/in procedures are performed and guest information is registered
- Daily newspapers are checked.
- Telephone communication forms are completed and distributed by bell boys.
- Reports are faxed to the headquarters in chain hotels
- Police report is sent
- Reports are confirmed and printed out
- Sales procedures are carried out by verbal or written response to requests received
- Approval of waiting reservations is done
- Daily cleaning of the front office is performed
- Room verification is done in collaboration with the housekeeper
- Access to the information about group check-in hours and informing the guide about meal
- Birthdays of the guests are followed
- Received Additional bills are registered
- File preparations are done for groups checked out and group registries are sent
- Reservation changes are made and name lists are prepared.

13.1.2 WEEKLY PROCEDURES CARRIED OUT AT THE FRONT OFFICE

- Waiting group reservations are verified and approved.
- Weekly group memorandums are prepared.
- Invoices are verified
- Folios are closed

13.1.3 MONTHLY PROCEDURES CARRIED OUT AT THE FRONT OFFICE

- Preparation of the monthly reports
- Preparation of monthly statistical reports at the end of each month

13.2 RECEPTION SHIFT CHANGE

The following operations are generally carried out during shift change at the front office:

- 1- Cash account transfer operation should be carried out.
- 2- Message registry book should be carefully kept and message information exchange procedure must be performed.
- 3- The next shift should be informed about incomplete procedures.
- 4- The necessary conditions should be provided for the shift change and the urgent operations should be finished before shift is changed.
- 5- The officer of the new shift should carry out the final checks for his/her shift.

13.2.1 MORNING SHIFT IN THE RECEPTION

The operations to be carried out by the morning shift - except for room sales - can be listed as follows:

- 1- Checking the physical appearance of the desk,
- 2- Cash account transfer
- 3- Registries in the message book are checked,
- 4- Reservations for daily check-in are verified,
- 5- Accommodation documents are checked and archived,
- 6- The check out list is organized,
- 7- A report indicating check-out status of rooms is issued,
- 8- Housekeeper's report is checked,
- 9- Check-out hours are monitored
- 10- Second housekeeping report is checked,
- 11- Room assignments are made,
- 12- Turn-over of the shift is carried out.

13.2.2 EVENING SHIFT IN THE RECEPTION

- Control of physical appearance prior to desk,
- Cash account transfer
- Registries in the message book are checked,
- Actualized or actualizing reservations during the shift and the room rack is

checked,

- Late check-out rooms are approved,
- Keys are checked,
- Memorandums are checked,
- Follow-up of the documents related to payment are done during check-in operation,
- Efforts are made to receive guests without previously approved reservation,
- Final checks are performed and the shift is delivered.

13.2.3 NIGHT SHIFT IN THE RECEPTION

- Control of physical appearance prior to desk,
- Cash account transfer
- Registries in the message book are checked,
- Procedures for waiting reservation are completed,
- End-of-day processes are completed,
- Keys are checked,
- Lists of check-in and check-out guests are completed
- Accommodation documents of reserved rooms are archived,
- Reservation forms and documents for next day are examined and put on the desk,
- Daily room report is prepared.
- Sending police report through the system.

14. FRONT ACCOUNTING OFFICER

TASKS:

- Holds all accounting records related to the front accounting,
- Makes necessary payments and money collections,
- Gets information on the unpaid expenses of guest by consulting other departments when the guest checks-out,
- Confirms guest's name, surname and room number when the guest checks-out,
- Accepts the checks approved by the facility management. Carries out foreign exchange processes based on daily exchange rate and issues a copy of the receipt to the guest,
- Gives deposit safe box, if requested,
- Keeps daily reports of his own department,
- Delivers the cash account to the next shift.,
- Carries out front accounting processes in accordance with corporate policy and keeps concerning registries,
- Delivers income of previous day with necessary documentation, to the main cashbox of the accounting department on a daily basis ,
- Performs necessary operations related to the expenses made by the guests by carefully examining receipts bearing signature of the guest
- Takes guest cards of checking-out guests and gives them to reception by indicating departure hour on the back of the card,
- The front accounting officer of next shift shall carry out account exchange process at the beginning of the shift by counting the cash account and filling in accounting delivery document,
- Keeps accounting records on a daily basis and retains necessary documents,
- Checks signatures of the guest on the bills received from sales points by comparing with guest acceptance cards,
- Advances, credits and cancellations pertaining to the guests are audited, if there are any, and necessary procedures are performed,
- Day turnover procedure is completed during night shift. Cash account is reconciled in harmony with the reception and daily reports required by accounting department are issued after cash balance is ensured.

15. FRONT ACCOUNTING PROCEDURES

15.1 CREDIT CARD PROCEDURES

INTERNATIONAL CREDIT CARDS AND TYPES OF CARDS

International credit cards are used as a way of payment. First, they were used in America and in time, they began to be used in other countries as well. Today, credit cards are used commonly as a means of payment. The reason for the widespread use is that they are recognized as a valid system alternative to cash.

Although there is a risk that the card may be used by others if it is lost or stolen, it is not very easy that these cards are used by unauthorized people due to password protection and identity query for security purposes.

Today, most frequently used credit cards are as follows:

- VISA CARD
- MASTER CARD
- AMERICAN EXPRESS

15.1.1 TWO METHODS ARE USED FOR CREDIT CARD PROCEDURES THESE METHODS ARE

- Imprinter system
- Provision device

Imprinter system

Imprinter is a device used to transmit the information about the credit card and the facility to the credit card slips. Today, it is no longer commonly used, but is used where there is no Pos machine or in case of Pos machine malfunction.

Provision device

Recently, it is the most commonly used device.

15.1.2 CONSIDERATIONS TO BE TAKEN INTO ACCOUNT BY FRONT OFFICE OFFICER ABOUT PAYMENTS MADE USING CREDIT CARD

- o Guest's credit card and identity card are kindly requested.
- o Information on the identity card of the guest is compared with information on

the credit card and thus, an audit is performed.

- o Expiration date of the credit card is checked.

- o Front office officer slips magnetic band/chip section of the card in the slot found on the machine and the amount required to be paid is entered to the machine.

- o The guest is asked to enter PIN code using keypad of the Pos machine

- o Two copies of payment slip are automatically printed out by the machine, if provision is obtained.

- o A copy is signed by the guest.

- o The other copy and the invoice are given to the guest in an envelope.

- o The guest is kindly bid farewell.

15.2 FOREIGN EXCHANGE PROCEDURES

15.2.1 FOREIGN CURRENCY PROCEDURES

Foreign exchange procedures are performed by front accounting officer in medium- and large-scale enterprises and by reception officer in small scale enterprises.

The most important aspect of foreign currency procedure is the ability to recognize counterfeit currency. Therefore, front accounting /reception officer should be very attentive about this issue.

15.2.2 CASH PAYMENTS

The cash payment is important from point of the view that level of the distrust between the guest and the facility is minimized, because, the cash payment is realized using legal money of the country, where the facility operates.

15.2.3 CONSIDERATIONS ABOUT CASH PAYMENTS

- 1- The bank notes should not be torn or worn.

- 2- The quality of bank note paper should be considered.

- 3- Bank note should be original in terms of colour and form

- 4- Bank notes should be passed through money checking machine, if possible.

During collection,

- The amount of the account should be checked.

- The received money should be counted and the amount should be verbally communicated to the guest.
- The money should be counted using a money counting machine, if possible, and it should be confirmed that money is counted correctly.

15.2.4 CONSIDERATIONS ABOUT PAYMENTS MADE USING FOREIGN CURRENCY

- Is the concerning foreign currency still in circulation? This is a crucial point, because countries may withdraw particular types of paper money from the circulation. For this purpose, foreign money introduction book issued by the Central Bank should be referred.
- It is necessary to know the exchange value of the foreign currency
- Foreign currency should be very carefully examined for preventing counterfeiting and even, it should be checked in a money checking machine.
- Buying and selling rate of the exchange and the commission fee of the facility should be clearly expressed and thus, any types of confusions are avoided
- “Currency exchange document” required to be filled in according to the concerning laws should be issued and a copy should be given to the guest.

15.3 TRAVELLER’S CHEQUE

The traveller’s cheque is an international payment means, with a written nominal value, which is alternative to the money and issued by banks, international travelling agencies or tour operators based on particular rules. Expenses paid using this cheque is accepted as paid in cash.

The guests request travellers cheques prior to the travel, by addressing bank or travel agency, and the nominal value can be expressed in type of the travel country or home country currency of the guest.

The value of the cheque is paid to the bank or guaranteed by the guest when the travel cheques are issued. In case of loss or theft, the value of the travel cheque is paid back to the guest within 24 hours, if the bank or the travel agency is informed. In this context, the travel cheques are safer than money against use by third persons

15.3.1 CONSIDERATIONS ABOUT PAYMENTS MADE USING TRAVEL CHEQUES

- The front office officer should check whether the cheque is accepted in the country where the facility operates
- It is necessary to verify whether the cheque is counterfeited or not

- Identity details of the guest should be checked
- Currency exchange document should be filled in for the traveller's cheque.
- It should be checked if commission fee collected is right.
- It is necessary to pay attention that the change is paid in Turkish liras when traveller's cheque is taken for payments,
- The signature on the cheque card and the travel cheque should be same.
- Expiration date of cheque card should be checked.
- The cheque card number should be written by the front accounting officer and signed by the guest.
- The guest should sign the second signature blank on the traveller's cheque.
- The passport number should be written on the back of the traveller's cheque,

15.4 EURO-CHECK

CONSIDERATIONS WHEN EURO-CHECK IS RECEIVED

The euro-check is a means of payment that has been developed to minimize risks of money payments and false traveller's cheques. The Euro-check is unique only to European countries.

No nominal value is written on the Euro-Check. A particular limit is assigned by the guest and it is necessary to submit identification card delivered by the same bank.

The holder of euro-check is also provided Euro-cheque card issued by the bank

The card contains followings:

- Term of Euro-cheque
- Name of the creditor bank
- Guest's name and signature
- Guest's card and account numbers

Points to take into consideration about Euro-Check acceptance:

- Expiration date of the Euro-check should be checked
- Conformity of signatures on the euro-check, euro-check card and name of the creditor bank and account number should be checked
- The Euro-check should be signed in presence of the officer
- The guest should write the date on the euro-cheque
- The guest should write the amount in figures and in letters.
- The guest should indicate the address of the payment order.
- The guest should write the Euro-card number on the back of the Euro-check
- The guest should sign the place reserved on the euro-check

Attention should be taken that validity date of the Euro-check is not expired.

16. CENTRAL OPERATOR

16.1 TASKS

- Answers the phone calls in a natural tone of voice.
- Expresses oneself appropriately.
- Knows emergency/important phone numbers.
- Has technical knowledge about central device.
- Has information about phone invoices and the concerning accounting records.
- Keeps all information obtained about guests confidential.
- Responds phone calls received by the facility and transmits them to the concerning offices/rooms.
- Prices all phone communications in conformity with the determined prices.
- Registers housecalls.
- Transmits the phone receipts to the front office accounting.
- Keeps information racks in the central up-to-date.
- Records wake-up requests and wakes up in due time.
- Calculates sum of phone call bills, compares the sum with grand total recorded in front office accounting and transmits the list to the concerned officer.
- Uses fax, when it is necessary.
- Receives messages sent to the guests, if required, and forwards them in due time.
- Carefully receives and records messages of the guests, who do not want to be disturbed, in order to forward later.
- Assigns another officer before leaving the central room.
- Has detailed information about the facility and its environment
- Keeps central room clean and tidy.
- Makes announcement, responds to radio messages.
- Determine malfunctions of devices-equipments at central room and reports them to the concerned sections.
- Provides stationery used at the office and follows up on stationery inventory.
- Knows procedures about VIP guests and connections of such guests are given priority.

16.2 COMMUNICATION THROUGH TELEPHONE LINES

CONSIDERATIONS ABOUT COMMUNICATION THROUGH TELEPHONE LINES

- It is necessary to answer phone calls in a rapid and understandable manner using a natural tone of voice
- When the phone is answered, first, the facility should be introduced. For example, one can say “Good evening, good day etc. Here is Hotel

How can I help you?” and take note of the answers.

- Courtesy rules should be adhered
- Use of technical words should be avoided
- Notes required during phone calls should be made available
- Use understandable sentences
- All messages and instructions should be carefully listened to and repeated so as to get a confirmation from the caller
- When phone call is required to be routed, the reason should be explained
- Have the technical knowledge related to phones used
- Conversation should be smoothly ended, the conversation should be briefly summarized and so as to get the confirmation of the caller

16.3 RECEIVING AND TRANSMITTING MESSAGES

Another service provided by the central is to receive, register and transmit messages coming for guests and staff. There may be guests who do not want to be disturbed during day time, and it may be possible that the guest could not be contacted, when the phone call is received. In those cases, messages for guest are written down carefully on the message form and forwarded later to the concerning guest.

16.4 RULES TO FOLLOW WHEN A MESSAGE IS RECEIVED

- It is necessary to avoid any distraction, while receiving the message
- It is necessary to take note of sender, receiver, the date and the hour of the message
- The message should be written completely and legibly on the message form
- The sender of the message should be asked to repeat the message
- The message should be forwarded to the addressee as soon as possible
- The messages and mails should be kept carefully

There needs to be a central delivery point so that the messages are forwarded to the guests as soon as possible. It is necessary to constitute a message delivery point at concierge section or in the key boxes at reception section.

The central operator should not disclose the room number of the guest to the calling person. The officer should determine the person with whom the calling person wants to talk, if the guest's room number is asked. This approach is very important for the safety of the guest. Therefore, each central operator should be trained on emergency conditions.

The management may make a decision that employees of the facility are banned to make phone calls throughout working hours. In such a case, the phone calls received for an employee should be carefully noted and forwarded to the concerning employee without delay.

17. CONCIERGE OFFICERS

The guests arriving at the accommodation facility are welcomed and bid farewell by the concierge officer.

17.1 BELL BOY

TASKS

- Carries luggage of the guest from the facility entrance to the reception desk and informs the concierge and the reception in case of a suspicious situation
- Takes luggage of the guest and the room keys from receptionist and carries the luggage to the room
- Gives technical information to the guest about the room, gives clear and short responses to the questions and leaves the room asking if the guest has any orders and instructions
- Forwards guest's requests and complaints to the concerning staff
- When necessary, informs the guest about the facility
- Helps the guest in case of room change
- Forwards the received messages and mails to the guest
- Handles order and tidiness of the lobby and surrounding places
- Brings stationery materials needed by the front office from the storage
- Has knowledge on security measures of the facility
- Takes luggage and carries them to reception when the guest checks-out, puts them in deposit room by filling in the deposit luggage card if it is requested
- Registers and follows up on deposit luggage
- Carries out other works instructed by the concierge or front office

17.2 DOORMAN

TASKS

- Cooperates with the security staff to prevent entrance of unrelated people
- Fulfills taxi requests of the guest
- Welcomes the guests coming with his vehicle
- Greets guests saying "good morning, good day, good evening, welcome, sir etc." depending on the time of the day
- Takes guest's luggage from his vehicle
- Delivers guest's luggage to the bellboy
- Ensures vehicle of the guest is parked

Referance:

Ministry of Culture and Tourism Publications: 3242

Directorate General of Research and Training Publications: 351

Guides, Handbooks, History Series: 11

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